

ASSA workshop report

Work and employment relations - an era of change

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The 'Work and employment relations - an era of change' workshop marked the retirement of Professor Russell Lansbury, ASSA Fellow and Professor of Industrial Relations at the University of Sydney. Early career researchers, senior academics from a number of Australian universities and distinguished scholars from the UK, the USA and Austria met at the University of Sydney in late March this year to discuss theoretical and policy implications of the changing regulatory, economic and social context of work. The workshop was generously funded by ASSA with additional funds from the University of Sydney Business School. The financial support allowed the twenty-five attendees to enjoy two full days of paper presentations and commentaries. At the workshop dinner, Justice Guidice, President of Fair Work Australia, was the guest speaker.

The theme of employment regulation pervaded much of the discussion, especially as it related to the legislative changes introduced in Australia by the Fair Work Act (2009). One set of changes has been the establishment of a stronger 'safety net' of conditions of employment. Ron McCallum's (University of Sydney) paper on the National Employment Standards canvassed the background to these standards and demonstrated that the power over minimum labour standards is now very much with the federal parliament, rather than the federal industrial tribunal. Mark Bray (University of Newcastle) discussed the other part of the safety net, minimum standards enshrined in Modern Awards. He argued that the Modern Award making process was very complex, with over 1500 old awards replaced by 122 new ones.

To Tom Kochan, from the Massachusetts Institute of Technology, Australia is a beacon of positive change because of the minimum standards now in place. These are far more than employees of the US could anticipate without political will and support for serious change from unions and from educators and professional associations. Willy Brown, from Cambridge University, noted that it is increasingly difficult to uphold labour standards through conventional collective bargaining because of the increasing intensity of competition in a global economy and the declining influence of collective bargaining outside public employment. Accordingly, legally prescribed minimum wages have re-emerged as an issue across much of the industrialized world. Drawing on the UK experience, Brown identified the factors that make minimum wages more effective and politically acceptable: independence from

government, having the support of both employers and trade unions and being sensitive to economic pressures.

Separate presentations by Rae Cooper (University of Sydney), Alison Barnes (Macquarie University) and Trish Todd (University of WA) covered union and employer responses to the Fair Work Act. Cooper commented on the decline in union power, especially in the private sector, as evidenced by lower density, fewer industrial disputes and reduced union influence over wages and conditions. There is some promise for unions with the promotion of 'good faith' collective bargaining under the Fair Work Act. Alison Barnes outlined the community alliance campaigns being developed by unions to strengthen their policy and labour market influence. Todd examined employer strategies in the new regulatory environment. Two inter-related themes emerged in her analysis. One was that the Fair Work Act has diminished employer prerogative, especially when compared to the previous WorkChoices legislation. The other was that employer responses are highly associated with industry pressures and patterns. For instance, employers in the hospitality and care sectors rely on the awards, but in mining, employers are keen to negotiate above the award –preferably not with unions.

Marian Baird (University of Sydney) and Gillian Whitehouse (University of Queensland) discussed other regulatory changes, specifically those which relate to female employees. Baird's analysis focused on employer responses to the new Paid Parental Leave Act. Baird examined employer submissions to the Senate enquiry to show that employers' main concerns related to their role as pay administrators. Employers expressed support for the scheme in terms of the benefits for business, especially in terms of the attraction and retention of employees, and financial benefits for families. Gillian Whitehouse provided a comparison of the equal remuneration decisions of tribunals in three jurisdictions in 2005 and 2006. In each case, the initial step was to determine that undervaluation of this primarily female work existed. This was confirmed in all three cases. The next step was to determine the appropriate pay rate. The NSW and Queensland tribunals awarded higher rates than did the federal Commission. In the making of the Modern Award for the industry, the lower AIRC rate was set. As a consequence, there is a risk that the gains from the NSW and Queensland decisions will be eroded over time unless the Modern Award is adjusted.

Richard Hall (University of Sydney) and Bill Harley (University of Melbourne) covered two areas related to workplace efficiency. In neither area has Australia made much progress in recent years, and both authors recommend policy changes to stimulate progress. Hall argued that skills policy in Australia tends to be dominated by concern for the supply side of skills formation. He maintains that

more attention should be given to the demand side and, in particular, to the role of employers and workplace dynamics in the management and development of skills. Hall advocates that policy initiatives such as a focus on regional and industry-specific skill ecosystems, encouraging workforce development initiatives at the workplace level and identifying and supporting vocational streams as pathways for worker advancement. Harley argued that in some circumstances 'high performance work systems' (HPWSs) deliver benefits to both employees and employers. They are most likely to be introduced and to be beneficial when particular technologies, market conditions and institutional arrangements governing industrial relations are present. HPWS are not prevalent in Australia, however, and there is a case for formulating government policy to promote their more widespread adoption.

These papers were followed by a discussion of productivity in Australia by John Buchanan of Sydney University. Buchanan challenged the contention that a 'free' labour market, with minimal union and regulatory intervention, is conducive to higher productivity and hence to general economic advance. He argued that the standard view - promulgated by the Business Council of Australia two decades ago - entails a short-term perspective, as is evidenced by the problems encountered by previous 'high-performances' of countries such as Ireland and Greece. Preoccupation with optimal employment of labour in the short run retards economic development in the medium and long terms.

The discussion providing international and historical comparisons were an important contribution to the debates about employment relations in Australia. Nick Wailes (Sydney University) raised the issue of Australia's exceptionalism. His paper was a challenge to the view that Australia's institutions are so different from those elsewhere that little progress in understanding Australian experience can be made by referring to the broader themes of industrial relations analysis that are to be found in the international literature. Greg Patmore's (Sydney University) historical study of non-union voice in the US suggested the industrial democracy debate needs to be resuscitated in Australia. Patmore drew on North American interwar experience to argue for legislation to promote forms of worker voice that are bona fide and do not weaken freedom of association.

Lucy Taksa (Macquarie University) raised another of the enduring themes in employment relations, that of fairness. She used historical examples of struggles for fairness at work by identifying links between struggles for shorter, fairer working hours and employee participation. The rhetoric of fairness is manifest in the Fair Work Act, the starting point for many of the workshop papers, as noted earlier in this report. Turning to a contemporary analysis of work and

community, Barbara Pocock (University of South Australia) explained the ways in which new communities can enhance work and family outcomes for parents and their children.

Peter Auer (ILO), outlined the mixed fortunes of 'flexicurity', a concept adopted broadly in the European Union. The term, originally applied to policies of the Nordic countries, Denmark in particular, denotes a combination of employment flexibility for enterprises and a high standard of social security for workers. . In many EU countries, the concept was successfully applied before the onset of the global financial crisis. Since the GFC, trade union concerns about inadequate employment protection have brought the conflict between greater flexibility and employment protection to the fore. Flexicurity has been advocated by some in the Australian union movement, but with the emphasis on the security for employees, rather than the flexibility for employers. It demands greater intervention by government, which the legislation of minimum standards may go part-way to providing.

The papers presented at the ASSA Workshop and the discussion and debate that accompanied them reflected the tradition of multi-disciplinary, empirically based research which characterises the discipline of industrial relations. A clear policy focus was also evident in all the papers. Later this year, Federation Press will publish a book arising from the workshop, on the changing nature of employment relations.