

Award Restructuring, Workplace Reform and the Changing Nature of Australian Industrial Relations

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Abstract

This paper examines the changes taking place in Australian industrial relations. It takes as its starting point the policy objective of improving workplace productivity and examines the impact of reforms on this objective using Lewin's framework for the analysis of change and a mining operation as a case study. The paper suggests that the reforms are only facilitative and this exposes a reliance on management for the achievement of the policy objective. The dominance of managerial perspective changes the fundamental nature of the industrial relations system and raises several important policy considerations, in particular issues relating to the recognition of trade unions.

1. Introduction

The nature of industrial relations in Australia has undergone considerable change with the increasing focus on the enterprise as the point

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of determination of employment relations. Productivity and efficiency are the dominant objectives of macro- and micro-economic policy and the industrial relations system itself is in transition to accommodate these policy objectives (Fells, 1992; Ludeke, 1992). The issue of debate has been over the pace of change. Some argue that the pace of change is not fast enough, pointing to what *needs* to be achieved (see for example Hilmer, 1989 and the BCA, 1989) continuing to argue that improvements in the workplace have only been moderate (BCA, 1993). At the same time others contend that the system is changing, pointing to what *has* been achieved, for example the best practice guide of the Department of Industrial Relations (1992). Given the differing points of comparison, the debate can be expected to continue.

There are several key dimensions to this reform debate. One dimension has been to emphasise the need to establish an enterprise focus with a compatible reform of union structure, as in the BCA policy. Another is the question of whether employee representation in workplace negotiation should not necessarily be through a union, as in the Liberal Party *Jobsback!* policy and raised in the Prime Minister's speech initiating his own government's post-election policy review (Keating, 1993). A further dimension is the issue of agreements (whether they be individual or collective) being legally binding and implicit in this issue is that of how disputes should be resolved. Finally there is the question of the appropriateness of minimum employment standards, and if there are to be such standards, how they should be determined – by legislation or by arbitration? These different dimensions are not mutually exclusive and appear in a variety of specific reform packages ranging from an 'open slather' vision of a deregulated individualistic legal relationship between employer and employee to a 'flexible status quo' reform package which involves a focus on enterprise bargaining with a safety net of standard award wage increases.

Debate and policy formulation is one thing; workplace practice is another. This paper examines the impact of change processes on the workplace and on the individual worker's choice to work more productively. (The paper makes no judgment about the validity of productivity and efficiency as a goal in relation to other objectives such as equity; for a discussion of these aspects see Buchanan and

Callus, 1993). The method of analysis which will be employed is that suggested by Lewin (1947) and the impact of award restructuring on work at a mining company provides case study material.

The process of award restructuring was designed to stimulate a process of genuine reform, a process which is continuing within the framework of the Enterprise Bargaining Principle. It provided the opportunity for an examination of a wide range of issues ranging from career paths to consultation. Through award restructuring we should expect to find both management and unions developing new approaches, entering into cooperative relationships and negotiating over a wider range of issues (DIR, 1989; Plowman, 1990). The role of management is a central factor in any change process; award restructuring is no exception (Curtain et al, 1992; Rimmer and Verevis, 1990; Wooden and Sloan, 1990) and it presented management with a range of strategic choices ranging from cost minimisation to productivity enhancement (Curtain and Mathews, 1990). It is therefore appropriate to examine the actual impact of award restructuring on management.

The paper suggests that award restructuring has been facilitative rather than compelling in the pursuit of more productive workplaces and has, in fact, masked a more fundamental change which has been taking place in the nature of Australian industrial relations. The same observation applies to the current proposals for change, including those finding expression in the various reforms to State and Federal systems of industrial relations. It is suggested that the actual process of change is through management and that the workplace reform processes do not directly impact upon this management element. The industrial relations system is undergoing significant change in order to accommodate the managerial agenda and yet is becoming increasingly marginalised. In view of this, several policy questions need to be addressed about the future operation of the industrial relations system.

The Analytical Approach

Kurt Lewin was a foundation figure in the study of social and organisational psychology, much like John Dunlop in the study of industrial relations. It is appropriate to look towards this discipline given the changing agenda of industrial relations issues away from

'wages and strikes' into areas such as job design and training. Lewin was particularly concerned with the process of change and he argued that the first step toward change is to consider the totality of forces which contribute towards the present situation. Lewin's point is that without fully considering the present situation – in essence why the present situation exists rather than simply what is wrong with it – the particular factors which will bring about effective change will probably not be fully identified. He offered a diagnostic tool, force field analysis, through which a proper appraisal of a situation might be achieved (Lewin, 1947). Lewin and others used this approach to both analyse workplace situations and structure intervention processes to bring about change and the force field analysis is now a standard tool of organisational change consultants.

The idea of a force field stems from a belief that in any situation there would be some factors which would be working to bring about a result and others which would tend to be working against it. This is an idea which industrial relations practitioners should feel comfortable with, given the two-sided nature of the employment relationship (Fells, 1989). The net effect of the forces for and against in any situation would be the maintenance of the status quo, or what Lewin termed a 'quasi-equilibrium'. To change the situation, then either the forces *for* need to be strengthened or the forces *against* to be weakened (or a combination of both). Lewin also suggests that the process of change involves some form of unfreezing of the present position (perhaps through a 'crisis'), moving and then freezing in the new situation (which would be a new quasi-equilibrium). He suggested that the preferred method of change was to reduce the forces *against* rather than rely simply on increasing the pressures *for* and he strongly advocated the benefits of group decision making in this whole process.

The Workplace Focus and Productive Work

During the course of a normal working day a worker is continually faced with situations which require him or her to make decisions about work which, in effect, become decisions about how much work to actually do. (This approach draws upon the notion that the business of management is to extract the labour power or effort out of labour; see, for example, Thompson, 1983). An example of a

typical work situation from the iron ore industry will show the importance of the individual worker's decision. A driver of an ore truck may notice that one of the seals on the cab door has come loose. As a result, the air conditioner has to work harder to keep the temperature in the cabin down and it is possible that dust could get in the cab. The driver then has a range of options but we will examine the two extremes. The first is that the driver stops driving as soon as the fault is noticed and calls up the foreman who then has to find a fitter to go to the truck and get the seal fixed. On the other hand, the driver can keep driving, put up with the increasing heat and dust and only at the end of the shift drive the ore truck down to the maintenance depot to get it fixed during the shift change-over. We will suggest that any decisions on the part of the driver towards the first option are 'unproductive' and any decisions towards the second would be 'productive'. It is necessary to note that this adopts a *prima facie* management definition of what is productive. It may be that as a result of continuing to drive the truck the air conditioner finally breaks down completely or the driver gets so hot and stuffy that she or he does not drive as carefully as normal and perhaps has an accident. The example does, however, indicate the focus of attention, namely the decisions of the workers in their work context.

In addition to situations arising during the course of a working day, workers are also called upon to make other decisions which will also affect the amount of productive work which will be done. These include decisions to accept new operating procedures, new rosters, to embark on more training and so on. They may also be called upon to make these decisions in the context of a work group or union meeting where they are asked to vote on proposals for change. It is not only workers who have to make these sorts of decision. The notion of choice over productive work equally (and perhaps more importantly) applies to management. As an example, the supervisor may find that a work group is taking a bit longer for their smoko than provided for under the award and so is faced with the choice of taking some action to correct the situation (which would be termed productive work on the part of the foreman) or of letting it ride. In any organisation decisions are being made at all levels, some of which contribute towards the productive effort but some of which do not. Proposed reforms involving awards, union structures, the nature of

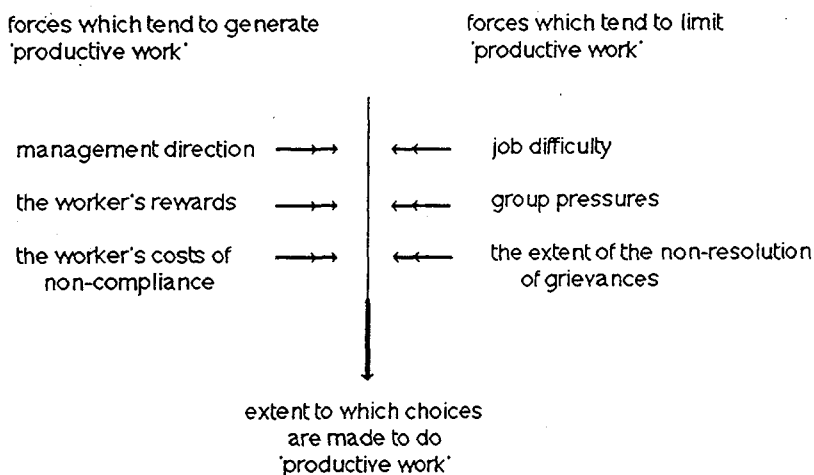
agreements and so on will have to impact on these decisions if they are to be effective in terms of the productivity and efficiency objectives.

2. A Force Field in Relation to Productive Work

The example of the truck driver shows that a worker has a variety of responses to any work situations but what determines whether that response will be one which leads to productive effort? The approach of a force field analysis suggests that there will be factors or forces at the workplace which generate productive work from a worker and forces which will tend to limit the amount of productive work which the worker is inclined to do. Most workers turn up to work with a basic propensity to do a full day's work; the issue of concern in the labour productivity debate is how to raise that propensity at the margin.

In any work situation there will be a range of forces impacting on a worker, some stronger than others. The net effect of the generating and limiting forces will be that a worker settles into an attitude and into a pattern of behaviour which results in doing a certain amount of productive work. The forces which generate productive work could be particularly strong and so the productive work of the worker is high; alternatively the impact of limiting forces may reduce the work effort below the full potential. In some workplaces (particularly where the group pressures were weak) some of the workers may respond more to the forces for while others are influenced to greater degree by the forces against and hence the productive work amongst the employees will vary. For as long as the factors remain unchanged, individuals or work groups (in fact, the whole organisation) could be viewed as being held in a quasi-equilibrium and the amount of productive effort would remain constant. In more managerial jargon this might be viewed in terms of being a stable climate or culture, but the notion of 'equilibrium' is useful in that it portrays the idea of balance without any implication of a super-ordinate goal. A suggested 'force field' in relation to the workplace and productive work is shown in Figure 1. It identifies specific factors which form the workplace environment of an individual which either generate or limit productive work.

Figure 1
Workplace factors as a force field



Generating forces

The task of management involves such activities as planning, directing, leading and controlling in order that work gets done to achieve organisational objectives (Stoner, Collins and Yetton, 1985). These activities create a major part of the context in which the worker works and can be viewed as forming social relations of production which exist in any workplace. Edwards (1979), for example, suggests that the social relations of production are structured around direction, evaluation and discipline (reward & punishment) and through these mechanisms the work actually gets done. These views of management indicate the nature of the factors which impact upon a worker in relation to generating productive work.

The first force or pressure which generates productive work is the direction which management gives. The extent to which management organises the work, sets the workers clearly defined tasks, trains them, plans the work process well and evaluates performance will provide the environment in which workers can and generally will work to their capability. In broad terms, it is an index of management's ability. The second force which influences work behaviour relates to rewards. The more the worker perceives that engaging in

productive work will bring reward, either financial or intrinsic, so will she or he do that work. The third force is similar and relates to costs. The more the worker perceives that a failure to do the required work will lead to some cost (for example, discipline or dismissal) the more disposed will she or he be to do the work. Virtually all of management's employee related strategies, such as establishing a corporate culture or developing an internal labour market, can be incorporated in these three broad headings of direction, reward and cost, when the strategy is considered from the worker's perspective.

Limiting forces

There are a wide range of factors which affect labour productivity but many are outside of the control of the individual worker, such as the state of the technology being used. However, from the worker's own perspective there are forces which will have an impact to limit his or her propensity to undertake productive work, two of which have been developed from Coch and French's (1948) early application of the force field approach.

One force arises out of the nature of the task in relation to the ability of the worker. It may be that the worker has not been properly trained, or perhaps has not been provided with the necessary equipment, or the work group may be understaffed. For whatever reason, if the job is too difficult this will limit the productive work. Another force is the pressures from others in the work group. These pressures may come from an informal work group or from more formal sources such as a work group committee or the union. As an example of informal pressures at work, operators used to work in pairs and if one operator was asked by the foreman to perform an extra task there would inevitably be a glance to the work mate first; the usual result was a refusal. Another example would be the process of socialisation of drivers onto a shift. The nature and strength of work group pressures are sufficiently well understood as to not need discussion except to point out that group pressures can impact upon a worker so as to generate productive effort (the manager's nirvana!) and so will not necessarily be a limiting factor. Thirdly, if grievances are not resolved in some satisfactory manner, then discontent will be directed towards management with the result that there will be either individual or collective resistance.

3. Analysis of Workplace Change and Productivity in an Iron Ore Mine

This section of the paper will apply the approach developed above to circumstances in a Pilbara iron ore mining company, Goldsworthy Mining Limited. In the mid-1960's the embargo on the export of iron ore was lifted and several deposits in the Pilbara were opened up to meet the insatiable Japanese demand. Goldsworthy Mining Limited (GML) was the first of these with the first shipment leaving Port Hedland in 1966. The remainder of the 1960's and the 1970's were boom times for the industry which was in a position to sell all the ore it could mine. Major readjustments in the market took place in the early 1980's with falls in the price of iron ore and although prices rose in the late 1980's they did not regain their 1982 level.

GML is the smallest of the four Pilbara producers mining between 5 and 8 million tonnes pa and employing around 850 people. It operates a processing plant and port facility at Finucane Island, Port Hedland where there is a township and the company's main administration offices. From the outset the operation was viewed as having a short time horizon as the ore deposit in Mt. Goldsworthy was expected to be exhausted within about 15 years. Further deposits have been developed in the Shay Gap area but these are small ore bodies rather than the massive deposits mined by other companies and are nearing exhaustion. The consequences of these geological factors flow throughout the organisation; access to capital was limited and GML was not in a position to secure long term contracts with the Japanese steel mills. Therefore GML has had a greater pressure to maintain continuity of production in order to maintain its cash flow and uphold its reputation in the market as a reliable supplier.

The GML quasi equilibrium

The position in GML prior to the development of the award restructuring process (that is, in the early 1980's) can be described briefly as follows: The work practices were characterised by widespread limitations on 'productive work', established in part by the traditional management work organisation and union demarcations but were reinforced and extended by local workplace activity. Examples include manning levels, job allocation, overtime and call out arrangements. These practices were accepted by management and so

became part of 'custom and practice'. However, worker attitudes were not particularly antagonistic. Workers were not actively and continually contesting the frontier of control; they took some note of the company's perpetual 'capital starved and short term mine-life' situation and even in the area of work practices there would be accommodation to deal with a crisis or particular pressure in the work flow, as well as the typical relaxation of practices on the back shift.

Management style in terms of daily operation was that of 'non-pressure', the fundamental reason being the overriding need to maintain production. Similarly, workplace change was achieved through management adopting a policy of incremental or gradual, steady change. Rather than seek to unilaterally implement change, management would use consultative relationships to introduce and secure the acceptance of proposals. The resolution of conflict and the whole approach to employer-employee relations was dominated by the consultative mechanisms, the genuinely open approach of management and a generally conciliatory style. Employees saw Goldsworthy as 'a better company to work for'. In summary, the situation at GML was characterised by an accommodative relationship between management and workers which included a willingness on both sides to accept only limited change at any point in time.

A balance of forces was keeping this situation stable. The characteristics of non-pressure and gradual change meant that *management direction* was working as a force for change in the direction of increasing productive work but not to the extent that it would destabilise the situation. This was consistent with the over-arching consultation/conciliatory style of management. For their part, the workers generally did not see a link between rewards and productive work. There was always enough work and enough overtime and there was little point in working any harder or faster. Further, there were no costs imposed by management should the workers individually or collectively withdraw from productive work. Indeed, workers could anticipate making up any lost wages through additional overtime. Therefore there was no real pressure on a worker either from *the worker's rewards* or from *the worker's cost of non-compliance*. The stability of the work process and technology meant that *job difficulty* was not a strong limiting factor, though boredom and fatigue would limit effort. However, the interaction of work and

community issues and the strength of union consciousness all interacted to make *group pressure* a strong limiting force. The effectiveness of the consultation procedures in resolving issues meant that *the extent of the non-resolution of grievances* was diluted as a limiting effect.

Analysis of the change process in GML in the 1980's

Therefore, the situation at GML was being held in an equilibrium state of gradual change with the strongest force being the group pressure. This limiting factor was balanced and accommodated through the management policy of incrementalism and through the consultation programme reducing the limiting force of disputation. Which factors – if any – changed in GML during the 1980's and to what extent are these attributable to the process of award restructuring?

In respect of *management direction*, there is an implicit assumption that management is only effective in its task if it is 'changing direction', 'setting a new focus for the enterprise' etc. etc. There was little change in management direction at GML in that the approach of non-pressure and seeking gradual change was maintained. The pressures on GML management stemmed from the competitive market situation but, given the continual marginal nature of the operation, this pressure to raise productivity was a constant factor rather than a specific crisis of the sort which might give rise to the need for wholesale change. There was no 'unfreezing' of the equilibrium situation.

At GML, management entered into award restructuring negotiations with the unions over a wide range of workplace issues including work practices, a new grade structure and a skills development programme. As a result of these negotiations, a nine level grade structure was established and various work practices changed including total flexibility of tasks within the area of TWU coverage and changes to shift arrangements. The agreement, together with a new productivity bonus scheme based on tonnage, was processed quickly through the Industrial Relations Commission. However, the GML experience suggests that there was little in award restructuring as a process of change which had direct impact on management *per se*.

Award restructuring left management goals, organisation and processes untouched.

This suggests that award restructuring implicitly *assumed* that management was going to be motivated to make the necessary changes because of the competitive pressures and was going to have the ability to make those changes. However, factors which impact on managers (particularly middle managers) to limit change were outside the scope of the award restructuring process even though they might be crucial to the outcome.

Proponents of award restructuring argue that workers will get greater satisfaction from more varied work and that they have opportunities for enhanced income; this suggests a strengthening of the *worker's rewards* factor. At GML, the workers expressed increased satisfaction through having the opportunity to do some other work; for example, more flexibility amongst the drivers and the maintenance workers performing a wider range of tasks. Work was also improved through less of the boredom which was associated with waiting around. A more critical appraisal suggests that the jobs were not being restructured in any fundamental way. The work process in mining is essentially determined by the technology required to move ore out of the ground and into bulk carriers. Superimposed upon this is the union coverage of particular tasks so a combination of technology and coverage have set the basic parameters of the actual work performed by individual workers. Neither were changed to any great extent by the award restructuring process which suggests that additional pressures or incentives were necessary if there was to be a realisation of significant productivity improvement.

The notion of job enrichment is one which holds more promise than reality (Salaman, 1981; Vecchio et al, 1992) and at GML there was the distinct possibility of a honeymoon effect with workers eventually settling down to new 'flexible' task which are no more inherently varied or fulfilling than the previous ones. Award restructuring offered workers the prospects of future monetary rewards through a career path but the incentive to secure pay rises through grade jumping was just as great, particularly when the career paths and provisions for training were not yet securely in place. The more effective the union had been in securing negotiated rises when the initial grade structure was established, the less is the incentive for an individual worker to seek extra income through skills enhancement

and grade progression. As an example, the unions at GML were successful in establishing an additional grade in the structure which brought many of the skilled tradesmen up to the level of the previously more highly paid instrument fitters. This reduced the incentive for further skills enhancement and career progression.

The iron ore industry has had a long history of workplace bargaining; workers knew that their ability to stop production put them in a strong bargaining position and they were not reluctant to exploit this to their own advantage. The Accord, however, required them to exercise restraint and forego opportunities for locally negotiated improvements. Many workers and union officials therefore believed that they could have done better negotiating outside of the Accord. An untestable proposition ('the grass is always greener') but nevertheless a strong perception which gave rise to the view that award restructuring was a process of enabling the company to 'take away' conditions for very little in return. Discussions with workers at GML suggested peripheral change to their work but that the pace of change was increasing. (These changes may have been peripheral to the way the employee worked but from the company perspective, they had significant impact in reducing labour costs.) However, the factor which appeared to have induced more productive work at GML was a new productivity bonus. A typical example was in the train loading area the crew worked through the end of their shift to get the job done "because of the bonus".

If workers fail to embrace the concept of award restructuring, so the argument went, then the specified pay rises would not be forthcoming and jobs would be lost as the company became less competitive. (Such a line of reasoning is implicit in all the models of reform.) The *worker's costs of non-compliance* will increase and thereby act as a force for change. The steady 'downsizing' of the companies and industrial context such as at Robe River all raised the awareness of those in the industry. This was reinforced by the activities of the W A Iron Ore Industry Consultative Council, particularly the overseas study trips. One trip gave first hand experience of Brazil as a competitor; on another the Korean steel producers gave their Australian guests a blunt explanation of their decision to diversify away from Australian iron ore. Even so, these factors can become remote when sitting round a table trying to negotiate specific workplace changes as were proposed under award restructuring. In

any event, towards the end of the 1980's the iron ore companies were in a sellers' market so the threat of overseas competition had less impact. A factor which has emerged in the 1990's to have a more significant impact on workers' decisions has been the increasing reliance of mining companies on contractors when developing and operating the new satellite ore bodies.

To facilitate change, award restructuring should reduce the forces which limit productive work. The ability of workers to perform more productive tasks should be enhanced by the training element of award restructuring and the limiting force of *job difficulty* should be reduced (to the extent that proper training actually takes place). At GML, the training needs of workers had been identified and some programmes were established to enable workers, particularly in the processing area, to enhance and broaden their skills.

The process of award restructuring had some effect in reducing the limits on productive work imposed by *group pressure*. The formal pressures through the unions to maintain demarcations were reduced in view of the fact that the unions themselves had been the advocates of change though the relaxations were principally within unions rather than between areas of coverage. In the context of these union arguments for change the informal work group pressures also tended to be reduced. However, from the workers' side the desire for job protection and attempts to maintain craft distinctions worked against the pressures for change. In some work areas multi-skilling was simply the basis for horse trading of tasks between protective work groups at the workplace (as in "unless we're allowed to use your tools you are not allowed to drive our fork lift").

If the parties are talking over a wide range of issues, as they were required to do under award restructuring, the interaction could strengthen their negotiating relationship and make it easier to settle other issues. There would be fewer unresolved grievances to limit a productive work climate. At GML the most significant factor in accommodating and handling issues which would otherwise have led to industrial disputation was not award restructuring but the industrial relations programme. In the context of a capital intensive organisation, the decision by a work group to keep working while their steward talks to management about an issue, rather than 'go out on the grass' is a very productive decision indeed.

Award restructuring at GML: an assessment

The overall impression is that award restructuring did not make a significant change to the workplace in GML, either in terms of management style, worker reaction, or the pace of change in workplace practices and improvements in productivity. At GML, the award restructuring process provided a framework within which *award* changes were easier to bring about but the flow through to the workplace was less evident. The most direct effect was on the work group and in this regard award restructuring was consistent with the Lewin prescription of bringing about change by reducing the limiting factors. However, out in the workplace and from the worker's perspective, award restructuring did far less to generate productive work. The equilibrium situation which prevailed prior to award restructuring was basically unchanged and so management style and worker reaction showed little change. The analysis suggests some of the limitations of award restructuring as the process of workplace change; in particular, a failure to make explicit the importance of the management component, and to a lesser extent, understating the significance of work group pressures when it came to achieving actual changes in productive work at the workplace.

4. Implications: The Current Dimensions of Reform

The question then arises, if there were fundamental limitations in the dynamics of award restructuring, are these limitations addressed by the currently evolving directions of workplace reform? This section of the paper will consider the impact of different dimensions to the agendas for change on the factors which have been suggested as influencing a worker's decision to engage in productive work.

The ascendancy of the needs of the enterprise now appears to have been accepted without question and in this context the focus of policy and practice on the enterprise is both logical and achievable. However, an enterprise focus (by which is meant a set of workplace relationships and pay outcomes specific to the enterprise, determined by the parties themselves) does nothing directly to strengthen the forces which generate productive work – it does not affect work organisation, rewards or worker costs. Similarly a shift to an enterprise focus or to work group negotiation does not of itself affect the

task of the individual worker at the workplace. The effects of these changes on group pressures and the resolution of grievances are more complex and are closely related to the nature of consultative processes which are established. While the data on the use of consultative processes is not encouraging (Callus, et al, 1991; Drago et al, 1992; Lansbury and McDonald, 1992), an enterprise focus with a consultative approach could be expected to reduce group pressures and reduce the non-resolution of grievances. One of the lessons of the GML example is the importance of a system of industrial relations which effectively handles workplace grievances and a management style based on genuine consultation.

The more contentious aspects of the reform debate are the work group focus and the advocacy of a legal enforcement approach. As stated above, negotiating with a work group does nothing per se to affect the factors which generate productive work. Lansbury and Macdonald (1992) conclude from their case studies that although unions might have the structure and potential of 'active bargainers', in practice, workplace unionism appeared dormant allowing management to introduce change. They expressed surprise that managements did not introduce more far reaching changes but this is consistent with research in U.K workplaces where it was also observed that management tended to have a cautious approach to change (Marchington and Parker, 1990).

Having legally binding agreements would not directly impact on the way management manages, on the rewards to employees, or affect job difficulty. The agreements could be expected to raise the worker's costs of non-compliance (because employees might feel less able to contest a dismissal based on an alleged non-performance of duties) and in this way such agreements might generate productive work. Lewin would have argued that impacting only on the pressures for change rather than reducing any obstacles would not assist in the process of 'refreezing' attitudes around the new situation, particularly if there was no employee involvement in the process of introducing the legally binding agreements. Moves towards work group negotiation or to legally binding agreements could both have significant effects on the extent to which group pressures and grievances limit productive work, depending on how any expressed employee preference for union representation is handled.

In conclusion, this brief analysis of the impact of various suggested avenues for reform indicates a dispersed impact on the factors holding the status quo in any particular workplace. Like award restructuring, they provide a framework for change but will not necessarily generate more productive work. An enterprise-based system can have restrictive work practices, poorly structured rewards and unresolved grievances just the same as any industry-based system of awards. Similarly, the establishment of a bargaining process which gives legitimacy to management – work group (as opposed to union) negotiated agreements does not of itself impact on the factors which generate productive work. The agreements can be of good quality but not necessarily so. The legal status of an agreement may become an obstacle if that agreement has no inherent durability.

With enterprise agreements, in whatever form and however negotiated, any changes in productive work would come as a result of other management policies, as is suggested by the Lansbury and Macdonald (1992) case studies where the positive changes and satisfaction appeared to come from incorporation strategies rather than award changes. While Drago et al (1992) argue that the reform process should incorporate changes in awards and changes in union structure (these factors being found to be the two major obstacles to change), their proposition is consistent with the argument of this paper that reform models based on removing obstacles may facilitate, but do not bring about, the required changes in productive work.

5. Implications: Managerialism and Policy Considerations

If the aim of reform is to have more productive workplaces, and if the current industrial relations and workplace reform processes do not appear to strike at the fundamentals which will achieve that productivity, should the (nearly heretical) suggestion be made that the whole exercise be abandoned? The response, which also arises out of the discussion in this paper, is that since the reforms *facilitate* the moves towards productive workplaces they are necessary. The debate over how to handle enterprise agreements in non-unionised workplaces is exactly this type of argument. The objective is to make it easier for these workplaces to negotiate enterprise bargains, but the

proposed reforms are based upon the assumption that the parties in those workplaces have both the ability and the motivation to conclude a productivity enhancing agreement.

Herein lies the change in the nature of the industrial relations system. To ensure that any reform *does* achieve the objective of productive workplaces it is necessary for all the parties to adopt and work towards the objective of the one party which holds the key, namely management. This approach to workplace reform further suggests that what is taking place is a shift, not from 'industrial relations' to 'employee relations', but to managerialism as the fundamental perspective which determines the approach to the management of labour.

Readers will be aware of the distinction between the unitarist and pluralist frames of reference, the former viewing the members of an organisation as a team, the latter viewing an organisation as a coalition of interests (Fox, 1966). Managerialism as revealed in the current reform process is even broader than unitarism. Firstly, there is the presumption that other parties both accept management's agenda and will benefit from it (the unitarist perspective) and secondly, there is an unstated presumption that management has the necessary skills to implement its agenda. In many organisations these are the reality rather than presumptions – but not as a result of the workplace reform proposals. As a third element of managerialism, we find that management's agenda is virtually given the status of public policy which enhances its legitimacy. This managerialism means that the notion of management prerogative, the right to manage, no longer needs to be invoked.

Where does this reliance on management leave the formal industrial relations system? At present the system is one of management-union negotiation, with the tribunals having a supervisory role. To argue that this system is now based on consensus and cooperation rather than division and conflict is largely irrelevant as the system itself is being increasingly marginalised. As this happens, the union movement can anticipate fighting a rearguard action to maintain its own relevance. Unions will have to take action in two arenas, in the tribunal where they must seek the continuation of some form of guaranteed improvements in pay and conditions as a safety net and in the workplace where they must seek to convince increasingly employer oriented employees of the relevance of union membership.

They can negotiate for change as they have been doing since *Australia Reconstructed* and through the award restructuring process but, as has been suggested above, this has had the contrary result of consolidating managerialism as the dominant paradigm. Further, where the union consultation model of change fails to meet the competitive demands of the enterprise then the union has no fall back position and has even less defence against employer moves towards individual employee relations or decisions to subcontract.

Several implications for policy can be suggested. Firstly, that the implicit reliance on management as the agent of change be made explicit with the issue of 'management reform and training' being as much an industrial relations/workplace agenda item as career paths for manual workers. Paradoxically, for the unions and their members, the management agenda of performance measurement and performance related pay can be expected to give the opportunity for an examination by employees of the manager's performance.

Secondly, the question of the protection of the individual worker becomes increasingly important. There has been legislation to protect individuals from employment discrimination and there is a degree of protection against unfair dismissal but these are only part of the employment relationship. The answer to unfair treatment, it is argued, is in having effective workplace grievance procedures. While capable management will have effective procedures, having procedures does not necessarily raise the level of management ability. There is the prospect of an increasing emphasis on the rights of the individual at work and a resort to legislative protection. The legislation will prescribe minimum standards of conduct (rather than minimum pay and conditions) and best practice would be sought through the use of codes of practice which the enforcing body would take account of when determining individual cases. If these developments do take place then managers would find their decision making coming under external scrutiny once again.

A further issue to emerge is that of union recognition at the workplace. In a time when the work group rather than the union is the focal point of management activity, the issue of how a union will get back into a workplace once it has been marginalised has not yet surfaced as an issue for debate. It would be incorrect to argue that because the union movement is in decline with falling membership that unions at any particular workplace will be weakened. Unions

will become increasingly sophisticated in their approach to maintaining and securing membership, directing resources to specific workplaces. (The targeting of marginal constituencies by political parties would be a good comparison.) As a result, disputes over recognition could be expected to increase. It should be noted that the most celebrated and bitter recognition dispute in Britain, that at Grunwick, actually started in a non-union environment. The employees walked off the job over a grievance and *then* joined a union.

The question of which union should represent a particular group of employees has been handled in terms of where they might 'conveniently belong' in the arbitration and award framework, a decision which is now being made in the context of the union amalgamation plans of the ACTU. The whole process is based on the presumption of unions being recognised. However, in the future the issue will not be to which union the employees might 'conveniently belong' but whether their union should be recognised at all. Any presumption of cooperation and consensus about the inevitability of union recognition will be noticeable by its absence. Three specific issues will emerge. Firstly, what protection, if any ought to be given to the individual worker who chooses to join a union in a workplace where unions are not recognised by the employer? Secondly, to what extent should the activities of unions and employers in a recognition issue be subject to third party monitoring? Thirdly, if recognition is secured, the parties have to bargain; should they be left to bargain in 'good faith' or will someone around the turn of the century be suggesting compulsory arbitration?

6. Conclusion

This paper has examined various aspects of workplace reform by taking the worker's perspective and identifying what factors might generate or limit the extent to which the worker engages in productive work. This approach, using award restructuring as the principal example, has provided some indication of the way in which 'industrial relations' reform is not directly bringing about the stated goal of productivity but rather opens the way for management to bring about the desired change. This paper has not sought to argue the case for or against management's role in the change process but rather makes

the observation that putting the focus on management is also changing the nature of the industrial relations system to such an extent that a new set of policy questions emerges for consideration.

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