
Hong Kong Baptist University, 19-23 June 2006.

Conference Proceedings

Volume 2

Editor: Professor Geoff White

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Hong Kong Baptist University, 19-23 June 2006.

Introduction by Professor Geoff White. IERA President.

The 14th IERA conference took place in Hong Kong from 19 to 23 June this year. The conference was hosted by Hong Kong Baptist University (HKBU), the Wing Lung Bank International Institute for Business Development and the Hong Kong People Management Association. It was the third IERA conference to be held in Asia.

The conference was a great success and was attended by 131 delegates, including the HR practitioners who attended the opening sessions and the practitioner forum on the first day. Around 60 IERA members attended. The main theme for the 2006 conference was ‘Family-friendly Employment Policies and Practices: An East-West Perspective on Work-Life Balance’. This was a popular theme and attracted a large number of papers. In total, some 60 papers were presented by delegates from some 18 countries over the three days.

The conference was held in the Marco Polo Hong Kong Hotel in the heart of Kowloon and HKBU had been extremely successful in attracting sponsorship from a wide range of organisations including Chiaphua Industries Ltd, CLP Holdings, Egana Goldpfeil (Holdings) Ltd, the Hong Kong APEC Study Centre, the HKBU School of Business and the Hong Kong Jockey Club.

On the Monday before the conference started, a very successful doctoral workshop was held by Professor Janet Druker (Vice-President of IERA) with around a dozen students. The conference began with a welcome reception and registration on the Monday evening which was well received by all. This provided the usual venue for IERA members from around the world to meet and catch up on news.

The first day of the conference consisted of a morning session with opening speeches of welcome and plenary lectures on the conference theme of work-life balance. Delegates were welcomed to the conference by Professor Ng Ching-fai, GBS, President and Vice-Chancellor of HKBU. This was followed by a lecture by Mr Matthew Cheung Kin-chung, JP, Permanent Secretary for Economic Development and Labour in the Hong Kong Special Administrative Region (SAR) Government, about the importance of more employee-friendly working practices in Hong Kong in improving economic performance and productivity. Mr Cheung is also chairman of the Hong Kong Labour Advisory Board, the highest level tripartite body representing employers, employees and Government in the territory, and had recently been involved in mediation to settle a dispute on the Hong Kong buses. The IERA President then welcomed delegates to the conference.

These introductory remarks were followed by plenary sessions from two academics noted for their work on work-life balance – Professor Wayne Casio, US Bank Term Professor of Management at the University of Colorado-Denver, and Professor Ivan Robertson of Lancaster University UK and Managing Director of Robertson Cooper Ltd, a specialist consultancy in family friendly policies. Both speakers addressed the main conference theme and presented recent research findings. A lively debate followed each speaker.

In the afternoon, an HR practitioner event had been organised by Professor Randy Chiu of HKBU with the Hong Kong People Management Association (HKPMA) at which personnel directors and chief executives of various Hong Kong organisations presented information about their own policies and practices. These took the form of two round tables, the first chaired by Randy (who is also President of the HKPMA) and the second by Dr Vivienne Luk (Director of the Wing Lung Bank International Institute for Business Development). The first
of these forums included Dr Ferrick Chu, Head of Policy and Research at the Hong Kong Equal Opportunities Commission; Ms Christine Fang, JP, Chief Executive of the Hong Kong Council of Social Service; Mr Lam Kam-tong, President of the Hong Kong Institute of Human Resource Management; and Mr Peter Yeung, BBS, JP, Vice-Chairman of the Hong Kong Employment Development Service. The first forum concentrated on Government initiatives on family-friendly issues and what was happening in the Hong Kong public sector.

The second forum involved Mr Eddie Ng, JP, Head of HR Asia at Macquarie Securities Ltd; Ms Gloria Siu, Director and General Manager of Gain Miles Group; Dr Felic Yip, VP HR at Hong Kong Cable Television Ltd; and Mr Thomas Yuen, Executive Director HR for Aon Hong Kong Ltd. This forum concentrated on private sector initiatives. We were particularly grateful to Professor Randy Chiu and Dr Vivienne Luk for organising these interesting ‘windows’ into current Hong Kong HR practice.

The first day of the conference culminated in a wonderful Chinese Banquet for delegates at the Hotel. We were pleased to have an after dinner speech by another eminent Hong Kong Government figure, Mr Raymond Tang Ye-bong, Chairperson of the Hong Kong Equal Opportunities Commission. Raymond, who spent many years as a barrister in London before returning to Hong Kong, gave an entertaining talk about the work of the Commission. We were also treated to a concert of traditional Chinese music by students from HKBU.

On the second and third days of the conference, delegates attended the three parallel paper tracks in which some 60 papers were delivered. We were grateful to all the IERA members who acted as chairs for the various sessions. On the final day of the conference the IERA AGM was held where delegates discussed important issues concerning the future of the association.

On the Friday following the end of the conference, many delegates took advantage of a one day study tour over the border in China and Macao led by Dr Vivienne Luk. This included a visit to HKBU’s Chinese campus in Zhuhai and a factory visit to Pulse’s HPO Plant, also in Zhuhai. The group then travelled on to Macao for sightseeing in this interesting ex-Portuguese colony (which passed back to China after Hong Kong and is also a Special Administrative Region of China). All those who attended found this a fascinating if brief glimpse of the new China emerging north of Hong Kong.

The conference met all our expectations and HKBU ran a very tight ship. Everything ran like clockwork and we are especially grateful to the organising committee (Dr Vivienne Luk, Professor Randy Chiu, Dr Jane Moy and Ms Susan Li). We particularly appreciated Jane Moy’s role as Master of Ceremonies and Susan Li’s impeccable organisational skills. We would also like to thank all the other HKBU student ambassadors who helped out with the conference organisation – they really did a great job. A special thank you is also due to Professor Randy Chiu who made a major contribution to the conference.

These Conference Proceedings contain all the papers accepted for publication after a process of double blind refereeing. The papers were reviewed by a team drawn from the IERA executive and committee. These included Jo Cullinane, Janet Druker, Mike Gold, Robyn Johns, Dennis Mortimer, Mike Pye, Keri Spooner, Ulke Veersma, Niels Erik Wergin and myself. I would like to thank the reviewers for their contribution in ensuring that the papers met the requirements of the proceedings. I would also like to thank Dean Bainbridge who was responsible for formatting the papers into a consistent style and to Susan Li at HKBU for her help in producing the final document.
DEALING WITH INTERPERSONAL STRESS IN A COLLECTIVISTIC CULTURE:
AN INVESTIGATION AMONG HONG KONG EMPLOYEES

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Over the last two decades, considerable research has been devoted to developing occupational stress models and exploring their psychosocial outcomes, reflecting a growing concern about the detrimental effects on employees that may result from certain characteristics of the work environment. It is interesting to note that the many commonly-cited stressful events are those which relate to interpersonal conflicts and negative relationships in the workplace (Dewe, 1993; Narayanan, Menon, and Spector, 1999; O’Leary-Kelly, Griffin and Glew, 1996; Tepper, 2000; Berki and Hartwick, 2001). Workplace culture challenges many deep-rooted ideas about how people behave and interact. While employees have grown more comfortable with ambition, competition, and success, much is neglected on how we value relationships - being true and being helpful to others. In most cases, it is better to be a good performer than a good person. Interpersonal stress is a matter of both theoretical and practical concern because of the threat it poses to both psychological and physical well-being, such as job-related tension, anxiety, emotional disorders, and workplace deviance.

A British study of office workers has shown that Hong Kong is the most stressful place in the world (The Review, South China Morning Post, Nov. 19, 1995, p. 4). A more recent study, the BRAND’s Asia Health Survey (BAHS II), found that the stress level across Asia declined from 2001 to 2003, except in Hong Kong. Human relationships were considered as the key drive for happiness; however, Hong Kong ranked almost bottom in this regard. The top source of stress of Hong Kong people was work. On average, Hong Kong employees in the study worked 70 hours a week and also took work home. This in itself creates tremendous stress. Work overload, generated by competing demands for resources and attention, will lead to conflicts and interpersonal problems. Since the handover of British sovereignty to the Chinese regime, the people of Hong Kong have been facing continuous and rapid political and environmental changes. Employees in Hong Kong have experienced drastic changes in workplace culture such as relocation to China, employment downsizing, career disruption, and the preference for project-based casual contracts. As companies lose workers in one department, they are adding people with different skills in another, continually tailoring their workforces to fit the available work and adjusting quickly to swings in demand for products and services (Cascio, 2005). Stress, coupled with aggressive corporate culture, can mean major consequences.

When studying work stress, one needs to take culture into consideration (Barley and Knight, 1992; Meyerson, 1994). While culture is a difficult construct to define, the majority of relevant studies have focused on the individualism-collectivism dimension (Hofstede, 1980). Individualism stresses autonomy face (freedom) and values privacy or personal space, which is a cultural pattern found in the Western world, whereas collectivism centers on the group and stresses approval face, which is the dominant pattern in the Asian world (Ting-Tommey and Oetzel, 2003). People in individualistic cultures have been shown to give priority to the
goals of individuals, to feel personally responsible for their successes and failures, and to experience some separation and distance from their in-groups. Moreover, individualists emphasize the competing/dominating styles of conflict management because they place high value on achievement, stimulation, and self-direction. As there is less pressure to be cooperative in individualistic cultures, people are more competitive and more likely to engage in accusatory behavior and to blame colleagues inappropriately (Schaubroeck and Lam, 2002; Jassawalla and Shshittal, 2002).

In contrast, collectivistic cultures place more emphasis on the avoidance and accommodation of conflicts because they place high value on harmony, security, and conformity. Collectivists tend to give priority to the goals of groups, to share both successes and failures with others, and to have close relationships with members of their in-groups (Triandis et al., 1988). Employee loyalty is less likely to be based on personal liking for, and shared values with, the supervisor. Instead, gratitude for their support and a sense of personal obligation are considered important (Chen, Farh and Tsui, 1998). Hence, when a conflict arises, it is regarded as more honourable for individuals to give up their personal goals in favor of collective goals (Hofstede, 1980).

The objective of this study, therefore, is to investigate the role of culture in the manifestation of stressful relationship with the superior and coping mechanisms in a local context. Studying aspects of Hong Kong Chinese management may therefore offer new insights into Western stress theories. Knowing more about the conditions in which individuals make effective use of their abilities could also improve job performance and productivity. Specifically, the study addresses the following questions:

1. What are the causes of interpersonal stress?
2. To what extent do the causes of interpersonal stress in Hong Kong reflect the influence of the Chinese culture?
3. Would the Hong Kong executives more resort to avoidance and accommodating styles of dispute settlement?
4. What are the implications for practitioners and researchers?

LITERATURE REVIEW

Conflict is broadly defined as disagreement between two interdependent people who perceive that they have incompatible goals (Cahn, 1992; Hocker & Wilmot, 1998). Because the two people are interdependent, this lack of compatibility can interfere with each person’s ability to reach personal goals. In particular, Hocker and Wilmot (1998) argue that incompatibility is most likely to lead to a struggle when rewards are scarce. Interpersonal stress occurs as independent parties experience negative emotional reactions to perceived disagreements and interference with the attainment of their goals (Berki and Hartwick, 2001). The dysfunctional relationships would result in attempts to harm others with whom they work through purposeful damage to relationships and feelings of social exclusion. When two such individuals meet, the result is anxiety or uneasiness (Portello and Long, 2001). Stress and aggression reinforce each other at the biological level, creating a vicious cycle. Negative behaviours resulting from stress include less extreme aggressive behaviours such as yelling at another person, talking behind another person’s back, withholding effort or needed resources from another to more behaviours usually affiliated with workplace violence such as threats.

Social Learning Theory (Bandura, 1973:53) states that ‘rather than frustration generating an aggressive drive, aversive treatment produces a general state of emotional arousal that can facilitate a variety of behaviors, depending on the types of responses the person has learned for coping with stress and their relative effectiveness’. The intensity of interpersonal stress is related to individual characteristics including a hostile attribution bias, in which individuals perpetually attribute hostile intention to others (Neuman and Baron, 1997), negative affectivity resulting in a tendency to view things negatively (Baron, 1988), and lack of self-
monitoring (Andersson and Pearson, 1999). In addition, interpersonal stress is reciprocal in nature (Kelly and Thibaut, 1978). People have a natural tendency to provoke retaliation. Once a negative cycle starts, it is hard to break. Therefore, if possible, to avoid stress escalates, individuals should try to prevent a negative spiral from starting in the first place.

The Social Learning Theory also incorporates cognitive processes, like rational problem-solving and the self-control procedures of self-observation, self-evaluation, and self-reinforcement. The response to stress by individuals can be either adaptive or maladaptive (Bonne, 2004). Adaptive responses are constructive and are implemented to solve the problem that is blocking goal attainment. They are buffers which attempt to transform stress into active energy towards the original goals as well as identify alternative goals. They may also include preemptive efforts to avoid the problem or once the problem is encountered, problem solving strategies to overcome or circumvent the problem. Maladaptive responses, on the other hand, are characterized by a lack of constructive problem solving and often make the frustrating experiences worse by creating additional problems such as counter-productive behavior and revenge-motivated aggression.

Cultural factors can also play a role in the level of stress experienced by individuals when coming across obstacles to their path of action. Huang (1991) suggests that the Chinese worldview revolves around the interconnections between mind, body, and soul. While Westerners value autonomy and independence, Chinese people value harmony, togetherness, and unity. Behavior is judged according to the extent to which an individual is psychologically attached to a group (social integration) and on the basis of relationship obligations. The interpersonal dynamic involves the manifestation of face through the normative process of doing a favor and reciprocating. This operates as processes of ‘mutual indebtedness’ in that people either owe someone a favor or vice versa (Kim and Nam, 1998; Ho, 1998), binding people to an interlocking network of obligations. It is therefore important to specify the nature and quality of the interactions between the individual and the collective, or between individuals within the group, in order to assess the effect of relationships on social behavior. Huang (1991) further argues that Chinese culture emphasizes the interpersonal to such an extent that people see their relationships rather than themselves as the cause of their stress.

Though Hong Kong is comparatively Westernized, its values, beliefs, cognitions, and emotions remain Chinese-oriented. Modern Hong Kong Chinese values still retain some traditional aspects including filial piety, the importance of family bonds and unity and of roles and status, the valuing of self-control and the inhibition of strong emotions, and an emphasis on low assertiveness (Sue and Sue, 1991). If one has feelings that might disrupt collective harmony, one is expected to restrain them. This also applies to the workplace: people rarely express confusion, assertiveness, and disagreement, as these emotions can disturb harmony (Leung, 2004). Rather, emotional problems tend to be expressed somatically (Huang, 1991). Consequently, most Chinese do not view ‘talking therapy’ as a particularly helpful way of dealing with stress, and seek it only as a last resort. Instead, when emotional disorders emerge, they manifest themselves physically. Problems, stress, and life complexities are generally referred to as headaches, fatigue, and chronic tightness in the back of the neck; frustrations are referred to as indigestion; anger-induced gas upset is referred to as ‘fire gas’. There seems to be a process of projecting abstract emotional feelings to concrete physical sensations of pain and discomfort (Sue and Sue, 1991).

**RESEARCH METHODOLOGY**

The study was conducted in Hong Kong. One might question to what extent Hong Kong represents traditional and collectivistic values, due to the tremendous economic growth it has experienced in the past two decades and the cultural shifts over 150 years of British rule. The people of Hong Kong have been exposed to Western influences both in education and in the mass media. One might expect the influence of traditional Chinese cultural values, such
as interpersonal harmony, reciprocity, and conflict avoidance, to have been curtailed. However, the modern Hong Kong social system exhibits a unique mixture of the patrimonial and patriarchal values of traditional Chinese culture on the one hand, and the materialist, consumerist, and individualistic values of modern capitalist economies on the other hand (Lau and Kuan, 1988). People place a strong emphasis on productivity and efficiency in the workplace (Cheung et al., 1996), but there are also persistent Confucian influences in modern Hong Kong’s value system; nonetheless, these values have not halted the forces of modernization and industrialization (Westwood, Sparrow and Leung, 2001).

Interviews
This qualitative study was based on structured interviews. All the respondents were asked the same questions in the same way. The strengths of the structured interview are that the respondent is expected to answer within the terms of reference laid down by the interviewer. The interviewer defines the problem and sets the parameters of the data gathering. In a series of interviews, all respondents are asked the same questions, which enhance the comparison of results.

Sixty-five letters were distributed through a campus executive seminar series chaired by the researcher. The letter explained the nature of the study and invited participants to take part in this study if their relationship with the boss was stressful. Forty participants returned the tear-off postcard attached to the letter indicating their interest to be interviewed. Those who declined the offer were either not interested in the study or having a good relationship with the colleagues. Two failed to return the postcard.

Forty respondents (19 male and 21 female) whose ages ranged between 23 and 45 years were interviewed. The sample consisted of assistants (23%), administrators (35%), supervisors (35%), and managers (7%). The respondents had been employed full-time in their current position for an average of 5.4 years. The majority of them (79%) had a college or university education. In order to obtain an in-depth exploration of individuals’ specific experiences, each respondent was asked to describe a stressful incident from his or her work according to the following instructions:

Please identify the cause of the relationship stress that occurred between you and your superior. After you have identified the experience/the event, and have it firmly in your mind, please describe it. In your description, please include the following information:

1. Identify the nature of the experience, and the events, actions, and behaviors that occurred.
2. Depict your experiences, thoughts, or reactions.
3. Describe your coping strategies to deal with the situation.

Data analysis
The purpose of the data analysis was to translate the broad overall questions into different constructs based on the responses. The descriptive question above, for example, would require developing constructs such as the cause, the effect on psychological well-being (e.g. feeling drained, loss of self confidence) and coping mechanism. The analytic approach involved content analysis of cases from the interview. Content analysis is an approach that has been used in a large number of studies to systematically organize and categorize textual information in a standardized way that allows researchers to make inferences about the information (Weber, 1990). This process involves content coding words or even sentences of text into a coding scheme or classification system. For example, for lacking trust, the kind of negative attitude and behaviour by superior can be very diverse, ranging from social isolation, interpersonal detachment to in-group favouritism. Because close-ended questions were used in this study, it became relatively easy to content-code the data. Similar to the method described by Abrams, Cross, Lesser and Levin (2003), using summary coding sheets, the inputs (causes) and effects on psychological well-being were constructed. Five causes of
interpersonal stress were identified and effects for each cause are shown in Table 1. The results and discussion part of this paper are based on the summary in Table 1 below.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Effects on psychological well-being</th>
</tr>
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<tbody>
<tr>
<td>Losing face</td>
<td>Feeling of inferiority (4)</td>
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<tr>
<td></td>
<td>Feeling of intimidated (4)</td>
</tr>
<tr>
<td></td>
<td>Denial of individual authenticity (3)</td>
</tr>
<tr>
<td></td>
<td>Feeling of vulnerability (1)</td>
</tr>
<tr>
<td>12 (30.0%)</td>
<td></td>
</tr>
<tr>
<td>Disrupting harmony</td>
<td>Feeling of discomfort (3)</td>
</tr>
<tr>
<td></td>
<td>Withdrawal from interaction (3)</td>
</tr>
<tr>
<td></td>
<td>Withholding difference to contemplate change (2)</td>
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<tr>
<td></td>
<td>Confusion over what is expected (2)</td>
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<td></td>
<td>Feeling of self-defeated (1)</td>
</tr>
<tr>
<td>11 (27.5%)</td>
<td></td>
</tr>
<tr>
<td>Deferece to authority</td>
<td>Scarifying one’s needs for the others (2)</td>
</tr>
<tr>
<td></td>
<td>Feeling of powerlessness (2)</td>
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<tr>
<td></td>
<td>Lacking confidence in one’s abilities (2)</td>
</tr>
<tr>
<td></td>
<td>Simply accept defeat (2)</td>
</tr>
<tr>
<td></td>
<td>Feeling of fear (1)</td>
</tr>
<tr>
<td>9 (22.5%)</td>
<td></td>
</tr>
<tr>
<td>Inconsistency between word and deed</td>
<td>Denial of responsibility (2)</td>
</tr>
<tr>
<td></td>
<td>Feeling of misfit (1)</td>
</tr>
<tr>
<td></td>
<td>Disrespect for company rules (1)</td>
</tr>
<tr>
<td>4 (10.0%)</td>
<td></td>
</tr>
<tr>
<td>Lacking trust</td>
<td>Stubbornly refuse to approach each other (1)</td>
</tr>
<tr>
<td></td>
<td>Feeling of helplessness (1)</td>
</tr>
<tr>
<td></td>
<td>Disinterested in work (1)</td>
</tr>
<tr>
<td></td>
<td>Feeling insecure (1)</td>
</tr>
<tr>
<td>4 (10.0%)</td>
<td></td>
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</tbody>
</table>

RESULTS AND DISCUSSION

Losing face
Face is a universal phenomenon because everyone likes to be respected and needs a sense of self-respect. But how we manage strategies to maintain, save, or honor face differs across cultures. In Western culture, face seems to be a dichotomous concept: we either lose face or save face. For Asian, face is considered to be a mutual, interdependent concept, and a relational phenomenon. As Bond (1991) claims, Chinese relationships are often transacted on the basis of face. More specifically, face involves maintaining the image of a win-win process and is a function of positional power in a hierarchy (Kim and Nam, 1998; Leung, 2000). It creates complicated consequences for interpersonal conflicts when the two people involved are of unequal status. The most serious example of loss of face would arise if someone’s authority was threatened by another of lower status (Kim and Nam, 1988). Any junior who fails to manage such a possibility can be regarded as immature and identified as aggressive, failing to offer appreciation to his or her senior. In this context, it is easy for power holders to develop an over inflated sense of self as they come to believe that they are really as gifted and as intelligent as others tell them they are (Bedeian, 2002).

For many junior staff, it is always a learning and stressful process to handle this dyadic relationship. One young interviewee, for example, commented on her first day in the job: ‘When I started to defend my position, my boss rose from his chair and walked away… I felt like crying, probably intimidated, and couldn’t figure out what was wrong with me…’ It is rare
in Asian cultures to have open argument with the senior because it appears an intentional insult, a challenge, to an authority figure’s self-image. This belief supports the position that subordinates are inferior and deserve their subordinate status. When encountering a dilemma, staff in junior positions would give themselves some time to analyze the situation and assess its threat potential. If they felt it to be dangerous, they would then identify the resources they could access in order to cope with it and face the situation adaptively. Consider the following quotes about preserving the face of senior staff: 

*I keep projecting a deep sense of humility and feigning vulnerability. The purpose of keeping a low profile is not to antagonize those power holders.*

Giving face is a tactic for someone who is witty enough. When I have new ideas, I tell the others that my boss gave me insights, and I worked out the results. Sometimes, I just hate having this hypocritical feeling, and the only way to fix this is by reinterpreting the event in a positive light.

Perhaps employees with lower status have an obligation to protect their superior’s face and this is part of the job. This tends to encourage the denial of individual authenticity because junior staff members have to enhance it through self-effacing behavior, a means of eliciting praise and recognition.

**Disrupting harmony**

Chinese people believe in nature – the existing system of things; they regard humankind as also being a part of nature. They are afraid to master nature, preferring to learn to adapt so as to achieve harmony with others (Westwood, Sparrow and Leung, 2001). When this principle is extended to the workplace, it represents not only a strong personal need to agree with others, but also strong pressure exerted by the group on any person with different opinions to comply with the majority. This may be related to what a Hong Kong psychologist has termed a situation-accepting orientation in contrast to Western problem-solving orientation (Leung, 1992). It also suggests that Chinese culture is oriented to a relationship that is characterized more in terms of ‘harmony with’ than the Western ‘dominance over’ approach. ‘The best way to make harmony is to have people, such as a historical figure who has established a set of moral guidelines, to educated about other people’, said one interviewee, ‘for instance, mistakes can be explained in an indirect way, such as a tale with a moral’.

Redding and Wong (1986) indicate that the principle of harmony with others only serves to make a person psychologically attuned to deference, compliance, and cooperation. In these contexts, subordinates who adhere to conformity are likely to suffer internal turmoil, with the true self ultimately suffering. For example, one interviewee admitted, ‘I am not inclined to initiate conversations about sensitive or troublesome topics. Self-promotion is not accepted, if not expected’. The deleterious effects of this can include a maladaptive and self-defeating personality. Another interviewee, who was afraid to make the leap, claimed: *Because I’m trying to develop some fundamental changes and am critical of the way some things are being done, there is a clash and resistance. I think that my colleagues want very strongly to maintain the status quo. In the end, I learn to pay lip service to meet their expectations rather than rebelling against an oppressive system.*

Still another interviewee, who was designing a Website for his organization, remarked: Individuality and creativity are not valued in my job. When I offered suggestions about our work, it always led to ‘people pressures’ – the tension among group members. To avoid being the target of an attack, I am required to make frequent compromises. I now endure work, trying to put up with it rather than enjoying life.

In order to promote harmony as a central value, organization culture will work against any forms of conflict and bind employees into a social system. One interviewee explained: ‘Psychologically speaking, we are not so willing to admit the mistakes we make. Sometimes we even hate the man who points out the mistakes. When a work-related problem occurs, it
would be better to try to solve it privately with the person involved'. If the mistakes has to be made public, it should be blamed on non-human reasons, such as time pressure or the market condition, with a view to preserving harmony, so that people can work together to find a solution to the problem. As Farh, Earley, and Lin (1997) point out, interpersonal harmony is so strongly emphasized by Chinese that many of them pursue it for its own sake.

**Deference to authority**

Another common cause of interpersonal stress is an overly critical or demanding boss. One respondent said, ‘My boss always calls me at home’. Another criticized his boss for asking him to do too many things at the same time. Despite not being able to handle the extra workload, they chose not to speak up because they thought they would antagonize their boss. This is legitimizing act in that it justifies the hierarchy. As a consequence, these respondents continued to comply with the orders they were given or dealt with the situation passively, such as by accepting responsibility. The reasons given for why they carried out such passive behavior were because ‘they could not have changed anything’ and ‘fear of retaliation’. One woman, for instance, who had worked with the same boss for ten years said, ‘If I lost my temper with my boss, I probably wouldn’t last long in the job’. Another interviewee said:

*My boss seems to have quite a negative outlook on life and his expectations of me are too high. I am finding myself constantly working harder and harder trying to meet his expectations. I am working longer and longer hours, and at a time when my self-esteem seems to be very low, my stress and anxiety levels are getting really high. What is the best way to combat this situation and keep my stress levels to a minimum, but without completely angering or disappointing my manager?*

Deference to authority is a serious problem, and there is a price to pay for staying in a job. One management trainee said, ‘I've had trouble sleeping. Sleeping pills could not help at all’. Feeling out of control, it is not unusual for employees to develop psychosomatic illnesses. Interestingly, rather than looking for positive remedies, these interviewees allowed the symptoms of stress to spill over to the extent that they had to seek medical help or drug therapy, as they believed that healthy behavior enhances one’s ability to cope with excessive stress. Other interviewees even blamed their health problems on genetics, a virus, *feng shui*, or toxins in the workplace, rather than looking for the deeper causes of the problem from a mental and spiritual perspective. As a company secretary remarked:

*I do not understand my boss and it's always a relationship based on fear. I developed migraines after I started working under her. I kept seeing different physicians but nothing helped. I talked to my friends and they recommended that I see a Chinese herbalist. I found relief after two consultations and seem to be faring much better.*

Since Chinese culture is concrete and pragmatic, abstract issues about feelings and impressions are not considered as important as physical sensations of pain and discomfort. It is not uncommon to find that stress manifests itself in a person's physical functions. In fact, when personal demands exceed workers' coping resources, great psychological harm and loss of organizational productivity may result.

**Inconsistency between word and deed**

Unfavorable outcomes for certain employees, particularly in personnel-related matters such as performance appraisals, are inevitable in any organization. Appraisals in Asia can be different from those in the West along two dimensions: the content and the process. In the West, performance appraisals typically focus on the performance of employees, whereas in Asia, appraisal criteria typically extend beyond actual performance results to personal attributes such as moral character and loyalty (Ng and Ang, 2004). Productivity and work performance become less important. For example, the interviewees commented that the ‘closed appraisals’ as standards were ambiguous. One respondent criticized his organization’s appraisal system as follows:
Managers dislike open appraisals because they may involve confronting and evaluating people. Thus, there is a tendency to promote who you know rather than bringing in new talent. I thought my boss was different as he talked to me and gave me positive feedback. To my great surprise, the outcome was so negative. I checked with personnel and found the record had been amended.

The schema of word-deed inconsistency is common in Chinese culture, and is likely to result in an employee’s repressing feelings of hatred toward the boss. As one respondent said, ‘We are doing the same job but it does not mean living in the same world’. This may be partly due to the fact that the decision-making process lacks transparency and partly due to the indirect Chinese style of communication. Chinese tend to be more comfortable with ambiguity. Organizational cultures share the sense that decisions could be made or problems resolved with non-verbal communications between superiors and subordinates. Besides, managers generally will not say ‘no’ in regard to non-agreed issues. Instead, they will say ‘I will try my best’ or ‘I will take that into consideration’. When the outcome was not expected, the respondents felt betrayed and would become suspicious. As one audit clerk said, ‘Trust needs to be touched, seen, and heard – no empty promises’. So rather than trusting someone’s word, the respondents felt that they had to check and double check what was said. As a consequence, the respondents were afraid to engage in open discussions or reveal politically incorrect beliefs for fear of retaliation. As a personal assistant remarked, ‘I can act kindly and politely on the outside while feeling very frustrated on the inside, with no intention of following up a new idea or suggestion’.

**Lacking Trust**

In the collectivistic culture, trust is central importance to social networks. Trust is an emphasis on the degree to which an individual adheres to the social norms established by the group (Farh, Earley and Lin, 1997). Nevertheless, the Chinese have great difficulty to come to terms with neutral, objective relationships as they cannot ‘read’ trustworthiness (Redding, 1990). Trust is limited to the extent that the connections are essential for survival. In organizations, Chinese people are used to work settings in which a premium is placed on limited formalization (Redding, 1990). Employees are prepared to engage in many work-related activities, particularly those connected to their own job, at any time and place. Therefore much trust is built through a non-work-based relationship that is different from a task-based relationship in individualistic cultures (Fosh et al., 1999). Informal socializing and group membership produce trust. It is not surprising to find that ‘rightness’ or ‘wrongness’ tended to be defined in socially specific ways rather than depending on morally abstract criteria. Personal networks based on trust are important tools for the Chinese to overcome their fear of insecurity and provide comfort in the face of uncertainty (Krackhardt, 1994). A marketing executive expressed his disappointment and a feeling of powerlessness over the situation:

*I feel left out of a lot of things because there are gatherings I can’t go due to frequent traveling. It is so easy to fall victim to gossip, bad luck, and unfounded complaints, such as using the company’s resources for unproductive outcomes. I miss out on many activities initiated by my boss. I feel like an abandoned child because I don’t know what is going on…..I have been holding the same position for six years – I am very good at my job and understand the company well but hard to get promoted. The reason is my boss doesn’t know me, and probably prefers someone who is close to him.*

This is crucial because people are not always very good at ‘seeing’ the informal network structure within their own organization until they feel socially isolated. To the Chinese, establishing the trustworthiness with boss requires more than just ‘getting along’. As one officer manager explained, ‘It works on the basis of personal obligations, becoming your boss’s right hand and enhancing his/her credibility’. Superiors will then give favors to the subordinates in exchange for their loyalty.
The participants in this study made sense of their stressful experiences in different ways. Based on the 40 interviews, five causes of interpersonal conflicts have been identified. The majority of the respondents adopted negative forms of emotion-focused coping strategies with an emphasis on controlling their feelings rather than changing the situation. They tended to enact accommodation (loyalty, deference and tolerance) and dislike social disagreements and exclusion. This was linked to collectivist cultures, which require a high degree of self-control to enable solidarity, conformity, and the maintenance of interdependent relationships. Any person who first violates interpersonal harmony, for whatever reason, takes a much bigger risk that he or she will be blamed, no matter how justifiable his or her reactions. It was also related to the concept of power distance, by which employees are expected to adhere to hierarchical authority and protect seniors from the loss of face, as opposed to the expressive or covenantal relationship of individualistic cultures.

There are limitations of the study. The interpersonal stress is confined to the conflicts with the boss. Relational conflicts can occur between co-workers or between a senior and a junior. When there is an imbalance of power, whether real or imagined, bullying will take place, such as supervisor to employee, tenure to non-tenured, experienced employee to inexperienced or new employee. These are areas that can be further explored. Moreover, this paper is concerned with the effect of Chinese culture on interpersonal stress; a comparison with the influence of Western culture on their employees will enhance the interest in the paper.

The results of the study have implications for organizational development. On an organization level, interpersonal stress can result in higher rates of turnover, absenteeism, sickness, and the time lost due to angry emotional reactions which in turn translate to financial losses. As mentioned by Pfeffer (2005:95):

*Achieving competitive success through people involves fundamentally altering how we think about the workforce and the employment relationship. It means achieve success by working with people, not by replacing them or limiting the scope of their activities. It entails seeing the workforce as a source of strategic advantage, not just as a cost to be minimized or avoided.*

On an individual level, failing to comply with differences and relational contracts can be perceived as a personal deficiency, and these attributions can adversely affect employees’ short-term career prospects and long-term career development. Research has shown that productivity decreases more among similar members of collectivistic cultures because less of their time interacting with one another is spent on task-related issues and more is spent socializing (Chatman et al., 1998). Moreover, suppressing bad feelings does not eliminate stress. It only drives bitterness underground and creates an unhealthy and dishonest relationship between the parties. When passivity is extended in leader-subordinate situations, the followers may have learned by experience that it is useless to try to communicate or dissuade differences and work them out. As a consequence, subordinates are encouraged to act only according to exact orders and will thus become dependent on the boss for decision-making. Team leader who hopes to resolve interpersonal stress must take the initiative to bring the disagreement to the surface as soon as it is apparent and help the people involved to analyze their differing points of view.

Hong Kong companies are now facing many challenges, from the Mainland as well as foreign players. The economic downturn and the economic restructuring process which Hong Kong has been facing and undergoing in the past few years have seemingly made Hong Kong people more prudent in decision making. Not every company can or will survive if decision makers adhere to the old paradigms of management. Senior executives have come to realize the significance of environmental changes and alter their human resource systems.
They must think through how they develop human resources, particularly if there is less opportunity for favorable growth in the domestic market. When younger workers tend to be reluctant to argue with superiors in business situations, they prefer to be rewarded now or feel more comfortable switching companies if their talents are being underutilized. Employees need to be appreciated and retained by companies as resources. It is therefore necessary for top management to learn to recognize the signals of discontentment and to give their staff the required support to enable them to maintain good interpersonal relationships and avoid carrying around resentment on the job.

REFERENCES


THE USE OF THE REPERTORY GRID IN HRM RESEARCH: STUDYING HRM IN CHINA

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INTRODUCTION
It has been a traditional Chinese way to acquire new knowledge or skills from other countries with strong local adaptations to finalize at a foreign model with Chinese characteristics. The opening up of the PRC to western influence and business in the 1980’s, which the Chinese government labelled as socialism with Chinese characteristics, is the latest example of acquiring new knowledge and skills from outside the country. Accompanying this openness to Western influence is attention to management practices such as human resource management.

Development of Human Resource Management in China
It is a general belief that HRM is a relatively new concept in China, mainly brought in through joint teaching arrangements between Chinese and foreign universities and in the management practice of larger foreign-funded enterprises, mainly from Japan, USA and Europe (Warner 1992, 1995, 2001). However, it is also recognized that China had itself developed a ‘distinctive’ model of personnel management since the Communist take over in 1949 (Warner 1995). The most distinctive characteristic of this period was certainly the ‘iron rice-bowl’ employment system. The life-tenure system (no dismissal) was introduced. Young Chinese workers were allocated to jobs by local labour bureau, assigned to a work unit (danwei) which registered their citizenship status (or hukou) and they were expected to stay in the state sector for life. The danwei was run like a ‘mini welfare state’ providing ‘from cradle to grave’ benefits like housing, Medicare care, pensions and so on. Wage system was also standardized and held down. A definitive wage reform was also introduced with 8 grades and mainly operated on an egalitarian concept. Workers’ insurance schemes were also introduced in the 1950s.

The formal national union structure, All-China Federation of Trade Unions (ACFTU) was established in the 1925 and was strengthened with the Trade Union Law of 1950. However, ACFTU has been acting as the ‘transmission belt’ of the government policies, and have not bargained collectively like the trade unions in the west.

With the push for economic reforms after 1979 towards a ‘socialist market economy with Chinese characteristics’, steps were introduced to improve greater efficiency and productivity among state-owned enterprises. One of these was the introduction of modern HRM and labour reforms, more specifically, the introduction of director responsibility and enterprise autonomy. However, the changes introduced were piecemeal and without a coherent blueprint (Fan, 1994).

The introduction of the Labour Law in 1995 marked the beginning of the new era of Chinese HRM. Prior to 1995, almost all jobs belonged to the state owned enterprises (SOE) and the iron rice bowl concept of employment still prevailed. With the introduction of the Labour Law and the declaration of the rights of employees to look for jobs, the establishment of the labour contract concepts, the concept of HRM according to the western concepts was introduced.
Twenty-First Century: Converging with the Western model?

On the question of convergence or divergence in individual HR activities, different researches provided different answers. Verburg (1995) concluded that the employment practices of the joint ventures are limited to maintaining the workforce rather than developing employees and Lindholm’s study (1999) on the performance appraisal systems in China indicated a less participative style more in line with Chinese culture and a modified feedback system as a result of experiential learning. Braun and Warner (2002) highlighted that much differences still existed in the areas of recruitment, performance appraisal and compensation though in a closer approach to western style is adopted in training and development. The general perception is that personnel management still exists and the role of HR is applying personnel rules and regulations to control employee behaviour (Warner, 2001). Many claimed that the current practices are still very far from the initial concept of HRM as understood in the international academic HRM community (Verburg, 1996; Goodall & Warner, 1997, Pange, 1999, Warner, 2001). To conclude, rapid developments have taken place in HRM in China, surely will be continued. However, the remaining key question is whether the move is towards more convergence with the western model or towards a more nationalized Chinese model.

The purpose of this study is to apply the repertory grid method approach to conduct a survey among local PRC young managers on their perceptions on how HRM contributes to business success in China. Repertory grid is considered a useful tool to minimize the bias and influence of the western researchers in conducting HRM research with survey using westernized questionnaire and interview formats.

THE REPERTORY GRID

Repertory grid is a tool to uncover and formally represent how individuals construct their world. A grid can, at one level, be thought of as a cognitive “map” charting a particular aspect of a person’s world. The repertory grid technique was invented by Kelly in order to let people express their own personal constructs – how they see the world. Through this understanding, we can understand directly how people think and behave. This grid method has been well accepted for its high reliability due to freedom from interviewer’s bias and influence. This paper explains the design of the study using repertory grid and the key findings of a pilot study.

PILOT STUDY MARCH 2006

Objective of Study
The objective of this pilot study is to test the application of the repertory grid methodology in a research on how local PRC young managers perceive the contribution of HRM to business success in China. Field work was carried out by the first author (a native Chinese speaker) with the overall design of the study follows the key steps in Easy Guide to Repertory Grids by Jankowicz (2004).

Expected outcome
It is expected that valuable insights can be obtained on any significant differences in construct preferences among the different groups, evaluation of the generic constructs related to perceptions of effectiveness of HR programs and their contributions to business success. Last but not the least; we can identify any special characteristics associated with effective HR programs which are perceived to make most significant contributions to business success.

Target group
Four young local managers who have been working in multinational companies in China for over 5 years were selected for this study. This type of interviewee was selected due to their
exposure to western HRM practices and their expectations and perceptions are the focus of this study.

**Definition of Elements**
In this study, the elements were defined as human resource practices that relates positively to success of business. Interviewees were asked to identify 7 programs that they experienced or encountered before that best represented the following descriptions, one program for each description without any overlapping:

- a HR program that I like
- a HR program that helps improve employee performance
- a HR program that contribute to recruiting qualified employees
- a HR program that helps provides motivating rewards
- a HR program that helps improve employee relations
- a HR program that helps retention of employees
- a HR program that is not currently running in this company but I think should be introduced

The first element “I like” provides an opportunity for the interviewee to pick a program that he/she encounters before and likes. In comparing and contrasting this element against others can help extract the key characteristics of a HR program that appeals to the interviewee. The last element represents something like a wish list from the interviewees. Again we can use this as a benchmark to gauge what exactly the interviewee is looking for in a HR program that contributes to the success of business.

The other dimensions of defining HR programs that relate to recruitment, improvement of employee performance, motivating rewards and employee relations are based on previous researches in Chinese HRM. In a research conducted by Mitsuhashi, H J Park, P M Wright & R S Chua (2000), it confirmed that both line and HR executives view the issue of securing, developing and maintaining human resources as a critical issue for the execution of daily operations and long-term strategic plans. According to Bjorkman & Fan (2002) the two strongest predictors of firm performance were HRM practices that focus on individual performance and employee motivation. Lastly, in order to evaluate the impact of Chinese culture and values (especially relationship, or *gaunxi*) and the role of unions, it is critical to have one element related to employee relationship

**Qualifier**
Qualifier is the statement that modifies the basic elicitation question and directs the respondent toward the research purpose. In this study, the qualifier is "...in terms of HR programs which makes significant contributions to business performance which is in terms of improvement in sales and profitability". The definition of HR program is any specific program or activity, can be initiated either by line management or by HR department.

To ensure that respondents relate a question to their personal experience they were given an "effective HR practice worksheet" (Appendix) with the above descriptions of 7 elements and qualifier and asked to identify and write down a specific program or activity which matched the descriptions.

**Elicitation of Constructs**
Respondents were then asked to compare and contrast the 7 elements in groups of 3 to identify which 2 in the group were alike and which one was different and the reasons for similarities and differences. Through repeated comparison and contrasting of the 7 groups, sets of bi-polar constructs were elicited from the respondents, and the researcher recorded them in a summary sheet. This summary sheet containing all the constructs from the respondent was then reviewed by the respondent to ensure that the constructs including the wordings came from him/her and recorded properly by the researcher.
Rating of elements
Respondents were asked to rate the different elements according to the constructs he/she has put forward according to a five-point scale, 5 being closest to the description of the construct on the left hand side of the summary, and 1 to the right hand. A construct named “significant positive contribution – significant negative contribution” was supplied by the researcher. This produced a matrix suitable for later statistical analysis. Format of such matrix is similar to Figure 1, but done manually. Key points were summarized at the end of the interview and read back to the interviewee to check for accuracy and completeness.

Data analysis
All data collected from the interviewees were analyzed using frequency counts, principal components and content analysis.

All the constructs are reviewed for duplication and clarity, and those clearly belong together were grouped to produce master construct categories. To verify these groupings, normally external reviewers (who are experts in HR and repertory grid) are asked to review the categorization. But in this pilot study, the grouping was done by the researcher due to constraints of time and resources.

Data Collection & Analysis
Average number of constructs per respondent was 11.5. Altogether 47 major groupings of bipolar constructs (key characteristics) obtained excluding the supplied construct by the researcher. All input from individual interviewee was entered into the Rep Grid program developed by the Centre for Person-Computer Studies. This produced the following grid displays for individual interviewee.

Display Grid
This displays clearly the constructs elicited during the interview, in this case, 13 constructs, and the 14th construct was the one supplied by the researcher on assessing the overall contribution to business success. The ratings provided by the interviewee were also recorded.

By further calculating the differences of scores for individual constructs versus the supplied construct – difference score in Table 1, we identify which constructs correlate closely with the contribution to business success. The lower the difference score, the higher is the
correlation. The scores were further separated into 3 major segments to indicate the level of preference of the interviewee – HIGH (H), MEDIUM (M), LOW (L). This particular interviewee has higher preference for HRM programs that could be related to present job, could improve performance, urge for continuous improvement and build up trust.

Table 1 Difference Score and Preference Rating

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Difference score</th>
<th>Prefer rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrade skills</td>
<td>6</td>
<td>M</td>
</tr>
<tr>
<td>Relate to present job</td>
<td>5</td>
<td>H</td>
</tr>
<tr>
<td>Improve relations</td>
<td>12</td>
<td>L</td>
</tr>
<tr>
<td>Improve performance</td>
<td>4</td>
<td>H</td>
</tr>
<tr>
<td>Show company care</td>
<td>7</td>
<td>M</td>
</tr>
<tr>
<td>Encourage creativity</td>
<td>8</td>
<td>M</td>
</tr>
<tr>
<td>Challenge for better ideas</td>
<td>8</td>
<td>M</td>
</tr>
<tr>
<td>Urge for continuous improvement</td>
<td>4</td>
<td>H</td>
</tr>
<tr>
<td>Improve efficiency through better communication</td>
<td>11</td>
<td>L</td>
</tr>
<tr>
<td>Build up trust</td>
<td>5</td>
<td>H</td>
</tr>
<tr>
<td>Recognition of unique contribution</td>
<td>10</td>
<td>L</td>
</tr>
<tr>
<td>Focus on individual efforts</td>
<td>6</td>
<td>M</td>
</tr>
<tr>
<td>Provide long term direction</td>
<td>11</td>
<td>L</td>
</tr>
</tbody>
</table>

Principal Component Grid

This grid targets to group all constructs into two principal components – first component explains 59% of the variability and the second 21%. Statistically, we can be satisfied with 2 principal components if they can explain 80% and above variability. In this example, the first group includes factors like unique contribution, short term results, upgrade skills, creativity, continuous improvement AND contribution to business success. The second group includes better communication, sense of belonging, relations and trust. It therefore seems that the interviewee has two major groups of preference, one is relating to work performance, and the other is relationship, and the first one is more important in contributing to business success.

The above analysis can provide the cognitive map of individual interviewee how they perceive the contribution of HRM to business success. For this particular interviewee, though he/she has high preference for building up trusts, in general, he/she still prefers the principal factor of work performance to the factor of relationship. This fact may not be known to the interviewee prior to the interview.
Generation of Master Constructs
All constructs from the 4 interviewees were then grouped into 9 major categories to facilitate summarization and analyses. In this pilot study, the grouping was done solely by the researcher due to time and resources constraints.

Table 2 lists out the major categories, individual constructs for each category and the raw score for each construct given by individual interviewee. The similarity % for each construct was calculated according to difference scores obtained from individual display grids (example in Figure 1) and converted into similarity score according to the table provided by Jankowicz (2004) in Appendix 4, The Easy Guide to Repertory Grids. The mean score for each major category of construct was then calculated to illustrate their relative importance. The last column illustrates the preference for the constructs collected from individual interviewees (example in Table 1). This can provide proper weighting to measure the relative importance of the constructs to support or verify the results simply by raw score.

<table>
<thead>
<tr>
<th>Category (#constructs, % of total)</th>
<th>Constructs</th>
<th>Similarity</th>
<th>Mean score</th>
<th>Prefer H_M_L</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of new skills/perspectives/knowledge (12, 26%)</td>
<td>Contribute to competence development upgrade skills Knowledge provision vs. welfare provision Gain new perspective of own functions Gain new perspective of other functions Encourage employees to think from new perspective Encourage creativity Provide continuous new opportunities for professional development For future development of employees Always challenge for better ideas Opening to changes Urge for continuous improvement</td>
<td>6 6 9 2 6 6 8 6 4 5 8 6 4</td>
<td>57.14 57.14 35.71 85.71 57.14 57.14 42.86 57.14 71.43</td>
<td>M M M M M M M M M M M</td>
</tr>
<tr>
<td>Short term application versus long term (6, 13%)</td>
<td>Develop into a sustainable business practice Meet immediate needs vs. long-term needs Immediate application to job Improve current performance Related to present job Provide long-term direction</td>
<td>6 6 7 4 5 11</td>
<td>57.14 57.14 50 71.43 64.29 21.43</td>
<td>H M M H M</td>
</tr>
<tr>
<td>Focus on individuals interest/needs versus overall company or majority</td>
<td>Focus on individual benefits Relevant to individual immediate needs Focus on individual efforts Focus on individual development Individualized channel of communication</td>
<td>2 11 6 2 6</td>
<td>85.71 21.43 57.14 85.71 57.14</td>
<td>H M M H</td>
</tr>
</tbody>
</table>

Table 2 Summary of Master Constructs
<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Score</th>
<th>Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>External advice on individual future progression</td>
<td>4</td>
<td>71.43</td>
<td>H</td>
</tr>
<tr>
<td>Show my performance standing relative to other counterparts</td>
<td>12</td>
<td>14.29</td>
<td>L</td>
</tr>
<tr>
<td>Overall impact on total workforce (reversed)</td>
<td>12</td>
<td>14.29</td>
<td>L</td>
</tr>
<tr>
<td>Representing majority needs (reversed)</td>
<td>12</td>
<td>14.29</td>
<td>L</td>
</tr>
<tr>
<td>Improve communication</td>
<td>8</td>
<td>42.86</td>
<td>M</td>
</tr>
<tr>
<td>Improve efficiency through better communication</td>
<td>11</td>
<td>21.43</td>
<td>L</td>
</tr>
<tr>
<td>Alignment of thinking among employees</td>
<td>6</td>
<td>57.14</td>
<td>H</td>
</tr>
<tr>
<td>Building personal relationship</td>
<td>12</td>
<td>14.29</td>
<td>L</td>
</tr>
<tr>
<td>Building relationship</td>
<td>9</td>
<td>35.71</td>
<td>L</td>
</tr>
<tr>
<td>Building up trust</td>
<td>5</td>
<td>64.29</td>
<td>H</td>
</tr>
<tr>
<td>Shows company cares</td>
<td>2</td>
<td>85.71</td>
<td>H</td>
</tr>
<tr>
<td>Company care versus no sense of belonging</td>
<td>7</td>
<td>50</td>
<td>M</td>
</tr>
<tr>
<td>Improve efficiency through working relationship</td>
<td>8</td>
<td>42.86</td>
<td>M</td>
</tr>
<tr>
<td>Building team work</td>
<td>10</td>
<td>28.57</td>
<td>L</td>
</tr>
<tr>
<td>Building team work</td>
<td>19</td>
<td>-35.71</td>
<td>L</td>
</tr>
<tr>
<td>Reward for loyalty</td>
<td>11</td>
<td>21.43</td>
<td>L</td>
</tr>
<tr>
<td>Reward for unique contribution</td>
<td>10</td>
<td>28.57</td>
<td>L</td>
</tr>
<tr>
<td>Rewards linked to performance</td>
<td>10</td>
<td>28.57</td>
<td>26.19</td>
</tr>
<tr>
<td>Monetary rewards to employees</td>
<td>15</td>
<td>-7.14</td>
<td>L</td>
</tr>
<tr>
<td>Materialistic rewards</td>
<td>11</td>
<td>21.43</td>
<td>7.15</td>
</tr>
<tr>
<td>Results of programs fluctuate due to changes in circumstance</td>
<td>12</td>
<td>14.29</td>
<td>L</td>
</tr>
<tr>
<td>Insider office versus outside office</td>
<td>9</td>
<td>35.71</td>
<td>25.00</td>
</tr>
<tr>
<td>Some programs perceived to be results (e.g. rewards) while others causes (competence development)</td>
<td>10</td>
<td>28.57</td>
<td>M</td>
</tr>
<tr>
<td>HR department driven</td>
<td>11</td>
<td>21.43</td>
<td>25.00</td>
</tr>
<tr>
<td>Total: 47</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Discussions**

There is the overwhelming perceived importance of the various opportunities to improve and acquire new skills, perspectives, remaining open to changes and continuous improvement. This category has the highest similarity % of 57.14%. Next level of importance is the impact and relevance of certain HRM programs on their immediate job and performance. There, however, remains a possible conflict between long-term and short-term objective and the immediate applicability in daily work. There is also a prevailing high perceived level of importance on individual interest such as individual employee development, individual benefits, individual efforts, individualized channel of communication and individual future progression.

Although communication was mentioned as a critical factor, but in the final analysis, the score of communication is relatively low and the general perception among the three
interviewers was quite mixed – HIGH, MEDIUM AND LOW. There seems to be a lack of consensus on the importance of communication.

The importance of improving relationship has a rather high number of constructs (17% out of 47 constructs), yet the mean score is low and the perceived preference is mixed. Again, there seems to be different views concerning whether employee relationship is important.

The scores for rewards, both the types and basis for rewards, are low reflecting that these are not perceived to have significant contribution to business success.

To conclude, interviewees perceived that HRM programs contributed to business success mainly if they provide opportunities for employees to acquire new skills, perspective, exposure; if they can help them stay open to changes and in pursuit of continuous improvement and lastly if they are immediately related and can be applicable to their current job.

In an attempt to summarize the HR initiatives provided by interviewees (Table 3), some interesting observations are found. 36% of programs nominated by interviewees belong to the Training and Development category and rewards. This corresponds to the high similarity ratio of opportunities to improve skills, gain new perspectives to the contribution to business success. Next is communications while welfare and alternative work arrangement ranked the lowest.

<table>
<thead>
<tr>
<th>Area</th>
<th>Initiatives</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td>Overseas exposure arrangements, Training program, Career development plan, Cross functional work force, Cross functional training, Knowledge acquisition, Tailor made training program(2), Instruction/skills set, Milestone school (some forms of career tracks with specified training programs and skills required)</td>
<td>10, 36%</td>
</tr>
<tr>
<td>Rewards</td>
<td>Cash reward, Global awards, Long service leave, Special reward for long service, Cash incentive, Fair salary and rewarding system, Global reward for making special contributions, Internal promotion (2), Accelerated promotion</td>
<td>10, 36%</td>
</tr>
<tr>
<td>Provisions of welfare</td>
<td>Welfare such as housing</td>
<td>1, 3.5%</td>
</tr>
<tr>
<td>Communication</td>
<td>Team building exercise, Group activity (company retreat), Excellence Workshop (team building exercise), Coaching and feedback program, Employee meeting, Employer branding</td>
<td>6, 21%</td>
</tr>
<tr>
<td>Work arrangement</td>
<td>Work from home</td>
<td>1, 3.5%</td>
</tr>
</tbody>
</table>

The last analysis is an attempt to relate the findings from this pilot study and question of whether the HRM in China is towards convergence or divergence from the western HRM model. There are various definitions of HRM models from different researchers, but for this particular study, the characteristics of the western HRM model based on high performance work system based on the work of Becker, Huselid & Ulrich (2001). Reason for picking this model is due to its comprehensiveness covering key HRM areas and specific measures.
<table>
<thead>
<tr>
<th>Category</th>
<th>Western Model</th>
<th>Chinese model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment</td>
<td># of exceptional candidates recruited for each strategic job opening</td>
<td>Similar focus on quality of employees but no attention given to validated selection methods</td>
</tr>
<tr>
<td></td>
<td>Proportion of new hires selected based primarily on validated selection methods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Backup talent ratio</td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td>Average merit increase granted by job classification and job performance</td>
<td>Much focus on different incentive plans and reward systems and the importance of performance based rewards, but major concern is on individual recognition</td>
</tr>
<tr>
<td></td>
<td>Firm salary/competitor salary ratio</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Incentive compensation differential (low versus high performers)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>% of employees whose pay is performance-contingent</td>
<td></td>
</tr>
<tr>
<td>Training &amp; development</td>
<td>Competency development expense per employee and type of special projects to</td>
<td>Much attention on training and development especially special overseas exposure</td>
</tr>
<tr>
<td></td>
<td>develop high potential employees</td>
<td>assignments, cross functional training, individual customized development plan</td>
</tr>
<tr>
<td></td>
<td>% of employees with development plans</td>
<td></td>
</tr>
<tr>
<td>Employee participation</td>
<td># of suggestions generated and/or implemented and quality of cross-functional</td>
<td>No form of Employee participation mentioned</td>
</tr>
<tr>
<td></td>
<td>teams</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employee ownership</td>
<td></td>
</tr>
<tr>
<td>Performance management</td>
<td>Quality of employee feedback systems</td>
<td>Performance appraisal not mentioned at all</td>
</tr>
<tr>
<td></td>
<td>Range (distribution) of performance-appraisal ratings</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>Information sharing</td>
<td>Some focus given on communication</td>
</tr>
</tbody>
</table>

**Conclusion on pilot study**

Respondents felt that the methodology was very innovative, and helped respondent to think and come up with new ideas which they seldom come across in filling a questionnaire or simple question and answer. The method also provided some insights to the interviewees about what they believed that they perceived and what they actually did.

Based on initial findings, there are significant differences in HRM in China from the western model in terms of making contribution to business success from the employees’ perspectives – most focus put on training and development and individualized rewards and recognition. Performance management especially performance appraisal is rarely mentioned. No form of employee participation or union influence is identified.

**Limitation of this study and Further Research**

This study is based on 4 interviews, and sample size is too small to validate the findings and insights. A formal survey will be conducted using repertory grid on a larger sample size and the conclusions will possibly be different. With more findings, it is also possible to identify the key elements or characteristics of the Chinese HRM model.
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Knowledge management is increasingly being seen as an enabler of modern organizational health. While knowledge management systems, in particular electronic systems, can enable ‘knowledge rich’ firms, increasingly it is recognized that people-based knowledge holds the key to superior organizational performance for some organization types. The implication of the current Australian federal administration industrial legislation is assessed for its probable impact on key knowledge management processes, with particular attention to the issues of low commitment employment practices, an attack on employee collectivity and lessening of employee autonomy, the failure to guarantee any skills development, and the new freedom to sack staff.

In common with many modern, developed societies, Australia has in recent decades developed an economy that increasingly relies upon the generation and use of knowledge, rather than resources, as a competitive advantage. After the recognition in the early 1990s of the significance of developing learning organisations (Senge, 1990, 1992), subsequent attention has been paid to the application of IT (Bijker and Law, 1992, Bressand and Distler, 1995, Orlikowski, 1993), and the social elements of knowledge in organisations, particularly ‘communities of practice’ (Brown and Duguid, 1991, Brown and Duguid, 2000, McDermott, 1999, Wenger, 1998), and even the possible role of storytelling (Dennehy, 2001, Snowden, 1999, 2000). A common theme in these and other studies of knowledge use is how knowledge is to be developed and applied to enable organisations to become both more creative (generating great ideas) and innovative (turning great ideas into value). The focus of this paper is this concern of keeping organisations both creative and innovative in the face of new industrial legislation in Australia. This will be assessed by first identifying the elements of the legislation, then linking them to the knowledge management concerns of high commitment employment practices, the value of collective work, employee autonomy, the significance of skills development, and the need for heterogeneous workplaces.

At the time this paper was written, the 2006 Australian ‘WorkChoices’ industrial relations legislation had just begun to take effect. The detail of the legislation is only slowly becoming apparent. For a government that generally believes in low levels of intervention in the affairs of individual firms, it is surprisingly invasive. It prescribes a host of behaviours that individual organizations and its employees would previously have regarded as consensual, ‘private’ behaviour. This autonomy in how organizations handles its collective relationship with employees has been the emerging standard since enterprise bargaining in Australia took hold from the early 1990s, and is part of a new pattern of behaviour that has served the Australian economy well, though the process has not been without its critics, and has been notable for disadvantaging some parts of the workforce.

For the help of those in the reading audience who aren’t Australian, a quick background on the legislation might be helpful.

The legislation fulfils a long held ambition by the conservative Howard government to take Australia as far away as possible from the conciliation and arbitration framework that
Australia has developed over the past century. While the individual states within Australia managed much of their own IR affairs, a considerable number of Australian employees came under the Commonwealth system. That system backed the award structure of employment for vast numbers of Australians; an Industrial Relations Commission oversaw a complex set of wage setting arrangements that underlay prosperity for many decades. Since the late ’80s, the system had been decentralised to enable the growth of enterprise bargains. This enterprise focussed system generally was seen as productive and fair, though some charged that the emphasis was more on the ‘enterprise’ than the ‘bargaining’.

Now that is set to be swept away. With some exceptions, the power of individual Australian states to manage their own IR concerns is gone, pulled to the Federal level. The new legislation specifies a bare 5 conditions of employment to be included in the Australian Workplace Agreements (AWAs) that the Howard government are keen to promote. These five conditions relate to a minimum wage, a guarantee of four weeks of annual leave (though employees will be ‘free’ to bargain those away), 12 months unpaid parental leave, the guarding of a handful of public holidays, and protecting 10 days of parental/carer leave per annum. As existing organisation based collective agreements expire, they also are subject to the legal protection of the same core five conditions. The rest will have to be bargained for.

Coupled with this is a change in the unfair dismissal laws that, in essence, allow organisations with less than 100 employees to dismiss people at will, and allow organisations with more than 100 employees to dismiss staff for ‘operational’ reasons. The meaning of the latter provision is bound to be tested in court, but is widely seen as a new freedom for business. Minimum wage increase decisions, previously the concern of the Industrial Relations Commission, now pass to the new ‘Fair Pay Commission’. The chairman of the Commission has claimed that he will look to God for guidance in making decisions (Peters, 2005). Those on the minimum wage will be hoping God is keen on protecting their interests.

In part, the changes the IR legislation seek to create, at the workplace level, a stronger hand for employers who have to cope with the fact that the baby boomers are about to retire, that the boom echo generation is already in the workforce, and there isn’t a great flow of people to follow. Dealing with labour shortages will be a vexed issue with this government, and governments to come. Starting with the abolition of the workplace training guarantee requirements in the 1990s, the neglect of the apprenticeship system and the weaning of funds to higher education, successive governments have played a large part in creating the shortage of skilled labour. Opening the floodgates of immigration isn’t politically palatable when the result would likely be an influx of Asian people (not that any political party would acknowledge that).

The widespread concern is that the legislation will precipitate a free-fall in labour wages and conditions (Gittins, 2006b, McArdle, 2006, Norington, 2005a, b). The specific concern of this paper is to assess what knowledge management implications the new legislation might have. This will be achieved by discussing the key features of the new legislation: Low commitment employment practices, an attack on collectivity, and lessening of employee autonomy, the failure to guarantee any skills development, and the new freedom to homogenise workplaces.

**Low commitment employment practices**

There is a question in the study of classic economic theory that asks: For a given market, what is the optimal level of competition? The answer is the level of competition that gives the maximum benefit to ‘consumers’. While commentators point to other possible reasons for the Howard government’s 2006 IR legislation, such as starving the Australian Labour Party (ALP) of the funding that flows from unions (and union work as a training ground for ALP politicians), very few commentators have yet paid attention to what the changes are likely to have at the workplace level, other than steadily deteriorating pay and conditions (Gittins, 2006a, b, Norington, 2005a). The government’s attempts to improve the functioning of the labour market at the organizational level, to maximise the benefit for the employer/consumer, can
be seen as confused, and likely to yield some results they least expect. Specifically, we are likely to see ever-worsening levels of commitment in the workplace. The IR changes seem set to create levels of competition at the workplace level that are likely to exacerbate the low levels of commitment, on both the employer and employee side, that have become evident over the past two decades.

Unusually among Western economies, Australia already has extremely high levels of employment flexibility, with 1/3 of all employees working on either a casual or part-time basis (Australian Centre for Industrial Relations Research and Training, 1999). The majority of these employees want more hours and more security. Another large slice of the working population are employed under common law contract conditions, with a far lesser percentage yet on individual workplace agreements, termed ‘AWAs’. In sum, this is about ½ of our working population experiencing very low levels of commitment by employers, and it shows in the level of commitment that employees display to employers. If you graph union membership over the past two decades against labour turnover, you can see one line in steep decline (membership), crossing a rising line (labour turnover). While there are a host of intervening variables, the strength of the economy fuels job-hopping; the flexibility in Australian workplaces has a high price, specifically ever lower levels of workplace commitment. And, while the correlation between commitment and organisational effectiveness isn’t strong, there is a proven link between workplace commitment and organisational adaptability (Angle and Perry, 1981), and employee turnover (Tett and Meyer, 1993). The knowledge management implications of allowing such low commitment workplaces are numerous. While there is an argument that goes that a medium turnover rate has the effect of ‘refreshing’ the workplace, excessive turnover, especially of employees who keep their experience and knowledge to themselves, leads to corporate amnesia.

Exacerbating this will be poor use of technology. We now enjoy universally cheap access to technology. The simplest instance of this is the Microsoft Office suite; off-the-shelf bakery and brewing plants are other ready instances. The competitive edge in the use of these technologies can only come from a workforce that is capable of working effectively together. Low commitment employment practices, creating an environment where employees are competing for continuing employment, and high labour turnover all counter the possibility of workplaces becoming smarter.

One of the outcomes of this lower employee commitment and higher labour turnover will be continuing wrangles over who owns the intellectual capital of employees, and who should be responsible for the development of that capital. Those concerned with the ‘psychological contract’ at work know the need for new approaches by employees (Dabos and Rousseau, 2004, Rousseau, 1995, Rousseau and Cooper, 2001, Rousseau and Shperling, 2003). The contract needs to go beyond the psychological level to a new understanding by the courts of the intellectual property rights of individuals (Stone, 2004). In the legal system there is a need to establish an intellectual capital regime that is not only efficient, but also equitable.

The attack on collectivity, the lessening of autonomy

Whether it’s evident in a union presence, with union organisers negotiating enterprise agreements, or employees in a firm nominating their most able to negotiate a fair collective bargain, there exist many benefits for cultivating a sense of collectivity in the workplace. Those opposed to a union presence in the workplace extol a ‘unitary’ view of workplace relations, the ‘one’ element in the equation being the interest of the business and/or the manager, rarely the employee. Unitarists see collective bargaining as setting up competition between the employers and the employed, that unions compete for the loyalty of workers, and artificially raise the price of labour. Yet, as long ago as 1978, two Harvard researchers demonstrated that a union presence promotes higher worker commitment in firms (Brown and Medoff, 1978). Labour turnover is lower in unionised workplaces, productivity is higher, and unionised workplaces see lesser levels of the covert expressions of dissent.
(absenteeism, job quitting, sloppy work) (Australian Centre for Industrial Relations Research and Training, 1999). A union presence provides channels for discontent; workers who feel they have been wronged can use a union presence to address the wrong, rather than taking their chances with another employer. The other side of the coin is that unionised workplaces are less profitable, because the better wage deals put more money in employees' pockets. There is a paradox; that what is beneficial for one part of society (low wage costs for employers), is to the detriment of wider society (the working poor, with their support needs being met by the community).

In the lead up to the implementation of the WorkChoices legislation, the government made repeated claims that the new arrangements would improve productivity. If the sceptics are correct and real wages fall, there will be fewer incentives to smartly manage employees, and productivity will, if anything, fall. What the Howard government will need to deal with in time will be steadily worsening levels of productivity in Australia. These lesser levels of productivity will be a product of lower levels of workplace commitment. Breaking the collective employment arrangements (awards or enterprise agreements) will remove one source of pressure for training and development. The WorkChoices legislation itself fails to deliver any incentives for bosses to develop the skills of employees. Individuals negotiating their AWAs will be less likely (or able) to insist on structured training opportunities. The removal of unfair dismissal laws, with small and medium size businesses being able to more readily employ and dismiss staff, will see even less commitment in the workplace.

One of the pluses of both the award system and many enterprise bargains has been a transparency to wage setting. In contrast, employers relying on AWAs can (and often do) insist on wage secrecy. Firms that use AWAs to maintain wage secrecy only create competition and distrust between employees, hardly conducive to the free exchange of ideas that spark innovation. The IT job market has long been characterised with high reliance on the use of short-term staff. In the author's research experience, those employing these staff complain of the extent that the workers guard their knowledge, nothing is given away.

**Failure to guarantee any skills development**

The individualisation of the employment relationship will see a decline in the ability of Australian firms to work smartly. With a lesser price for labour, employers will have even less incentive to invest in the training of staff. We see this at the State level in Australia, where payroll tax exists, in part, to raise the price of labour and push employers to improve productivity through working smarter.

In the 1990s Australia had legislation that guaranteed that larger organisations expend at least a minimum on the training and development of employees. That legislated requirement was subject to some abuse, anyone working in organisational training and development in that era has stories of the required amounts being spent on cruises by executives, or training delivered in luxury resorts. The problem now is that without any training and development being mandated, and less wage pressure compelling managers to attend to employee development, the skill building of the Australia workforce will be further neglected.

Advocates for the present IR legislation maintain that ‘good’ employers, high commitment employers, will continue to make employment arrangements that emulate the best practice of the past, with deals that offer employment security and employee development in exchange for high levels of productivity and innovation. This will probably be the case at the higher price end of the labour market. In other parts, notably in the highly competitive and labour intensive hospitality and food services, we are more likely to see a race to the bottom in pay and conditions. Unless the bosses in these industries can show a demonstrably better product or service for which they can charge a premium, they will be labour cost driven to negotiate the hardest of deals.
The new freedom to homogenise workplaces

The final element that has knowledge management implications is the homogenisation of the workplace that seems likely with the removal of unfair dismissal laws for workplaces employing less than 100 people. For these workplaces to even try to create an agreement with workers that guards them against unfair dismissal, will subject them to substantial fines. The Minister responsible has acknowledged that the removal of guards against unfair dismissals will enable managers to rid themselves of ‘abrasive’ staff (Jones, 2006). Yet, the evidence from those concerned with creativity and innovation in organizations is that it is at the abrasion points in organizations that breakthroughs are made (Amabile, 1997, Kanter, 1996). The contradiction that the legislation does nothing to resolve is that the very people that managers are least likely to be comfortable with, those with different ‘world views’, or a different view of where the organisation should be heading, are the very people are likely to generate the new directions that come out of wrangling, discussion, compromise.

Conclusions

While it is too early to be sure of the long term impact of the 2006 WorkChoices legislation, the low commitment employment practices that it seems to reinforce, the attack on employee collectivity, the lessening of employee autonomy, the failure to guarantee any skills development, and the new freedom to homogenise workplaces doesn’t augur well for the growth of ‘smart’ workplaces in Australia. This paper has canvassed some of the likely knowledge management issues the WorkChoices legislation may generate. The discussion has necessarily been speculative; there are few previous models of such major IR change that can inform the debate.

Future research:

It would be timely to begin testing the outcomes at the organisational level for the knowledge management implications of the legislation. To objectively test whether those organisations implementing AWAs experience a decline in their capacity to develop and apply knowledge is worthy of a longitudinal study. The impact of the restraints on union involvement in workplaces, and the restriction on the contents of enterprise agreements also demand attention for their knowledge management implications.

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INTRODUCTION: WOMEN IN THE CONSTRUCTION INDUSTRY

Around the world women’s participation in the paid workforce has increased exponentially over the past 30 years. This is no less evident than in Australia where there has been a momentous rise in women’s participation. In 1964 women comprised 28 percent of total employment in Australia; by January 2004, this had increased to 44 percent (Equity Statistics Australia 2004). Despite this momentous rise, women still remain under-represented in managerial roles, tending to be clustered in administration and service roles (Palmero, 2004).

This paper, which is part of a broader body of research, seeks to explore some of the factors that contribute to the under-representation of women in managerial roles in male-dominated industries such as the construction industry, and explain why this is an important issue for Australian businesses to tackle. Particular attention will be given to the demands faced by women when balancing their work and family responsibilities. The second part of this paper will draw on empirical research conducted with women in the construction industry in Australia to see if the barriers in balancing work and family responsibilities described in the literature relating to the British construction industry are the same for women in Australia.

Dual life spheres: family and employment

For working parents, ‘balancing’ work and family involves establishing a workable and acceptable combination of the two spheres. Thornthwaite (2004) argues that research to date suggests that an essential element of balance is some autonomy in how working parents manage their roles. Options typically used by working parents to help balance the demands of work and family include restructuring their work commitments to part-time work or prioritising the career of one partner while the other assumes the primary care-giving role. Despite the societal changes that have seen women’s workforce participation rates increase dramatically over the past thirty years, women still take primary responsibility for domestic and family arrangements (Dex & Joshi, 1999). It is of concern that organisations tend to lag behind the social and demographic changes that have occurred (Poelmans and Sahibzada (2004). The compatibility of work and family remains a difficult issue for women, and depends on a complex interaction of the woman’s skills, education and ambitions; the division of domestic labour and partner’s earning capacity; societal expectations of gender roles; and the individual woman’s idea of gender roles (Blattell-Mink, Kramer & Mischau, 2000; Palmero, 2004).

Research shows that having a family presents career obstacles for women (Corporate Leadership Council, July 2004). Having a spouse is correlated to higher income and higher perception of success for men, but a lower income and lower perception of success for
women (Kirchmeyer, 2002). Women are more likely than men to take career breaks and work shorter hours to meet family obligations, both of which have a negative effect on career progression and income (Kirchmeyer, 2002). Additionally, women typically bear the bulk of the burden of domestic duties, with male behaviour changing very little regardless of whether the female partner is employed or not (Kirchmeyer, 2002). Despite these obstacles, however, studies show that the majority of women still desire to combine employment with having a family, and place priority on meeting their family commitments over succeeding in employment (Blattel-Mink, Kramer & Mischau, 2000; Kirchmeyer, 2002). Thus, if forced to choose between family and work, many women will choose not to pursue a top management career in order to meet their family obligations (Blattel-Mink, Kramer & Mischau, 2000).

Women in the Construction Industry
The construction industry consists of both blue collar workers, such as tradespeople and builders labourers, and professionals such as engineers, architects, designers, surveyors and property developers, and is one of the most male dominated of all industries (Dainty, Neale & Bagilhole, 1999; Fielden, Davidson, Gale & Davey, 2001). Fielden et al (2001) noted that not only are 84 percent of workers in the UK construction industry male, the industry exhibits one of the highest levels of vertical segregation with two thirds of the women who do work in the industry engaged in secretarial or clerical roles. A study by Bennett, Davidson and Galeand (1999) into professionals in the UK construction industry found that women who did reach senior professional roles tended to do so in organisations with fewer than 500 employees, whereas the vast majority of the professional males in senior management roles in their sample population were in organisations with over 500 employees, reflecting the disparate power of the senior management roles attained by women.

The construction industry has a male-orientated culture characterised by an expectation of long working hours, geographical flexibility and career centrality which can lead to inflexible work practices and discrimination (Dainty, Neale & Bagilhole, 2001). The barriers that have been shown to impede female career advancement in the general workforce; organisational barriers, the challenge of combining work and family, and the overall (un)attractiveness of the available career paths, are particularly applicable to female professionals in the construction industry.

There are several forms of organisational barriers facing women wishing to enter and progress in the industry. In many construction companies, Human Resources Management (HRM) activities are devolved to line managers who are typically male and lack experience in HRM practice (Dainty et al, 1999). These managers tend to and recruit using informal networks and word of mouth, and make stereotyped and frankly sexist assumptions regarding women’s commitment to work, their mobility, and their career priorities, when making selection decisions (Dainty et al, 1999; Dainty et al, 2001; Bennet et al, 1999; Fielden et al, 2001; Gale & Cartwright, 1995a and 1995b).

The culture in the construction industry is not family-friendly, with long hours and geographic flexibility seen as imperative to career success (Dainty et al, 1999). While women’s careers may be limited by male assumptions and expectations about their family commitments and priorities, women with children are still typically the primary care-givers (Kirchmeyer, 2002) and do find the demands of the industry a strain. The majority of men in management roles in the construction industry who have families also have supportive partners who are either non-working or who consider the man’s career to be more important (Bennett et al, 1999; Dainty et al, 1999). In contrast, the majority of women in similar roles have working partners, and consider their partner’s career to be at least of equal importance to theirs (Bennett et al, 1999). This suggests that women are less likely than men to have the support from their partner or family to fulfil the demands of the industry for career success.

Bennett et al (1999) noted that women in the construction industry generally felt greater satisfaction with their careers than their male counterparts, and attributed this to women
seeing opportunities in entering roles formerly held by males. However Bennet et al (1999) noted a major decline in the number of women in the industry once they passed their mid-thirties. Although many organisations and industry groups have implemented programs to recruit more women into the construction industry, there is a high turnover rate amongst women who become disillusioned with the culture of the industry and the expectation that they will comply with working practices that do not suit them if they are to get ahead. (Dainty et al, 2001). Finch (1994, in Dainty et al, 1999) described how only 25 percent of women in the construction industry believed they could reach the top of their professions, and so many had chosen to move to another sector of the industry or leave for a different profession altogether rather than fight a battle they did not feel was worth winning.

**Taking responsibility for work-family balance**

Liddicoat (2003) suggests that the question of who should take responsibility for the development, implementation and maintenance of family-friendly work practices is part of an ongoing debate. Results of her study indicated that human resource managers felt that employers should bear some of the responsibility to help employees balance their work and family responsibilities. Results of a study by Moore (1996) in which 72 human resource practitioners in Australian organisations were surveyed found that the responsibility for assisting with work/family balance should be shared between organisations, government, community and the individual employee.

A review of the literature shows several barriers to advancement of women’s careers, particularly in male-dominated industries such as construction (Bennett et al, 1999). Women have more difficulty entering the construction industry than men, are ‘funnelled’ into horizontal rather than vertical career paths once in the industry, and face a culture and working environment that at times is openly sexist and structured to suit the needs and ambitions of males (Fielden et al, 2001; Dainty et al, 1999). However, the proportion of women entering the industry has been increasing since the 1990s (Dainty et al, 2001), and Bennett et al (1999) note that female professionals in the industry are generally very optimistic about their abilities and career opportunities. With most of the available literature on women in the construction industry coming from the United Kingdom (e.g. Bennett et al, 1999; Dainty et al, 1999; Dainty et al, 2001; Fielden et al, 2001) this research aims to compare the experiences of UK women in the construction industry, as described in the literature, to the experience of Australian women in the construction industry and to see how the different factors identified in the literature affect the careers trajectories of Australian women.

**METHODOLOGY**

**Data Collection**

A questionnaire was placed on the website of The National Association of Women in Construction (NAWIC). The NAWIC is a not-for-profit organisation whose mission is to promote and improve the construction industry by the advancement of women within it ([www.nawic.com.au](http://www.nawic.com.au), visited 25/08/05). NAWIC’s membership includes women in a broad range of construction related occupations, including engineers, architects, interior designers, project managers, builders and tradespeople, landscape architects and surveyors.

The New South Wales (NSW) Board of NAWIC agreed to support the research and encouraged their members to participate. An email notice was sent to all members of the NSW chapter advising them that NAWIC was supporting the research, inviting them to participate and directing them to the survey on the website. The survey was live on the NAWIC website for 11 days, and two email reminders regarding participation were sent by the NSW Secretary to NAWIC members; 27 responses were received within the timeframe. The respondents accessed the survey through the NAWIC website and emailed their completed response to the researchers. Completed surveys were immediately detached from the email and saved without any identifying information to maintain confidentiality.
In-depth follow up interviews were also conducted to gain a deeper understanding of the perspectives of women in the construction industry. As the researcher had immediately detached the survey responses from the covering emails in order to separate identifying information from the responses, respondents could not be selected based on their characteristics, so 11 respondents were randomly selected and contacted by email to see if they would participate in a follow-up interview. Seven of the women contacted were both willing to be interviewed and were available in the required timeframe, and the interviews were conducted by telephone in the week following the close of the survey.

Questionnaire Design Survey
As the aim of the research was to compare the experiences of Australian women in the construction industry with the experiences described in the literature (e.g. Gale & Cartwright, 1995a and b) of women in the construction industry in the United Kingdom, a survey was developed to gain a broad perspective of the barriers Australian women in the construction industry feel they face.

The first section of the survey aimed to establish the demographics of the respondents that were relevant to interpreting their experiences in the construction industry, such as their age, whether they had children or not, and the size of the organisation they worked for and their level of seniority within the organisation. The second section of the questionnaire sought to assess the respondents’ level of satisfaction with their careers in the construction industry, their intention to remain in the industry, their level of interest in senior management roles in the industry, and whether they believed that they would be able to attain a senior management role if they chose to pursue this career path. This was assessed by asking respondents to indicate their level of agreement with statements such as “I enjoy working in the construction/property development industry” on a Likert scale. The final question in the second section asked respondents whether they believed that there were particular barriers to the career progression of women in the construction/property development industry, and asked them to elaborate on their response.

The third section of the questionnaire described six factors that have been identified in the literature (e.g. Bennett et al, 1999; Dainty et al, 1999) as impacting the careers of women in the construction industry. The respondents were asked to rank the six factors in order from the factor they felt had the most impact on women’s careers in the construction industry to the factor they felt had the least impact. The final section of the questionnaire was an optional free text section that gave respondents the opportunity to add any issues they did not believe had been covered in the survey or to add any additional thoughts or comments.

Follow-up interviews
The follow-up interviews were designed to get a more in-depth perspective of women in the construction industry, and to explore their motivations for entering the industry. The interviews were semi-structured, where the interviewer followed a guide covering the following topic areas of interest:

- the reasons why the woman originally pursued a career in the construction industry,
- the challenges they had faced as a woman in a male dominated industry
- what they had done to overcome those challenges
- what changes they felt the industry could make to attract and retain more women, and
- the advice they would give to a young woman considering a career in the construction industry

Each topic area had one set question to get the discussion going, and then the researcher conversed with the participant on that area until the participant had nothing more to say. The
interviewer also collected demographic information on each interview participant. Each interview took approximately 30 to 45 minutes.

RESULTS

Survey
As expected, the women in the survey were overwhelmingly positive about the industry and their career prospects. There was a strong average level of agreement to each of the following statements across both younger and older respondents and respondents with and without children:

1. I enjoy working in the construction / property development industry.
2. I intend to remain in the construction / property development industry over the next 10 years.
3. I am satisfied with my career prospects in the construction / property development industry.
4. I find senior management roles in the construction/ property development industry attractive as career options.
5. I believe I will be able to reach a top management role in the construction / property development industry if I choose to follow this career path.

The average level of agreement, measured on a seven point scale, to each statement is shown in Table 1 below.

<table>
<thead>
<tr>
<th>Category of Respondent</th>
<th>Average Level of Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enjoy Industry</td>
</tr>
<tr>
<td>Overall</td>
<td>6.0</td>
</tr>
<tr>
<td>Younger Women</td>
<td>5.9</td>
</tr>
<tr>
<td>Older Women</td>
<td>6.3</td>
</tr>
<tr>
<td>Women without Children</td>
<td>5.9</td>
</tr>
<tr>
<td>Women with Children</td>
<td>6.3</td>
</tr>
</tbody>
</table>

When examining the trends, it became evident that the older group of women were, on average, slightly more positive than their younger counterparts about the industry and their career prospects. In particular, the older group of women were more confident than the younger group of women that they would be able to attain a senior management job in the industry if they chose to do so, which was the opposite of the expected result. There was very little difference in the trends in average levels of agreement between women who had children and women who did not have children. Overall, 70 percent of respondents believed that women do face particular career barriers in the construction industry. This result remained consistent when analysed by age and whether the respondent had children.

Barriers faced as a woman in a male dominated industry, and how these were overcome
One of the older participants graphically described the challenges she had faced when trying to return to the Australian construction industry after a period of studying and working in the United States:

“I faced a lot of problems with discrimination when I returned to Australia; there was a real culture of yobbo masculinity. I was the only woman in the industry to have gone to the States and got the qualifications and experience that I had, and most of the Australian men with similar qualifications had actually been sent there by their companies to get them, but I couldn’t even get an interview with a particular large Australian construction
company when I got back. One manager even told me that the industry wasn’t ready for someone like me and advised me to go back to the States.”

On the whole, however, the younger women felt that gender was not as much of an issue now as it had been in the past, and believed that a woman with ability would have the same or similar opportunities as men. However some respondents commented that gender became more of an issue when women deviated from the male norms by having children, or by reaching senior management positions and being unwilling to participate in the ‘boys club culture’:

“At a work level my male colleagues are very professional but the social side brings out the boys club attitudes when they relax and they make inappropriate comments…. I think that women often get actively excluded from social events like golf days and so on because the men don’t feel they can relax if we’re around or they make assumptions that we wouldn’t want to go.”

On the whole, the women reported that the best approach to the challenges was to continue to perform well and make an effort to not let the dominant male culture “get to them”.

DISCUSSION AND CONCLUSIONS

As in the research by Dainty et al (2001) and Gale (1994), the women surveyed in this expressed high levels of satisfaction with the construction industry, and the majority indicated that they intended to remain in the industry for the next 10 years.

Value theory of job satisfaction states that overall job satisfaction is a result of the job outcomes, such as rewards, that the individual receives for doing the job matching the individual’s desire for those rewards (Greenberg & Baron, 2003, p154-155). Simply put, the more people receive rewards they value, the more likely they are to be satisfied. Some factors that can affect job satisfaction are the job itself, pay and promotional opportunities, people (e.g. colleagues) and culture (Greenberg & Baron, 2003, p153).

Fielden et al (2001) noted that women are more likely to consider a career in the construction industry if they have been exposed to the career options and encouraged by family members and mentors from a young age. Dainty et al (1999) reports that women who had gained insight into the realities of the construction industry from a friend or family member had more realistic expectations than women who had entered the industry through targeted recruitment campaigns, and were less likely to suffer from disillusionment with the career opportunities available. Several of the women who participated in follow up interviews reported that they were initially attracted to a career in the construction industry because of the encouragement of family members or family friends, which may have helped them form an accurate perception of the industry and align their expectations prior to entering it, contributing to their high levels of satisfaction.

While the women surveyed and interviewed were not actually asked about their satisfaction with their job, as educated professionals using their skills and qualification in their roles, some of their job satisfaction would be attributable to the jobs themselves. However, given the high levels of satisfaction reported and the intent to remain in the industry for the future, it is highly likely that they would also enjoy the culture of the industry and / or their organisation. This is consistent with research by Gale (1994) and Gale & Cartwright (1995a) who found that women who pursue a career in construction deliberately choose a non-traditional career path and are more likely to be attracted to, and be willing to be socialised into, the culture of the industry than women who choose more traditionally female occupations. This does not mean that the participants in the research necessarily approved of the culture of the industry, but it does indicate that they were not concerned by it to an extent that would cause them to seek an alternate career.
The construction industry is highly gender segregated, with more than two thirds of women in the industry working in secretarial or clerical roles (Fielden et al, 2001). Data on vertical segregation in the industry is harder to come by, but it is estimated that only 15% of managerial roles in the construction industry in the United Kingdom are held by women (Fielden et al, 2001). Finch (1994, in Dainty et al, 2001) noted that only 25 percent of women the UK construction industry believed that they would be able to reach the top of their profession.

The respondents to the survey, however, were very positive about their ability to reach a senior management position in the industry if they chose to do so. On a scale of 1 to 7, with seven being strongly agree, 74 percent of respondents gave a rating of 5 or above to the statement “I believe I will be able to reach a top management role in the construction / property development industry if I choose to follow this career path”, and the average rating was 5.1. Although this is a very small sample, it does suggest that attitudes have been changing since 1994 when Finch (in Dainty et al, 2001) surveyed women in the UK construction industry.

Given that a constant theme in the literature on women in construction is the difficulty the culture of long working hours and geographic mobility poses for women with family responsibilities (e.g. Dainty et al, 1999; Fielden et al, 2001), it was expected that women with children would be less positive about their careers and their ability to attain senior management positions than women without children, however the patterns of responses were very similar for women with and without children in the survey. In fact, women with children were very slightly more positive about working in the industry, had a slightly higher average score for intent to remain in the industry for 10 years, and were slightly more confident in their ability to achieve senior management positions. Not knowing more about the personal circumstances and domestic arrangements of the women in the survey, it is difficult to see why this would be the case, however this also deserves further research.

The literature also shows that women who choose a career in the construction industry are also more likely to be able to adapt to the dominant culture, and may even enjoy it (Gale, 1994, Gale & Cartwright, 1995a). This suggests that the kind of career barriers women are more likely to report would be ones that impact their ability to adapt to the culture and environment rather than cultural barriers per se. This was borne out in the way the responses to the question that asked the women to rank various barriers identified in the literature in order of the impact they would have on women’s careers:. Factors that caused barriers for women to do their job and fit in, such as working patterns that were difficult for women with family commitments and higher levels of scrutiny for women in senior positions, were ranked as having a greater impact on women’s careers than factors such as direct discrimination and the overall male culture of the industry that the women may have come to accept as part of the job.

Gale (1994) describes three common cultures in male dominated organisations such as the construction industry:

- The “locker room” culture, usually composed of white males talking about sport and sex. Other males can join the group through sexual innuendo and sport talk, but women and homosexual men are generally excluded.
- The “gentlemen’s club” which is paternalistic and gallant in that women are treated with courtesy and respect provided that they conform to clear gender-role stereotypes
- The “smart macho” culture where managers encourage excessively long working hours in order to meet the pressure of performance targets.

Aspects of each of these cultures were raised by the women as barriers to female career progression in the industry. The ‘locker room’ culture and the ‘smart macho’ culture were the subject of more comments, most likely as they have more visible indicators, sexist language
and long working hours respectively, than the ‘gentlemen’s club’. The topic of long working hours has already been discussed, therefore the next sections will focus on the ways the women identified the ‘locker room’ culture and the ‘gentlemen’s club’ as barriers to their careers.

This research has shown that women in the Australian construction industry face similar challenges to their counterparts in the United Kingdom, as found by researchers such as Gale (1994), Gale & Cartwright (1995a & 1995b), Dainty et al (1999 & 2001) and Fielden et al (2001). While the women who participated in this research were positive overall about the industry and their career prospects in it, 70 percent of them felt that women in the construction industry faced particular career barriers. The most commonly identified barrier was the difficulty of balancing the demands of the industry for high levels of commitment and long work hours with the demands of family life, however negative stereotypes about women and high levels of scrutiny women managers in the industry face – the pressure of performing combined with the pressure of being more visible – were also seen as having a strong impact on women’s career progression. Interestingly, direct discrimination and hostility from men was seen as having the least impact on women’s career progression.

Limitations of this research
The first limitation of this research is the small sample size. There are many women working in the construction industry in a variety of professional roles, however this research covered only 27 women, and the sample population was heavily skewed towards younger women without children who worked in large organisations of 1000-plus employees. This means that the sample surveyed is not necessarily representative of the population at large of women who work in the construction industry.

Secondly, the population of women who participated in the research may be unrepresentative of the wider population in another way. Gale (1994, p9) found that women in the construction industry were typically ‘at pains to point out that they were not feminists, and distance themselves from feminists and feminism’. The participants in this research were members of the National Association of Women in Construction (NAWIC), which is an industry body whose mission is to ‘promote and improve the construction industry by the advancement of women within it’ (NAWIC website, visited 25 August 2005). As membership of NAWIC is voluntary, it is reasonable to assume that members are more interested in women’s issues, may also be more likely to identify themselves as feminists, than women in the industry who chose not to join.

Finally, as this research aimed to investigate the barriers to career advancement faced women in the Australian construction industry, both the survey questionnaire and the interview guide focused heavily on ranking and discussion of barriers identified in the literature. Several of the women who participated in the research, particularly younger participants, commented that they did not feel that gender was an issue any more, and that ability was more important than gender. This would have been an interesting avenue to pursue however the survey design, in particular, did not allow it. The researcher also observed that the women expressing these attitudes were typically aged 25 or under however this could not be recorded with the two age categories used in the survey.

Suggestions for future research
The first suggestion for future research would be to conduct similar research with a larger sample size, ideally with a better mix of women from different age groups, levels of seniority and a larger group of women with children. Secondly, rather than just examining barriers to women’s careers in the construction industry, future research could explore the changes in culture and practice women would like to see to improve their career prospects. This could extend research by Dainty et al (2001) which found that women in the construction industry in the United Kingdom were far more interested in increasing the formality and fairness of the processes guiding recruitment, selection and promotions, and in formal networking and
mentoring programs than their male colleagues, to women in the Australian construction industry.

Finally, it would also be interesting to research the attitudes of men in construction to the barriers to women’s career advancement. Given that construction is an industry with a culture that is well documented as being “culturally and structurally ‘male’ in orientation” (Dainty et al, 2001 p299), it would be interesting to see how men view the challenges women face and the changes that organisations have been making to attract and retain more women.

REFERENCES


HAS ENTERPRISE BARGAINING IN THE AUSTRALIAN RETAIL INDUSTRY DELIVERED ITS PROMISE OF FAMILY FRIENDLY WORKING CONDITIONS?

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University of Western Sydney

Brian O’Neill
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Keri Spooner
University of Technology Sydney

INTRODUCTION

Enterprise bargaining is an important mechanism for achieving work-family working conditions in the Australian context. Some form of enterprise based bargaining has been present in this country at least since the early 1800’s and the formation of functioning trade unions, but its establishment as the dominant source of determining wages and working conditions took place by increments over the period from the late 1980’s until the present time. Similarly, concerns about the implications of working conditions for managing family responsibilities is evident in the writings of Charles Dickins and influenced the Harvester Judgment of 1908 in which a basic wage was set for Australian workers, yet the issue was not placed firmly on the public agenda until the early 1980’s with the ratification of the International Labour Organisation’s (ILO) Convention Number 156, Workers with Family Responsibilities 1981. Since the 1980’s and up until the present, work-family issues have continued to gain prominence in legislation, public policy and community discussion.

Enterprise bargaining and family-friendly working conditions are not mere common travellers but rather share a degree of inter-dependency. The rationale for the introduction of enterprise bargaining was based in part upon its offer of delivering working conditions more attuned to the needs of workers, the issues are linked in relevant legislation and, in theory at least, the success of bargaining arrangements must be dependent upon workers achieving their goals which are likely to include non-work and family considerations. A number of studies demonstrate that although enterprise bargaining has been associated with the establishment of work-family practices, the form and extent of these varies considerably.

The purpose of this paper is to assess the extent to which enterprise bargaining might have facilitated the establishment of work-family employment conditions in the Australian retail industry. In 2002-03, the retail trade industry employed the greatest number of people of all industries (1.4 million employed persons or 15.3% of total employment) and, women make up 51% of all retail industry employees, representing 18% of all female workers in Australia (Australian Bureau of Statistics (ABS), 2005). The Shop Distributive and Allied Employees Association (SDA) represents most employees in the retail industry and is the largest trade union in Australia, with over 230,000 members. Its largest membership is in the New South Wales (NSW) branch, which includes the Australian Capital Territory (ACT), and exceeds 67,000. The SDA is a party to both, the major award covering retail employees in NSW, the Shop Employees (State) Award, as well as registered enterprise agreements covering shop assistants.

With the establishment of the Conciliation and Arbitration system in Australia in the early 1900’s, a centralised system of award determination presided over by members of the industrial tribunals came to dominate the setting of wages and conditions of employment for most Australian workers. By the mid-1980’s however, in response to economic pressures and the emergence of a dominant economic rationalist ideology and in pursuit of improved national macroeconomic performance, government policy shifted in favour of decentralizing employment relations towards the workplace (Dabscheck, 1995:44; Morris, 1999:7-8; Sullivan, Strachan, & Burgess, 2003:161). *From award restructuring in the 1980’s through
to the 1996 Workplace Relations Act, the goal of greater productivity has dominated the workplace and called into being continuous reforms” (Morris, 1999:3). Although enterprise bargaining has been encouraged by legislation in Australia since the late 1980’s, it continued to operate alongside the more traditional, although altered, award system. Until the late 1990’s, enterprise bargaining to some extent continued to operate in the shadow of the award system, with awards providing a comprehensive set of enforceable working conditions and enterprise bargaining predominantly modifying or supplementing award conditions. From 1996, this balance shifted in favour of a dominance by enterprise bargaining as government legislated first to reduce the power of the Industrial Relations Commission (IRC) and the ‘allowable matters’ to be covered in awards and then in 2005-6 to remove most of the IRC’s remaining powers (Workplace Relations Act 1996; Workplace Relations Amendment (Work Choices) Act 2005). Up to the present time, both federal and State systems of industrial regulation have co-existed in Australia, with awards and enterprise agreements determined in different jurisdictions often operating within the same industry. Under the federal government’s WorkChoices legislation (2005), the role of the various State tribunals will be significantly eroded, with most authority over industrial relations activity and regulation shifting to the federal jurisdiction.

The paper begins with a consideration of the nature of the relationship between enterprise bargaining and work-family conditions including historical arguments and current legislation. From this discussion, insights are gleaned as to the meanings attached to the notion of work-family conditions in the Australian context. These understandings are then augmented through a discussion of the literature concerning family-friendly working conditions and several work-family indicators are identified. These indicators or different types of provisions are evaluated according to their legislative base (mandatory or optional) and their effect in terms of other employment conditions (substitutionary or additional). A content analysis of the NSW Shop Employees (State) Award and twenty federally registered retail industry enterprise agreements is then undertaken to identify the frequency and ranking of work-family clauses. A comparison of the Award and enterprise bargaining provisions, as well as a comparison of the entitlements provided by industry sub-sectors in their agreements, provides the basis for drawing some conclusions about whether or not enterprise bargaining in Australia has assisted employees in balancing their work and family commitments.

Relationship between enterprise bargaining and work-family conditions

Whilst the push for enterprise bargaining in Australia was motivated primarily by a mixture of economic and political factors, a common argument advanced in support of the move has been that the traditional centralized industrial relations system lacked the flexibility needed to meet the needs of those at the workplace and that enterprise bargaining would facilitate the development of employment conditions more attuned to the needs of both employers and employees. (Niland, 1989). According to the Commonwealth Government in 1994, enterprise bargaining would foster more cooperative and flexible workplaces with agreements specifically tailored to the needs of the parties(Commonwealth Government, 1995:29). Several academics have also noted that part of the justification for the further decentralization of the industrial relations system under the Workplace Relations Act 1996 (the Act) was that it would promote gender equity more effectively (Newman, 1997; Sullivan et al., 2003:161-2). The argument advanced was that a decentralized system would more effectively promote flexible employment conditions which in turn would facilitate a better matching of employment and family care responsibilities (Strachan & Burgess, 1998). The ‘family-friendly workplace’ is the embodiment of this argument, in that employers claim to recognize the important potential contribution to workplace productivity by employees who can successfully combine work and family responsibilities (Sullivan et al., 2003:162). Indeed, some observers have argued that only through a system of decentralized bargaining can work-family arrangements be effectively negotiated and implemented (Moylan, 1998; Newman, 1997).
The Workplace Relations Act 1996, as at 31 March 2006, establishes a clear nexus between enterprise bargaining and work-family conditions under the terms of its ‘Principal Object’ (s.3). One of the principal objects of the Act is to ensure ‘that, as far as possible, the primary responsibility for determining matters affecting the employment relationship rests with the employer and employees at the workplace or enterprise level’ (s.3(d)). Another is to assist ‘employees to balance their work and family responsibilities effectively through the development of mutually beneficial work practices with employers’ (s. 3(i)).

The Act also reaffirms the application of various legislation relating to work-family conditions of employment, as well as establishing some relevant minimum standards. In the performance of its functions, the IRC must take account of the principles embodied in the Racial Discrimination Act 1975, the Sex Discrimination Act 1984, the Disability Discrimination Act 1992 and the Age Discrimination Act 2004 relating to discrimination in relation to employment (s.105). The Act also provides for a minimum entitlement of parental leave, and aims to prevent and eliminate discrimination on a range of grounds, including family responsibilities. Employees have entitlements to three types of unpaid parental leave, of up to a maximum of 52 weeks: maternity leave, paternity leave and adoption leave (s.266). The Act also provides for paid personal/carer’s leave of 10 days a year that can be used for personal sick leave or carer’s leave and a further two additional days of unpaid carer’s leave. Paid or unpaid carer’s leave may be taken by an employee to provide care or support to a member of the employee’s immediate family or the employee’s household who requires care or support because of a personal injury or an unexpected emergency (s.244). Further, the Act requires the IRC to take account of the principles embodied in the ILO Family Responsibilities Convention including those relating to preventing discrimination against workers who have family responsibilities and helping working to reconcile their employment and family responsibilities (s.106).

It is clear that there has been some encouragement to develop work-family provisions at the workplace level in Australia through enterprise bargaining as well as legislation providing a number of related minimum enforceable conditions. To assist an analysis of those provisions negotiated in retail industry enterprise agreements, the literature concerning work-family conditions of employment will be reviewed.

**Family-friendly working conditions in Australia**

A number of researchers provide insights to the meaning and nature of work-family employment conditions in the Australian context. Burgess and Strachan (1999:290) note that ‘although gender neutral in theory, work and family policies in practice inevitably revolve around the working conditions of female workers’. Moore and Crawford (2005:206) argue that work-family responsiveness is defined in two ways: first, formal policies and practices that an organisation offers designed to assist employees balance their work and family lives, and second, an informal work environment that is accommodating of the work-family needs of its employees. They argue that formal practices typically include such programs as job-sharing, part-time work, telecommuting, child-care, elder care, career break schemes, maternity and paternity leave (Moore & Crawford, 2005:206).

The meanings attached to the notion of work-family employment conditions Australia closely resemble those identified in the international literature and fall into three general categories: leave - provision of leave for vacation, illness, childbirth, and emergency child care and/or provision for reduced average hours worked; hours- flexibility in the scheduling of work hours and the location of work hours; and services- assistance with various forms of care (Glass & Estes, 1997). These three categories will provide a framework that will assist an examination of the work-family provisions contained within retail industry awards and enterprise agreements.
Thornthwaite (2002:1) asserts that work-family balance initiatives include a range of work and other facilitative arrangements, both formal and informal, that assist employees to fulfils employers’ expectations while also meeting the needs of family members. The arrangements identified by Thornthwaite (2002; 2004) can be categorized according to the Gall and Estes (1997) model, although she also includes factors such as job security which although highly relevant to work-family needs, may be viewed as more general in their effect. She argues that the quest for work–family balance encompasses a variety of issues including working time, parental leave, and childcare and provides the following more detailed examples: shorter working hours; special leave and career breaks, including maternity and paternity leave, parental leave, carers’ leave and bereavement leave; part-time work and other non-standard work arrangements e.g., Job sharing, homeworking and telecommuting; flexible work arrangements e.g., flexitime, compressed work week, term-time work, time banking, annualised hours schemes and employee choice rostering; child care and elder care services and support; and, assistance with parenting e.g., parenting seminars; job security, protection of entitlements and equity in career prospects for those who use family-oriented benefits (2004:206).

It is apparent that employee entitlements to such conditions might take a number of forms: legislation, awards, formal agreements including enterprise agreements or individual contracts, company policies and informal policies and practices. According to a government inquiry, retailers are increasingly attracted to providing family-friendly workplaces in order to address their considerable difficulties in attracting and retaining need skills and to reduced the costs of labour turnover, currently estimated at $397m per year (Commonwealth of Australia, 2002). However, employment conditions designed to assist employees in balancing their work-family commitments may be formalized in registered agreements or awards. In this paper, we are concerned with the provisions of the retail industry award and retail industry enterprise agreements and therefore, it is likely that many work-family benefits exist that are not embodied in these forms. Although such provisions may be provided informally or through organizational policies, their legal enforceability is clearly enhanced if they are established in legislation, awards or registered enterprise agreements. There have been two major pressures for work-family conditions to be included in enterprise agreements. First, the nature of enterprise bargaining is such that unions will push for employment conditions to be included as rights within agreements and employers may also find that within a bargaining context, the granting of such entitlements offsets wage demands. Government policy and pronouncements have also actively encouraged the inclusion of work-family conditions within enterprise agreements. The Australian government’s Office of the Employment Advocate identifies a range of family-friendly work conditions that might be covered in enterprise agreements including: flexible start and finish times, averaging of hours over a set period and/or time off in lieu of overtime; flexible leave arrangements including personal/carer’s leave, purchased annual leave (e.g., granting an employee extra leave without pay in the year, but averaging their income over the whole year) and/or more flexible use of annual leave including single day’s leave; paid maternity leave; job sharing; home based work or teleworking (Office of the Employment Advocate, 2006).

There have been numerous studies that have sought to identify the consequences of enterprise bargaining for workers. Those which have focused upon the outcomes of enterprise bargaining in terms of work-family employment conditions have often done so in gender terms, evaluating their outcomes for women workers (Department of Employment Workplace Relations and Small Business (DEWRSB), 2000; Junor, 1999; Sullivan et al., 2003). The DEWRSB report (2000) on enterprise bargaining outcomes under the Workplace Relations Act 1996 found that conditions vary considerably between male and female dominated industries with family friendly provisions, including personal leave and parental leave, more common in enterprise agreements within female dominated industries (Department of Employment Workplace Relations and Small Business (DEWRSB), 2000:116; Sullivan et al., 2003:167). Sullivan, Strachan and Burgess (2003:167) found that “Enterprise bargaining has not systematically disadvantaged women workers, likewise their relative
position has not improved." They also note that under a decentralised enterprise bargaining system ‘where you work’ is an important determinant of your employment conditions (2003:167).

There are also difficulties associated with determining whether particular provisions are delivering work-family benefits. For example, the Australian Chamber of Commerce and Industry (ACCI) argues that ‘the key change that has occurred to working hours in the bargaining system has been increased choice and flexible concepts of working time’ and cites as examples of clauses in enterprise agreements ‘which have provided employees with greater options in their working arrangements’ include those which facilitate part-time and casual work, multiple forms for the taking of annual leave, time off in lieu of overtime, changes to the spread of hours worked and make up time, where employees can take time off for personal reasons and work additional time later (Australian Chamber of Commerce and Industry, 2002). In the absence of in-depth case studies, it is not possible to know whether these provisions are designed to assist employees meet their family commitments or are aimed at providing the employer with flexibility. Such provisions may be positive, negative or neutral in their effect upon achieving a work-family balance.

Methodology

A content analysis of the NSW Shop Employees (State) Award and twenty retail industry enterprise agreements are undertaken to identify the presence of work-family clauses. The industrial awards covering retail employees in Australia are currently State based awards, although the relevant enterprise agreements are federally registered. The major purpose of this study is to identify whether the provisions of the enterprise agreements examined provide work-family provisions not contained in the Retail Award. This comparison takes place against a blanket of legislative provisions, some of which are in the process of transformation. Although the focus of this study is upon comparing the relevant Award with agreements in that same industry, it is impossible to ignore the implications of the WorkChoices Amendment Bill 2005 (now passed through parliament) and the consequent current Workplace Relations Act 1996 (WRA) (as amended). While currently subject to legal appeals, these provisions are aimed at introducing into Australia a unitary national system of industrial relations regulation which will have the effect of making redundant the State Award system. Therefore, the relevant Award and enterprise agreement provisions will also be considered in relation to the requirements under the WRA. Indeed, a number of the enterprise agreements examined refer specifically to the provisions of the Act.

There are approximately fifty federally registered enterprise agreements covering members of the Shop Distributive and Allied Employees Association (SDA) working in New South Wales (NSW). The choice of which agreements would be subject to examination was strongly influenced by a desire to capture in the analysis agreements that were broadly representative of the major retail sectors: department stores, large variety stores, major supermarket chains, fast food chain operations and larger chain specialist stores. There are no agreements covering employees in ‘mum and dad’ small retail outlets unless they form part of larger chains. The second major consideration was that there should be something resembling an even distribution between these sectors in the agreements examined. The choice of enterprise agreements covering large department stores was made easy by the presence of only two major players and hence, both Myer and David Jones agreements were examined. Similarly, the choice of enterprise agreements covering employees in large variety stores was limited by the presence of three major chains: Kmart, BigW and Target. Although there are a number of supermarket chains operating in Australia, the following dominate: Coles supermarkets, Coles/Bi-Lo, Woolworth’s, Franklins and the Coles/Myer Liquor Group. The choice of agreements covering employees in take-away food chains was limited by the number of operators and the following were examined: Hungry Jacks, Dominos Pizza, KFC, Red Rooster and Pizza Hut. In deciding which chain specialist stores’ enterprise agreements would be examined, a selection was chosen based upon their operating in different sub-
sectors: Officeworks (paper and other products for clerical/administrative needs), Bunnings (building supplies, hardware etc), Super Cheap Auto (cars), Ikea (furniture and furnishings) and PGFG (Rockmans and others providing clothing).

The enterprise agreements examined in this paper are clearly biased in favour of larger employers and organizations with substantial union membership. The implications of this bias are recognized and discussed in the research findings. Table 1 presents the list of agreements examined and the number of employees covered by the SDA under each agreement.

**Table 1: Enterprise Agreements examined and SDA Membership**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Enterprise Agreement</th>
<th>SDA Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Jones</td>
<td>David Jones Enterprise Agreement 2002</td>
<td>3,500</td>
</tr>
<tr>
<td>Myer</td>
<td>Myer Stores Agreement 2004</td>
<td>6,000</td>
</tr>
<tr>
<td>Kmart</td>
<td>Kmart Australia Ltd Agreement 2004</td>
<td>6,000</td>
</tr>
<tr>
<td>BigW</td>
<td>BIG W Certified Agreement 2003</td>
<td>6,500</td>
</tr>
<tr>
<td>Target</td>
<td>Target Retail Agreement 2003</td>
<td>4,000</td>
</tr>
<tr>
<td>Coles Supermarkets</td>
<td>Coles Supermarkets Australia Pty Ltd Retail Agreement 2005</td>
<td>16,000</td>
</tr>
<tr>
<td>Woolworth's</td>
<td>Woolworth’s Supermarkets - Nsw/Act Agreement 2004</td>
<td>30,000</td>
</tr>
<tr>
<td>Franklins</td>
<td>Franklins Limited National Retail Team Agreement 2001</td>
<td>4,000</td>
</tr>
<tr>
<td>Bi-Lo</td>
<td>Bi-Lo Pty Ltd Retail Agreement 2005</td>
<td>2,500</td>
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<td>Coles/Myer Liquor Group</td>
<td>Coles Myer Liquor Group (Cmlg) (Retail) Agreement 2005</td>
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<tr>
<td>Hungry Jacks</td>
<td>Sda Hungry Jack’s New South Wales/Act Agreement 2004</td>
<td>1,500</td>
</tr>
<tr>
<td>Dominos Pizza</td>
<td>Sda-Domino’s Pizza Agreement 2001</td>
<td>2,000</td>
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<tr>
<td>KFC</td>
<td>KFC National Enterprise Agreement 2005</td>
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<td>Red Rooster</td>
<td>Red Rooster Agreement 2003</td>
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</tr>
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<td>Pizza Hut</td>
<td>Pizza Hut – Sda National Employee Relations Agreement 2004</td>
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<td>Officeworks</td>
<td>Officeworks Pty Ltd Agreement 2003</td>
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<td>Bunnings</td>
<td>Bunnings Warehouse Enterprise Agreement 2003</td>
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<td>Super Cheap Auto</td>
<td>Super Cheap Auto Certified Agreement 2003</td>
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<td>Ikea</td>
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<tr>
<td>PGFG</td>
<td>Pgfg Stores Enterprise Agreement 2005</td>
<td>Not known</td>
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</table>

Award and agreement provisions are considered under the three categories identified earlier in this paper, which are seen to be indicators of work-family provisions: *leave, hours and services*.

*Leave* provisions are seen to take two forms: *core* which are those specifically provided to meet work-family needs, such as parental leave, and *peripheral* which are those providing flexibility in the taking of existing provisions, for instance, the taking of annual leave in single days to care for a family member. Only those forms of leave provisions that are specifically and directly related to work-family needs are included in this study: parental, sick and family/carer’s leave. Other forms of leave provisions evident in some enterprise agreements that may have some work-family implications but are not examined here include: blood donors, natural disasters and jury leave. *Core leave* provisions are further categorized according to whether they provide an *additional* quantum of leave overall for the employee or...
rather provide only for a more flexible taking of existing entitlements, such as where existing sick leave rights can be used for work-family purposes or where unpaid leave can be taken.

**Hours** clauses are seen to be those that specifically provide flexibility in the scheduling of work hours and the location of work hours for work-family reasons. Although the provision of part-time and casual employment has been associated in the literature with family-friendly employment conditions, such clauses are not examined in this paper for several reasons. The retail industry in Australia is somewhat dominated by part-time and casual employment and has been at least since the 1970’s. Such hours of work clearly met the needs of retail industry employers and their trading patterns. It would be false to label such working hours as representing work-family conditions as they may in fact be a source of further balancing difficulties. Only in-depth case studies could reveal the extent to which part-time and casual employment over seven days per week is actually a source of work-family employment conditions for workers in the retail industry.

**Services** clauses are those that provide for actual forms of care, such as child care centres. Each agreement will be examined for the presence of such clauses.

**Work Family Entitlements**

In considering the entitlements of retail industry employees to family-friendly working conditions, an examination will be made of the provisions under the Workplace Relations Act 1996, the NSW Shop Employees (State) Award and the various enterprise agreements.

**Workplace Relations Act 1996**

The Act provides for a minimum entitlement of parental leave and three types of unpaid parental leave, of up to a maximum of 52 weeks: maternity leave, paternity leave and adoption leave (s.266). The 52 week entitlement is on a shared basis (SB) which means that the total entitlement is up to 52 weeks time off for a pregnancy; paternity leave taken by a partner is to be deducted from the total, as are accrued periods of other leave including annual leave and sick leave. Permanent employees and ‘eligible casuals’, who satisfy certain tests including regular employment for more than 12 months, are entitled to take parental leave (s.264). This standard was originally set by the 1990 AIRC Test Case (Pr. J3596) and various ‘State’ based legislation, including the NSW Industrial Relations Act 1996 have adopted the same standard.

The Act provides for ‘personal/carer’s leave’ which includes personal sick leave and carer’s leave to provide care or support to a member of the employee’s immediate family, or a member of the employee’s household, who requires care or support because of a personal illness, injury or an unexpected emergency affecting the member (s.244). An employee is entitled to paid personal/carer’s leave, for each completed 4 week period of continuous service with an employer, of 1/26 of the number of nominal hours worked by the employee for the employer during that 4 week period; example: an employee with continuous service for a twelve months period who worked 38 hours per week would be entitled to accrue 76 hours paid personal/carer’s leave (which would amount to 10 days of paid personal/carer’s leave for that employee) over the period (s.246)

A full-time continuous employee is, subject to various criteria, is entitled to a further 2 days unpaid carer’s leave per year subject to their having no entitlement to paid personal/carer’s leave (s.252).

**NSW Shop Employees (State) Award**

The Award, which is registered in NSW and, at the time of writing, not subject to the provisions of the Workplace Relations Act 1996, sets minimum work-family standards that fall short of the provisions of the Act. The Award’s ‘Flexibility of Work Clause’ (C.7) makes no
mention of employees needs and with respect to ‘rostering’, the Award provides that whilst
the employer ‘will have regard for the family responsibilities of the employee…it is accepted
that the existence of such responsibilities does not in itself prevent an employer changing an
employee’s roster where necessary’ (cl. II (i) (iii)).

With respect to sick leave, the Act provides that a full-time continuous employee working a
38 hour week is entitled to up to 10 days of paid personal/carer’s leave while the Award
provides that a full-time employee is entitled to up to 38 hours (5 days) paid sick leave in
their first year of service and up to 61 hours (8 days approximately) of paid sick leave in their
second and subsequent years of continued employment with an employer (cl.18). Part-time
employees have a pro rata entitlement. Employees can accrue untaken leave from year to
year so long as employment provided that in any year an employee shall not be
Entitled to take more than 380 hours accumulated sick leave (cl. 18 (ii) (b)). Employees,
other than casual employees, are entitled to use their paid sick leave entitlements to provide
care and support for ‘a member of a class of person’ set out in the Award (cl.21 (1)).
Employees also have an entitlement to ‘Unpaid Leave for Family Purpose’ and “may elect,
with the consent of the employer, to take unpaid leave for the purpose of providing care and
support to a member of a class of person set out in (the Award) who is ill” (cl 21 (2)).

Under the Award, employees, other than casual employees, are entitled to a maximum of
two hours paid leave on four separate occasions in a year for the purpose of donating blood
(cl.19) and up to three days paid compassionate leave on each occasion of the death of a
prescribed person (cl. 20). Other work-family friendly provisions include: the right to take
annual leave not exceeding five days in single day periods, or part thereof, in any calendar
year at a time or times agreed by the parties; to take time off in lieu of payment for overtime
at a time or times agreed with the employer; and, to work ‘make-up time’, under which the
employee takes time off ordinary hours and works those hours at a later time (cl. 21 (3-5)).

In terms of the three categories or indicators of work-family provisions identified earlier in this
paper, the NSW Shop Employees (State) Award appears to provide no relevant entitlements
in the area of services and only the most minimum in the area of hours. Those leave
provisions that exist under the Award are core, in that they specifically provide for meeting
family/carer’s needs, but are peripheral and existing as they merely provide some flexibility in
the taking of existing provisions without adding to the quantum of leave available.

It is against this somewhat minimal base that the provisions of twenty retail industry
enterprise agreements are to be compared.

Retail Enterprise Agreements
The literature identified three forms of employment conditions which might assist workers in
meeting their family responsibilities and that might contribute to a better work-family balance:
leave, hours and services. An examination of the twenty enterprise agreements listed above
has found that, to the extent that enterprise bargaining has facilitated work-family
employment conditions, it has been almost exclusively in relation to the form of leave
provisions and these will be examined shortly.

Relevant ‘hours’ clauses are seen to be those that specifically provide flexibility in the
scheduling of work hours and the location of work hours for work-family reasons. The State
Award, the WRA and all of the enterprise agreements examined did contain specific clauses
providing that rostering would take account of family responsibilities, although in the case of
PGFG stores this clause appears to be restricted to the case of employees returning from
parental leave. These clauses are noted in Appendix A. It is not possible to know from our
study how such provisions are actually applied at the workplace. In almost all cases, the
agreements state that while work-family considerations will be taken into account, final
authority rests with the business and its needs. However, research undertaken by the Work
and Family Unit of the Department of Employment and Workplace Relations suggests that the difficulties faced by many retailers in attracting and retaining employees has caused them to recognize the benefits that family-friendly work places can deliver in terms of staff morale, increased productivity and reduced labour turnover (Commonwealth of Australia, 2002).

‘Services’ clauses are those that provide for actual forms of care, such as childcare centres. None of the enterprise agreements examined provided for such services and neither the WRA nor the State Award contains provisions requiring the granting of such services. Although employers party to the agreements examined may well provide such services (although it appears that in fact they do not), the significant fact for this present study is that such services are not provided within the terms of the relevant enterprise agreements.

An examination of the provisions of twenty retail industry agreements shows that if enterprise bargaining has delivered work-family employment conditions, it is in the area of ‘leave’ provisions which are seen to take two forms: core which are those specifically provided to meet work-family needs, such as parental leave, and peripheral which are those providing flexibility in the taking of existing provisions, for instance, the taking of annual leave in single days to care for a family member. It was earlier argued that ‘core’ leave provisions could either establish ‘additional’ rights in terms of quantum or flexibility or mirror ‘existing’ entitlements, such as where existing sick leave rights could be used for work-family purposes or where unpaid leave could be taken.

Work-family leave provisions were evident in all of the enterprise agreements examined. The nature of these provisions was seen to fall into four categories: Parental leave, Personal/carer’s leave (CL), Sick Leave (SL) & other. Within each of these forms, there was evidence of both core provisions specifically provided to meet work-family needs and peripheral that provide for flexibility in the taking of existing provisions to meet such needs. A high degree of inter-relationship between CL and SL was evident in many of the agreements examined and in most cases this combination was accompanied by an increase in the quantum or additional rights being provided under the Award. A detailed analysis of each of the twenty enterprise agreements examined is shown in Appendix A.

With respect to parental leave, nine of the agreements studied provided only the minimum entitlement of 52 weeks unpaid shared leave as provided under the WRA: Big W, Woolworth’s Supermarkets, Franklins, KFC, Pizza Hut, Bunnings, Super Cheap Auto, and Ikea. Overall, it is the largest employers that tend to provide parental leave in excess of the legal minimum and up to the 104 days requested under the unsuccessful ACTU Test Case of 2005 (Australian Industrial Relations Commission (AIRC), 2005). The David Jones enterprise agreement appears to be the only one examined that includes some paid parental leave: paid up to 7.6 hrs pre-natal.

Sick leave (SL) entitlements were seen to be strongly inter-related with careers/family leave entitlements consistent with the approach adopted under the WRA. Although the agreements examined generally provide SL and carer’s leave (CL) entitlements in excess of those established under the State Award, many do not fully conform to the current requirements of the WRA. The enterprise agreements examined generally met the standard set under the WRA of 10 days paid carer’s/sick leave for employees in their second and subsequent years of service. The Coles, Target, Bunnings and PGFG stores exceeded the WRA standard by 1 day (up to 61 plus 22.8 paid days) for all continuous permanent employees. However, a number of agreements apply the State Award standard for the 1st year of service being only 38 hours (5 paid SL days) which even when their carer’s entitlement of 3 days is added, they still do not fully meet the WRA standard for at least part of that first year of service in which an employee has accumulated entitlements under the Act at the rate of 1/26 of the number of nominal hours over a 4 week period. Whether or not included in the provisions of an enterprise agreement, the standard set under the Act legally apply. The agreements were negotiated prior to the introduction of the current provisions of the WRA and as they fall due
for renegotiation, this issue will presumably be addressed; it is known that the SDA is currently negotiating to have agreements include one day in addition to those provided under the legislation.

In summary, there is some evidence of enterprise bargaining providing employment conditions designed to assist employees in balancing their work-family needs that exceed the requirements of both the Retail Employees (State) Award and the WRA. These superior provisions are mainly associated with the taking of leave and take the form of both an increase in core provisions, such as additional ‘career’s leave’ entitlements, as well as improved peripheral provisions, such as greater flexibility in the taking of sick leave entitlements.

CONCLUSIONS
The chief focus of this paper was upon whether or not enterprise bargaining in Australia has resulted in more family friendly employment conditions for retail industry employees. Enterprise bargaining was introduced in Australia to augment the centralized award system with more enterprise focused bargaining, although it has grown under the legislation to become increasingly the chief source of employees’ minimum entitlements at work. Therefore, a comparison of Award and enterprise agreement provisions should reveal whether or not enterprise bargaining has delivered more work-family employment conditions. The finding must be a qualified ‘Yes’. The provisions of all of the agreements examined provide for some enhancement of work-family employment conditions as compared with those provided under the relevant Award both in the quantum of leave provided but especially in the area of flexibilities concerning the combining of different forms of leave and in the terms associated with their taking. However, many do not fully met the WRA standard for carer’s/sick leave with respect to employees in their first year of service. While most enterprise agreements provide for slightly more generous conditions in the quantum and taking of work-family leave, these are not radically superior to those established under the Act or the Award.

The analysis does not reveal any clear pattern or relationship between the size of the enterprise, number of union members and the level of benefits although the larger enterprises tended to provide for somewhat more generous conditions overall. There are obvious disparities in the conditions provided within particular industry sectors and between organizations of comparable size.

Identifying whether enterprise agreements has delivered its promise of delivering work-family employment conditions has been made more complex by recent legislative changes which will cause State Awards to become obsolete as the State based Industrial Relations Commissions are overtaken by federal law. While we can find that retail industry agreements provide some work-family benefits as compared with the relevant State Award, a number of them actually fall short of meeting the federal requirements. This will no doubt be a short-term issue as agreements are re-negotiated in light of current legislation.

Finally, in considering the overall benefit of enterprise agreements provisions for workers seeking to balance their work-family needs, there are several other issues that might be usefully considered. First, the agreements examined each run to a considerable number of pages and include in every case a repetition of Award or legislative provisions. The negotiation of each has involved a huge investment in time by all of the parties. The results of these deliberations have been, as seen, overall positive in terms of work-family provisions but hardly earth shattering. Secondly, at 2002-03, the retail trade industry employed about 1.4 million persons and enterprise bargaining covers only a small percentage of these whilst centralized provisions technically cover all. Thirdly, ‘between the thought and the deed falls a shadow’; legal entitlements are subject to interpretation and application. What is provided for may be different from that applied. The existence of an enterprise agreement is suggestive of greater union presence and activity and it is likely that the terms of enterprise agreements
may be more subject to proper enforcement than those of an Act or an Award in the absence of union activity. Finally, it is difficult to identify whether enterprise agreements has delivered an improvement in work-family employment conditions when we cannot know what might have occurred had it not existed.

Endnote:
We wish to express our sincere gratitude to Gerard Dwyer, Branch Secretary of the Shop Distributive and Allied Employees Association (NSW Branch) for his assistance in the enterprise agreements and other data used in this paper. All errors and omissions, we of course the responsibility of the authors alone.

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**Awards and Agreements**

- BIG W Certified Agreement 2003
- Bi-Lo Pty Ltd Retail Agreement 2005
- Bunnings Warehouse Enterprise Agreement 2003
- Coles Myer Liquor Group (Cmlg) (Retail) Agreement 2005
- Coles Supermarkets Australia Pty Ltd Retail Agreement 2005
- David Jones Enterprise Agreement 2002
- Franklins Limited National Retail Team Agreement 2001
- Ikea Certified Agreement 2002
- Kfc National Enterprise Agreement 2005
- Kmart Australia Ltd Agreement 2004
- Myer Stores Agreement 2004
- NSW Shop Employees (State) Award
- Officeworks Pty Ltd Agreement 2003
- Pgfg Stores Enterprise Agreement 2005
- Pizza Hut – Sda National Employee Relations Agreement 2004
- Red Rooster Agreement 2003
- Sda-Domino's Pizza Agreement 2001
- Sda Hungry Jack's New South Wales/Act Agreement 2004
- Super Cheap Auto Certified Agreement 2003
- Target Retail Agreement 2003
- Woolworth’s Supermarkets - NSW/ACT 2004

**Legislation and Test Cases**

- 1990 AIRC Test Case (Pr. J3596)
- NSW Industrial Relations Act 1996
- WorkChoices Amendment Bill 2005
- Workplace Relations Act 1996
- Sex Discrimination Act 1984
- Disability Discrimination Act 1992
- Age Discrimination Act 2004
WORKER PARTICIPATION IN OHS IN NEW SOUTH WALES (AUSTRALIA) AND NEW ZEALAND: METHODS AND IMPLICATIONS

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ABSTRACT

Legislation in New Zealand and in New South Wales (Australia) provides statutory rights for worker participation (WP) in occupational health and safety (OHS) on the expectation that such participation will improve OHS in workplaces, and will therefore make a contribution to higher productivity, higher worker and organisation performance, improved employee wellbeing, and less wasteful and more cohesive societies. This paper reviews empirical and theoretical literature on the links between WP in OHS and improved OHS outcomes but first considers the difficulties of isolating causal connections and the influence of context. Methods for WP in OHS are then debated, taking statutory forms in NSW and NZ as a starting point but also drawing on lessons from Denmark and Norway. Comparison between these countries may be instructive on the role of context: two are models of neo-liberalism with workplaces shaped by managerial prerogative and two are models of social democracy with workplaces shaped by partnership.

INTRODUCTION

There is international consensus regarding the advantages of avoiding poor occupational health and safety (OHS):

A commonly used argument is… that poor countries and companies cannot afford safety and health measures. There is no evidence that any country or company in the long run would have benefited from a low level of safety and health. On the contrary, recent studies by the ILO… demonstrate that the most competitive countries are also the safest. Selecting a low-safety, low-health and low-income survival strategy is not likely to lead to high competitiveness or sustainability… (Hamalainen, Takala and Saarela, 2006, pg. 138).

This paper is concerned with research design for tracing the connections between occupational health and safety (OHS) and organisation and worker performance and well-being. The causal mechanics of the contribution of worker participation (WP) in OHS to OHS improvement, and therefore, organisation and worker performance and well-being, are also considered, together with evidence for causal connections. The second concern of the paper is to identify various forms of WP in OHS. We begin this exercise by taking statutory provisions for WP in OHS in four jurisdictions as a starting point: Norway, Denmark, New
Zealand, and New South Wales (NSW) (in Australia). This comparison facilitates a broadening of possible ways that workers may influence OHS.

The countries studied have small economies with high proportions of small and medium-sized enterprises. Australia and NZ share similar employment relations cultures and legislation regarding WP in OHS, although statutory provisions for WP in NZ are recent, introduced as part of the 2002 amendments to the Health and Safety Act 1992 (NZ) (see Harris, 2004). Norway and Denmark’s approach to OHS regulation is not unlike NSW and NZ, but they have been world leaders in theory and practice in WP. Since 1945, Norwegian and Danish employer and union federations have engaged in cooperative committees or works councils to improve productivity. OHS law in these countries require establishment of OHS or working environment committees. These committees take a broad approach to OHS, and oversee rationalisation, work processes and working time arrangements (Knudsen, 1995, pgs. 91-95).

All four countries are internationally competitive: global ranking by the World Economic Forum (2006) placed Denmark at fourth, Norway at ninth, Australia at tenth, and NZ at sixteenth. Nevertheless, productivity performance in Australia and NZ has been a topic of political debate, as advocates and opponents of employment relations deregulation in Australia both cite the productivity performance of either country in support of their arguments. However, Peetz’s (2005) review of productivity performance between the two countries under individualised and collectivist regimes found no evidence that decollectivisation improved productivity. Australia and NZ shared similar productivity growth performance between 1978 and 1991, but after 1991, Australia’s total factor productivity growth outstripped NZ’s. This was the era of decollectivised employment relations under the Employment Contracts Act (1991) (NZ), when NZ’s productivity growth declined to an average of 0.5 per cent per annum. This provided a key incentive for the re-introduction of a collective approach under the Employment Relations Act 2000 (NZ) (Wilson, 2004, pg. 12). Recently, and under more individualised employment relations, Australia’s productivity has fallen, and performance is behind rates achieved when Australia’s system was centralised (Peetz, 2005).

Two explanations and three caveats need noting to delineate our topic. Firstly, the term ‘worker’ captures the substance rather than the legal form of relations, as it includes employees but also contractors and agency employees who may exist in ‘triangular’ relationships in terms of control over the labour process and work environment (New South Wales Labour Hire Task Force, 2001). The term is also suggestive of the exclusion of managerial employees. Obviously the health, safety and welfare of managerial employees is no less important than for other workers, but since WP is concerned with the degree to which workers can erode managerial prerogative, the distinction between workers and managers may be useful. Secondly, we define OHS in contemporary terms, following Ellis (2001). Traditionally, OHS has been concerned with prevention of injury and losses, with a bias towards safety over health and welfare, and with a strict delineation between work and non-work risks. Contemporary approaches to OHS include prevention of injury and loss, but extend to health promotion and wellness, with health and wellness recognised to be a product of the interplay of work, labour market, personal, community and family influences. OHS is seen as being able to contribute to organisational goals and competitive advantage through improving the quality of human resources and quality of management (Ellis, 2001, pgs. xviii- xxvii).

The first caveat is to acknowledge that while we believe that it is true that WP generally will elicit a range of positive outcomes for workers and organisations (Markey, 2001), our focus is limited particularly to WP in OHS. But in saying this, it must be noted that effective OHS management cannot be separated from effective management in general. Effective OHS management requires that OHS must be the starting point and building block for every
operation and relationship in organisations, including human resource management (HRM). The difficulty of separating training generally from OHS training can illustrate this point: training to improve work performance should be training to improve safe work performance; and a neglect of training could result in unsafe work performance, not to mention reducing worker welfare. Heller (1998, pg. 227) makes a link particularly between OHS and technological and organisational change, but the same case can be made for many aspects of organisation, such as: staffing level decisions that influence job strain; organisational structures that provide unbalanced ingredients of control, responsibility and accountability; through to choices about what kind of work to perform using particular processes, materials and equipment. Indeed, it could be argued that worker participation on its own is an OHS measure, given what has been learnt about the connection between stress responses and constrained worker autonomy.

The second requisite caveat is that OHS outcomes are tied to contexts broader than the organisation. Regulatory agencies; the complexion of employment relations nationally and in an industry; the activities of trade unions, employer associations, tribunals, and other institutions; and education and training can all affect OHS outcomes. For example, Fairbrother’s (1996) longitudinal case study in a factory in the United Kingdom found that employees’ assertion of their rights to protection from injury waxed and waned in line with whether the national political and economic climate supported their interests, because they saw a favourable political climate (the return of Labour after Thatcherism) as meaning greater likelihood that their union would succeed, and a stronger economy as meaning OHS investments would be less likely lead to downsizing or closure.

The third caveat also points to the error of conceiving OHS as something manageable within organisational boundaries. There is an interconstitutive relation between occupational health and well-being and population/local community health and well-being. A person’s wellness or illness in one sphere of life has implications for their resilience and coping in other spheres of life. For example, strain at work can lead to poor health behaviours at home, which can mean less resilience at work. Poor nutrition, poor health care and lack of access to health care can increase rates and degrees of impairment, and of course poor OHS can also raise communities’ rates of disease and impairment. Poor OHS and environmental management do not remain within organisational boundaries; for example, victims of asbestos exposure in NSW included family members who washed work clothes in their homes. The spread of HIV in developing countries is shaped by road transport and road building corridors (Heymann, 2003).

The point is: does work enhance or destroy the quality of human resources and communities? This is part of the contested terrain of employment relations. Bellaby’s (1999, pgs. 2-3, 6) analysis of the employment relationship emphasises that work capacity is physiological: employers seek to use worker’s mental, emotional and physical energy (labour power) in production and workers seek to preserve it, so they can continue to earn an income for as long as possible and also have effort left over for their other (necessary) roles in life such as parenting. Also:

Workers not only have bodies, which might be exposed to differing hazards to their health and safety, they are embodied selves, who have been shaped to perform useful labour of some kind…. As embodied selves, workers seek to accommodate to the demands of their jobs, and become, partly through disciplines imposed by employment, ‘docile’ as well as potentially useful labour. (1999, pg. 2, emphasis in original).
Bellaby links ill-health to occasions when ‘learned ways of coping with normal demands break down’, and where coping with work entails workers either ‘accentuating particular qualities to perform, or suppressing qualities that interfere with performance’ (1999, pg. 2). Effort at work, from the point of view of the worker, is about ‘[a]cquiring know-how and rhythm required for doing jobs painlessly’ (Bellaby, 1999, pg. 8). Such acknowledgement locates OHS at the heart of the employment relationship.

**ASSESSING OHS PERFORMANCE: CONNECTIONS TO PRODUCTIVITY**

As it is difficult to separate OHS from other aspects of organisations and daily life in homes and communities, it would be artificial to identify OHS’s contribution to productivity and other organisational performance measures separately from other aspects of organisational life and management, even if it were possible. Nevertheless, some causal connections can be suggested and explained even if not all considerations can be isolated as purely OHS initiatives. Another problem concerns ‘productivity’ as the goal. Productivity is merely one influence on organisational success and national competitiveness, and perhaps it is more useful to focus on the costs of poor OHS. However, policy documents often refer to productivity, and a possible reason for this may be that it is even more difficult to work with other measures of organisational performance. Also, counting the costs of poor OHS is very difficult. Dorman (2000) notes that the indirect costs of OHS are often not assessed by firms because they do not invest in resources to do so. An investigation by Klen (1989, in Dorman 2000), a study of two Finnish forestry firms, found that indirect costs made up to almost 60 per cent of the firm’s total costs associated with occupational injuries. Direct costs included workers’ compensation premiums, medical and transport bills for injured workers, direct payments to workers, and fines paid to government agencies. Indirect costs included costs of administration around compensation and investigation, paying home visits to injured workers, damage to equipment, disruption to the work of other workers, recruitment, selection and training of replacement workers, lower productivity of replacements compared to experienced workers, and the employment of extra workers to act as a buffer to replace injured workers. Klen (1989, cited by Dorman, 2000, pgs. 18-19) found that the two firms did not account for many of these indirect costs, and had no way of measuring the impact of an event resulting in an injury or fatality on productivity. Dorman argues that lack of investigation into the impact of OHS reflects measurement problems, information overload on managers, inadequacies in costing and evaluating human resources compared to other kinds of resources, and the low status of OHS officers in the firm’s authority structures. He also points to ‘don’t ask, don’t tell’ motivations associated with avoiding scrutiny and disapproval from employees, trade unions and regulatory agencies (Dorman, 2000, pg. 19, citing Frick, 1996). If costs are not accounted for by firms, it is difficult to quantify links between OHS management and productivity. This discussion points to the need for qualitative case studies to look for causal connections. These difficulties in measuring the contribution of OHS improvements to organisational performance echo discussions about how the contribution of HR is similarly often unquantified (see Sheehan, Holland, and De Cieri, 2006).

Corporate social responsibility may encourage organisations to change their accounting practices. However, the Department of Labour’s (NZ) review of annual reports of NZ’s largest 100 companies found, on the whole, that reporting on OHS measures and HRM contributions were partial, patchy and inconsistent. Organisations reported on training and development more often than safety performance. Very few organisations reported on OHS convictions or enforcement notices. Eighteen per cent described employee participation initiatives as part of their health and safety programme. Improving workplace reporting has been adopted as a goal of NZ’s Workplace Health and Safety Strategy to 2015 (Department of Labour, 2005).

Apart from difficulties in assessing costs, Dorman (2000, pg. 25) also recognises that the goal of putting ‘numbers on the faces of the dead and disabled’ is somewhat missing the point. But numbers can help communities make decisions about resources and policy, even if conservative estimations relying on direct costs are all that are available, and the true costs cannot be known. The costs of OHS problems when enunciated at the national level are often used to legitimate regulatory intervention and to identify the potential of OHS
improvement to national competitiveness and sustainability. In Australia, in 2001/2, there were more than 2,000 work fatalities and 140,000 compensated injuries and diseases (from a workforce of around nine million). The total cost to the economy was 5 per cent of gross domestic product, a figure that included workers’ compensation, medical costs, lost production, costs of replacing workers and costs of rehabilitation (Tooney, Borthwick and Archer, 2005, pg. 2, citing National Occupational Health and Safety Commission). NZ has a poor record of workplace injury and disease in comparison with other OECD countries. The fatality rate is 29 per cent higher than in Australia, and 53 per cent higher than in the United States (Dew, Keeffe and Small, 2005, pg. 3). The National Occupational Health and Safety Advisory Committee stated that data for OHS in NZ is ‘completely inadequate’, and that more than 80 per cent of work-related deaths are not documented, reported or investigated, particularly those associated with disease rather than injury (Pearce, Dryson, Feyer et al., 2004, pg. 1). The report indicated that occupational injury and disease accounts for between 4 to 8 per cent of GDP (Pearce et al., 2004, pg. 17). The Commission used overseas studies to make extrapolations from the statistics that were available from a range of agencies in NZ (an approach common in international studies), and estimated that annually there are:

- around 700 – 1,000 deaths from occupational disease
- around 100 deaths from occupational injury annually (including deaths while travelling to, and for, work); and
- around 200,000 incidents resulting in compensation claims; around 6 per cent of these claims are for permanent disability (Pearce et al., 2004, pgs. 4-5, 9).

Dorman’s (2000, pgs. 26-27, citing Beatson and Coleman, 1997) review of GDP studies for Europe found that the usual costs to GDP fell in a range from 2.5 to 6 per cent of GDP. One study of Norway put the cost to GDP at 10.1 per cent of GDP (1990 figures), and Denmark at 2.7 per cent (1992 figures). A more recent study, done to inform ILO policy, has attempted to overcome problems of lack of comparability of OHS measures. The study used statistics reported by countries where available, or used statistical techniques to extrapolate. For example, estimates for China were unavailable, so the study used a detailed study of Shanghai plus estimates based on the experience of Kazakhstan (Hamalainen et al., 2006, pg. 142). Figures are related to injuries resulting in fatalities or the loss of three working days; as Pearce et al. above argued, injuries are more likely to be counted and reported than disease. Countries of interest in this paper, plus a few comparators, are listed below (Table 1). This is just a starting point and we recognise inconsistencies were found in published information about country’s relative performance; later analysis should consider comparison between the four countries at sectoral and industry levels, as OHS fatalities vary substantially by industry; some countries count travel-to-work fatalities and others do not; and some countries exclude agriculture, forestry and fishing, or self-employed workers (Hamalainen et al., 2006, pg. 154).

Table 1: Injuries resulting in fatalities and lost time

<table>
<thead>
<tr>
<th>Country</th>
<th>Fatalities</th>
<th>Fatality Rate per 100,000 workers</th>
<th>Accident Rate per 100,000 workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>275</td>
<td>3.2</td>
<td>2434</td>
</tr>
<tr>
<td>NZ</td>
<td>61</td>
<td>3.5</td>
<td>2699</td>
</tr>
<tr>
<td>Norway</td>
<td>72</td>
<td>3.2</td>
<td>2446</td>
</tr>
<tr>
<td>Denmark</td>
<td>90</td>
<td>3.4</td>
<td>2561</td>
</tr>
<tr>
<td>China</td>
<td>73615</td>
<td>10.5</td>
<td>8028</td>
</tr>
<tr>
<td>Spain</td>
<td>1177</td>
<td>8.9</td>
<td>6803</td>
</tr>
<tr>
<td>Sweden</td>
<td>77</td>
<td>1.9</td>
<td>1469</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>225</td>
<td>0.8</td>
<td>632</td>
</tr>
<tr>
<td>United States</td>
<td>6821</td>
<td>5.2</td>
<td>3959</td>
</tr>
</tbody>
</table>

Note: An ‘accident’ is counted if it leads to three days’ absence from work.

Source: Hamalainen, P. et al. (2006)
Calculating the costs of OHS will not necessarily motivate employers to improve OHS. A major United States study considered how costs are distributed, and found that most costs were borne by workers (80 per cent), with consumers paying 9 per cent through higher prices, and employers only paying 11 per cent (Dorman, 2000, 29-30, citing Leigh et al., 1996). The Australian Productivity Commission put the share of costs borne by employers at 40 per cent (including workers’ compensation, loss of productivity and overtime), by injured workers at 30 per cent (including loss of income, pain and suffering, loss of future earnings, and medical), and the community at 30 per cent (including welfare, medical and health, and loss of human capital) (1995, cited in Pearce et al., 2004, pg. 5). This externalisation of a cost of production reduces the incentives for employers to invest in OHS; particularly SMEs in competitive markets with lower capacity to carry overheads. But such firms also bear significant ‘opportunity costs’ from wasting human resources.

METHODS AND PRACTICES FOR WP IN OHS IN FOUR JURISDICTIONS

The Scandinavian countries are seen to lead practice in both OHS and worker participation. Whilst legislation in Australia and NZ has explicitly followed the ‘Robens’ model developed in the UK, where OHS is seen to require joint regulation by employers, employees and trade unions (Mathews, 1993, pg. 24), the Nordic emphasis on employee involvement influenced the ‘Robens’ participatory approach (Walters, 2004, pg. 69). Therefore, there are some parallels between the four countries’ OHS laws, particularly that OHS management is to be conducted through adoption of systematic internal controls; Saksvik and Quinlan (2003) tag this as the ‘third wave’ of international developments in OHS regulation. Such legislation has also been described as ‘enabling’ legislation (Mathews, 1993, pg. 23), and ‘performance-based OHS preventative legislation’ (Mayhew and Peterson, 1999, pg. 3). Australia, Norway and Denmark were ‘early adopters’ of this approach but Saksvik and Quinlan point to significant differences in how ‘third wave’ legislation is practised.

An interesting characteristic of OHS legislation in Norway is that the internal control system for management OHS is prescribed. In NSW by contrast, systems are not mandatory but failure to demonstrate a systematic approach following endorsed codes of practice or Australian/NZ Standards (AS/NZS 4804 and AS/NZS 4801) (see Saksvik and Quinlan, 2003, pg. 38) can be used as evidence of an employer failing in their duty of care. Norway’s laws were influenced by OHS developments in the offshore oil industry around the same time of the growth of the working life democratisation movement in the 1960s. The Internal Control Regulation codifying a particular management system was introduced in 1992, and this was influenced by TQM international standards, but the strong collectivist and participatory approach to workplace change in Norway was also important (Saksvik and Quinlan, 2003). Nevertheless, employer responsibility is still the lynchpin.

Danish arrangements for WP in OHS were used as a model by the peak union body in NZ in formulating its recommendations for legislative change in NZ. One difference in Denmark from Norway’s approach is that workers have more scope for WP in OHS from the beginning, because employee involvement is emphasised during the process of risk assessment. As employees are involved in data collection, they have greater knowledge of whether an employer’s OHS management system is appropriate (Saksvik and Quinlan, 2003, pg. 45), and therefore their involvement is more meaningful. A significant difference between Denmark and NSW and NZ is that in Danish enterprises, trade union members elect a representative, and that representative operates in three forums: the cooperation committee, on the Board, and in safety committees. Rights to form safety committees were put in place by legislation in 1975. Arrangements in Denmark were influenced by working life democratisation and a history of cooperation (Knudsen, 1995, pgs. 81–89).

WP in OHS is a recent addition to OHS regulation in NZ via the Health and Safety in Employment Amendment Act (2002) (NZ); see Harris (2004) for a detailed analysis of developments and implications. The Act improved the power of OHS inspectors, identified stress as a work-related illness, and increased penalties. It also made it mandatory that
employers provide opportunities for WP in OHS, and outlined protections for OHS representatives, training leave rights, rights for representatives to issue hazard notices, and rights to consult with Occupational Safety and Health Agency inspectors. The specific provisions for WP are that employers are to create opportunities for employee involvement through elected representatives or committee members, and employers, employees and trade unions are to cooperate in good faith to develop processes in the workplace. If an organisation does not develop its own approach, the law specifies that every workplace with more than 30 employees is to have a committee. Committees are also mandatory in smaller organisations if requested by a union or an employee (Harris, 2004, pg. 4). Harris describes this legislation as unprecedented as employees in NZ have never had statutory rights to information and consultation. WP in OHS in NZ is not restricted to trade union channels, because declining union membership would exclude too many workplaces from coverage (Harris, 2004, pg. 3). As at 2004, it appeared that most employers in NZ strongly supported employee participation in OHS but 60 per cent of the 600 employers surveyed said that they did not have a committee or a representative (Harris, 2004, pg. 7).

NSW took its OHS regulatory framework in the ‘third wave’ direction with the Occupational Health and Safety Act (2000). Joint regulation received greater emphasis and the law subjects employers to a duty of care rather than a set of prescriptive rules and systems. The duty of employers to ‘ensure the health, safety and welfare at work of all employees’ is broad and absolute (Tooma, 2001, pgs. 21-23). Employers are required to identify, eliminate or control workplace hazards and make risk assessments. Employees also have duties to take reasonable care for the health and safety of themselves and others, including a duty to cooperate with the employer in measures to secure compliance with the Act and a duty to inform an employer or supervisor of information that may affect the employer’s compliance with the OHS legislation (OHS Act, 2000; Tooma, 2001, pgs. 86-91). Jamieson and Westcott (2001, pg. 183) point out that risk management is a new concept for law in NSW. ‘Risk management… involves the management of risks to an employee’s health. Consequently it embodies a process of risk identification, an assessment of the probability that a risk will result in physical harm, and the control of this risk either through its removal, the modification of work systems or the modification of employee behaviour’. The law encourages WP in risk management by employees and/or their representatives (Walters, 2004). This style of legislation is consistent with Scandinavian approaches but does not prescribe an internal control process (as is the case in Norway) or the form of WP (as is the case in Denmark). In Australia, there has been some cooperation in standard setting and policy-making (Bohle and Quinlan, 2000, pg. 429).

AN EXAMPLE OF PRACTICE IN NEW SOUTH WALES

Research into the effectiveness of WP in OHS in NSW under the 2000 law is in the early stages. One study has looked at the role and impact of OHS committees and representatives in Australia’s largest bank by surveying members of the Finance Sector Union: Commonwealth Bank Officers’ Section (FSU:CBOS) (see Mylett and Stubbs, 2005). Survey data show that employees strongly indicated that they were keen to share in the responsibility for OHS, and expressed very clearly their desire to be consulted about OHS. For example, 97 per cent agreed that ‘it is important that I be involved in identifying hazards and risks in my workplace’. The majority agreed that ‘my employer must consult with me about the best way to participate in occupational health and safety issues’. Preferences and practices around the method of employee involvement in OHS decision making were also investigated. The results pose some interesting questions around WP in OHS in practice relative to the joint regulation philosophy of NSW legislation. Forty-nine per cent of employees indicated that there was a safety committee or safety representative at their workplace; 20 per cent reported that no representative or committee existed, and 31 per cent did not know. Of the employees who reported affirmatively on the presence of a committee or representative, 52 per cent reported that management appointed the committee or representative; only 12 per cent reported that the committee or representative was elected by employees, and 37 per cent did not know. The employees who had a committee or
representative were also asked if they agreed with ‘the safety committee/safety representative has been effective in reducing OHS risks in my workplace’; the majority agreed (56 per cent) and only 5 per cent disagreed or strongly disagreed, with 39 per cent reporting ‘don’t know’.

In terms of actual involvement in identifying risks, 83 per cent of respondents agreed that they had influence over ‘identifying risks and hazards in the workplace’ but only 22 per cent reported having an influence over workstation design, and only 30 per cent said they were involved in ‘decisions about what is a manageable workload’. The preferred method of ‘having a say’ over OHS issues by workers was via relatively informal methods. Legislation does not prescribe that workplaces must have elected safety representatives or committees. Rather, employers are required to consult with employees about the means through which they will participate in OHS regulation at their workplace. In terms of ‘having a say’ the two most popular methods were ‘discussions at staff meetings’ (76 per cent) and ‘raising issues directly with your team leader/manager’ (67 per cent). Other responses were: OHS staff representative (32 per cent), OHS committee of employees and managers (28 per cent), the FSU:CBOS workplace representative (21 per cent), and the ‘Human Resources point of reference’ (11 per cent). To sum up, employees indicated a strong preference for informal methods of raising staff awareness that would involve each employee over relatively formal and indirect methods such as representatives and committees. Note, many respondents may be unfamiliar with relatively formal consultative structures. The limited role of WP in OHS in this study has also been found in research conducted for the Australian Council of Trade Unions, with 40 per cent of OHS representatives reporting that ‘employers only consulted with them on OHS when asked, while 16% reported being bullied or intimidated by management for raising OHS issues’ (Saksvik and Quinlan, 2003, pg. 42).

**CONNECTIONS BETWEEN WORKER PARTICIPATION AND OHS PERFORMANCE**

It was noted above that it is difficult to isolate WP in OHS from other aspects of management. Saksik and Quinlan (2003, pg. 37) describe Scandinavian thinking on why WP is important:

> The main perspective is that change and improvement are facilitated and that the best results are obtained when employees participate in the change process. Gustavsen’s ideas on why participation improves the change process involved the creating of conditions so that employees could engage themselves in their work and become creative and productive, without threats to their health, with good social relations, democratic leaders and a flattening of organisational hierarchies.

The concept of joint regulation including OHS committees and representatives requires employees to be active managers of OHS, not just passive ‘stakeholders’ who are consulted from time to time. Walters and Frick (2000, cited by Walters, 2004, pg. 77) describe the feature of OHS arrangements that were associated with effective operation of OHS committees and representatives. These are: ‘adequate training and information; opportunities to investigate and communicate with other workers; and channels for dialogue with management on existing problems and planned change’. The largest and most recent study of WP in OHS in the UK found that worker representation and consultation produced better outcomes than management acting alone. This study is a further development from Walters and Frick (2000) using workplace case studies of successful and unsuccessful practice. It found that implementing WP in OHS required many supports in order to be effective: ‘strong legislative steer; effective external inspection and control; demonstrable senior management commitment to both OHS and a participative approach and sufficient capacity to adopt and support this type of management; competent hazard/risk evaluation and control; effective autonomous worker representation at the workplace and external trade union support; and consultation and communication between worker representatives and their constituencies’ (Walters, Nichols, Connor et al., 2005, pg. xi). An evaluation of NSW and NZ laws should
therefore consider whether a lack of legislative prescription on the nature of WP and role of representatives weakens the possibility of OHS improvement.

Compared to Europe, Walters (2004) characterised Australian approaches to OHS regulation as allowing for employee participation to be treated as an ‘add on’ rather than being unquestionably entrenched throughout all processes. He raises the concern that the Australian approach to OHS management systems risks employee participation losing out to managerialism (Walters, 2004, pg. 75). Norway and Denmark’s longstanding practice of WP has influenced the culture and expectations around management, union membership levels are high, employment relations issues are resolved through negotiation, and flexibility is pursued through participation and cooperation (Saksvik and Quinlan, 2003, pg. 40). By contrast, Australian and NZ approaches to employment relations are traditionally adversarial. Transitions in government between labour and conservative parties in both countries have seen changes in directions between individualisation and collectivisation of employment relations, but reliance on cooperation and negotiation beyond ‘industrial issues’ of wages and hours as a means of workplace management have been rare, despite the ‘outbreak of cooperation’ during the tripartite ‘Accord’ years in Australia (1983–96).

Even with Norway’s strong tradition of cooperation, and with 64 per cent of enterprises having representatives, in practice OHS management was found to be ‘largely a top-down process’, and ‘worker involvement is generally restricted to helping vet systems rather than active engagement in their design and operation’. Research into practice suggests that firms have been more successful at complying with the regulation around adopting internal control than they have been in changing action (Saksvik and Quinlan, 2003, pgs. 42-43, 46). The difference between OHS on paper and OHS in practice was captured by the Tranz Rail Inquiry in NZ. Tranz Rail’s response to fatalities seemingly was to add to an already weighty manual (Simpson, 2002, pg. 178). Simpson (2002) and Lloyd and Roen (Lloyd and Roen, 2002) argue that safety is a community of practice, not a policy, procedure or system. Regulation tends to focus on formal policies, procedures and systems and employers can use the existence of such things in legal defences. The authors argue that WP in OHS is crucial, because OHS is embedded in daily routines and practices, not manuals.

Fairbrother (1996, pg. 35) points out that Robens-style legislation that provides for managers and employees to jointly regulate OHS is based on an assumption that managers and employees ‘have a natural identity of interest’ concerning OHS. This means that OHS matters can be managed at each workplace and that OHS is no more than a technical challenge (Bohle and Quinlan, 2000, pg. 440). This view of OHS is at variance from evidence that unionised workplaces have better OHS outcomes than non-unionised workplaces (Walters, 2004). Using data from the Workplace Industrial Relations Survey (WIRS) in the United Kingdom [a survey similar in scale and significance to the Australian Workplace Industrial Relations Survey (AWIRS)], it was found that workplaces that have trade union appointments to OHS committees have significantly reduced accident rates compared to workplaces where managers alone made OHS decisions (Reilly et al., 1995, citied in Fairbrother, 1996, pg. 11). Analysis of AWIRS confirms ‘an association between the presence of representative structures and indicators of a more systematic approach to OHS management at the workplace, including the carrying out of audits, risk assessments and the presence of an injury/disease reporting system’ (Bohle and Quinlan, 2000, pg. 431). Trade unions can vet OHS internal control systems/management systems in ways that inspectors may not be resourced for (Saksvik and Quinlan, 2003, pg. 40).

Fairbrother’s research found that there were differences in priority assigned to illness and injury between managers and employees. This introduces a political element and thus suggests a role for trade unions. Fairbrother (1996, pgs. 14-15) concludes that trade unions improved OHS outcomes in the United Kingdom in three ways: via enforcement in the face of insufficient external regulation, providing collective voice to workers so they can shape the agendas in the workplace, and in providing a countervailing power (materially and
Identifying the crucial role that organised labour plays in the effectiveness of WP in OHS leads to consideration of the influence of the broader employment relations context on OHS.Declining union membership and union influence nationally in Australia, NZ and Norway (albeit from a higher base) may undermine the intentions of legislation (Bohle and Quinlan, 2000; Fairbrother, 1996; Harris, 2004; Saksvik and Quinlan, 2003; Simpson, 2002). Changes to labour markets and the growth in non-standard employment will also reduce the effectiveness of regulation. Indeed, Dorman (2000) makes the point that the most significant predictor of experiencing an injury or disease at work is poverty itself; it seems that workers who are worse off and most powerless in the labour market and society have the worse OHS outcomes. Continuing polarisation in the labour market in Australia and NZ will be connected to polarisation in quality of working life in terms of safety, health and welfare.

**POSSIBILITIES FOR FORMS OF WP**

Empirical findings discussed above outlined some of the preconditions for any form of WP in OHS to be effective. In this section, we review the range of possibilities for WP structures, not disregarding Walters et al.’s (2005) point about strong legislative backing, management commitment, and trade union support. Forms of WP are defined and described in Markey (2001). One consideration is whether WP would be limited to information sharing and consultation (which is the approach in NSW and NZ), or whether co-determination rights over certain matters (similar to arrangements for Works Councils in Germany) would not be more effective. Legislation also encourages representative participation. However, as Lloyd and Roen note, forms of direct participation embedded in work organisation and associated with devolvement of autonomy could also have good OHS outcomes because good OHS is good OHS practice. Direct participation and worker autonomy would have to be supported by the inclusion of OHS knowledge and procedures in training and education. When a representative structure is put in place, consideration of whether rights should be given to representatives as individuals as opposed to a committee is required, and/or whether the two forms might be complementary. Consideration of the representative's autonomy as an effective and independent channel for workers' voice would indicate that choice of persons to act as representatives should be made by workers themselves. Further, whilst managerialist top-down OHS management systems emphasise employee involvement, in some workplaces, WP in OHS might be more effective if the representative or committee role overlaps with the union delegate role. Given that OHS is inseparable from other aspects of work and organisation, another consideration should be whether specialist OHS WP should not be replaced with general WP; again, Works Councils as experienced in Germany (not necessarily union) and Sweden (union) are an example. Finally, it would also be possible for OHS to receive due consideration from investors if workers' OHS concerns were represented at the board level. For example, the Transport Workers’ Union in Australia recently put a motion at a shareholders’ meeting that a sub-committee devoted to health, safety and environment be created on Boral’s Board of Directors. Beyond the organisation level, in Australia and NZ, regulatory agencies concerned with OHS monitoring, advice and enforcement are government run. Harris notes that in the European Union, it is more common that such bodies are tripartite or run via employer-union cooperation (Harris, 2004, pg. 8).

Saksvik and Quinlan’s comparison on OHS in Norway and Australia found that even with Norway’s high unionisation and strong traditions of WP, WP in OHS in practice was less than provided for by legislation. They suggested that inactivity was associated with what they see as an artificial separation between OHS and industrial relations, a separation that weakens collective input into OHS (Saksvik and Quinlan, 2003, pg. 43). This is suggestive that the possibility of direct collective negotiations between trade unions and employers on OHS may be more effective than workers interests being pursued through committees that are part of managerial apparatus. It was noted at the outset that control over workers’ bodies and efforts
are central to employment relations; therefore, exclusion of OHS from collective negotiations, where workers’ collective interests may be backed by industrial action, may hold promise for improvements. However, it would be unfortunate if OHS improvements became bargaining chips rather than a focus for cooperation.

CONCLUSION

The literature shows, analytically and via case studies, that WP in OHS can impact positively on workplace productivity but the influence of the broader cooperative approach to employment relations and longstanding ideas of social partnership are part of the context that make WP in OHS effective in Norway and Denmark. The effectiveness of ‘third wave’ style legislation in NSW and NZ at changing the practice of OHS may be affected by the different traditions in these two countries. Indeed, employment relations in Australia (the NSW jurisdiction included) is shifting towards emphasising market relations rather than cooperation. Loss of protection against unfair dismissal for workers with fewer than 100 employees from March 2006 may have adverse impacts on WP in OHS in practice as workers may wish to avoid being seen to ‘cause trouble’. It also means that OHS committees and representatives are even more important in providing workers with voice and managers with a source of information. This paper puts forward a range of considerations for identifying causal connections between WP in OHS and productivity and other forms of organisational performance but it is action, power, statutory rights and protection that will allow workers to influence OHS regardless of the particular structural details.

Investigation of WP in OHS requires case studies and international comparison. Case studies are necessitated by the difficulties in linking OHS measures to productivity and other performance outcomes because OHS cannot be separated from communities and the wider political-economy, and OHS management cannot be separated from other kinds of management. Despite these difficulties, on the positive side, there is consensus that good OHS is good for organisational performance and sustainability and national sustainability (Hamalainen et al., 2006); although the tendency for employers not to bear the full cost of poor OHS management—especially in cases of small firms, informal work arrangements and non-standard employment relationships—means that such firms may have a cost advantage over their competitors, even if this advantage is only short-term. The complexity of relationships underpinning OHS performance either from an organisational or national perspective means that using statistical studies to understand OHS impacts would not be helpful. Nevertheless, comparing measures of OHS performance between countries helps demonstrate the impact of national institutions and regulatory frameworks, if consideration is given to variations by industry structure. Our conclusion is that mixed methods are necessary, with comparisons between firms, industries, organisations and communities being of use to develop reasonable explanations for the causal mechanisms underlying the contribution of WP in OHS to productivity and other measures of organisational performance.

REFERENCES


1 On each item, respondents were encouraged to select up to three options from a list (the list included an 'other' option with space for suggestions).
INTRODUCTION

At 9.00 a.m on Monday 27 March 2006 the industrial relations framework in Australia was fundamentally altered, possibly forever. The 2005 Amendments to The Workplace Relations Act 1996 (WorkChoices) represents a significant change in the balance of power in Australian industrial relations, away from employees towards employers. In terms of the Mobilisation Theory (Kelly, 1998), the counter-mobilisation has taken place. Industrial relations commentators in the Australian media tend to explain this counter-mobilisation in terms of Australian politics. That is, the unexpected gains at the 2005 Federal Election that delivered the Coalition Government control over the Senate for the first time since the late-1970s. However, this provides only a partial explanation of how the Howard Government was able to implement its industrial relations “reform” agenda.

The Australian industrial relations literature for over a decade has been describing and explaining the decline in the Australian unions. The decline in Australian trade unions, and hence the decline in the industrial strength of the labour movement, is largely attributed to the decline of manufacturing and the commensurate growth in the service sector, the decline in the number of large employers and the commensurate increase in small employers, the privatisation of government business enterprises, increased female labour force participation and declining male labour force participation, and the substantial growth in part-time and causal employment (Griffin and Svenson, 1996). However, the decline in union density in Australia dates back more than a decade. At times during the 1960s trade unions represented over 60 per cent of the Australian workforce. Currently, somewhere between 30 and 35 of the Australian workforce is unionised. The decline in Australian trade union density provides another explanations of how the Howard Government was able to implement its “reforms”. That is, the decline in trade union density has weakened the ability of the labour movement to effectively counter the counter-mobilisation. However, it would be expected that the current low unemployment rate and tight labour markets in Australia would enhance the industrial ability of the Australian labour movement to ward off the counter-mobilisation that WorkChoices represents.

Kelly (1998) proposed a model of trade union growth that is based on two concepts. First, the process of union growth cannot be simply reduced neatly to simple models. Rather, there are a range of factors that determine the possibility of unionism emerging, the form that unionism takes and the opportunities confronting that unionism. As a consequence, union growth cannot be effectively theorised by macro-level models. Instead, specific instances of unionisation arise out of specific circumstances, all identified and subsequently typologised through observation. Second, union growth ultimately depends on the economic context. In the Mobilisation Theory, the climate for union organisation and opportunity is shaped by the evolution of the prevailing economy.
Kelly (1998) presented a useful way of understanding the process of unionisation, proposing a typology that seeks to disaggregate the various levels of decision-making leading to collective and individual action, taken by workers. He argued that understanding the process of union growth can be classified into five groups of questions;

1. how do workers define their interests, in relation to the interests of their employers;
2. the structural form in which those interests can be expressed;
3. what structural form is utilised in order to achieve collective interests;
4. what opportunity exists for the expression of collective interests and
5. the actual form taken by collective action? (Kelly, 1998, pg. 25).

This approach is useful in its own right, providing a typology through which the various relationships leading to unionisation can be understood, as well as providing a framework through which existing research into the determinants of unionisation can be structured. The Mobilisation Theory framework is recast as a dynamic, rather than static, theory. This is achieved through the introduction of the concept of the Long Wave, which Kelly defined as;

> more commonly defined as regular patterns of fluctuation in one or more economic indicators (usually prices, output and profit rates) synchronised across countries, with a total span of approximately fifty years, consisting of a twenty-five year ‘upswing’ (of sustained growth), and twenty five years of ‘downswing’ (sporadic growth and recession.) (1998, pg. 83).

These Long Waves are argued in terms of economic ‘upswings’ and ‘downswings’, separated by ‘transitional’ periods. The transitional periods represent the period between upswings and downswings, when one ‘gives way to another’ (Kelly, 1998, pg. 84).

Kelly (1998) argued that as an economy moves towards a turning point in an ‘upswing’ or a ‘downswing’, there will be an upsurge of worker organisation. This worker organisation will most commonly manifest through increased strike activity. In response, employers and the State will counter-mobilise. Arising out of increased worker, employer and State mobilisation around employment regulation, a new regulatory regime will emerge. As the economy moves into its next phase, existing practices and arrangements will gradually be absorbed into the new set of arrangements (Kelly, 1998, pg. 86). Apart from the periods of mobilisation and transition, the theory suggests that the majority of employment regulation will be stable throughout the economic cycle. However, the present situation in Australia does not seem to fit into this model. At present, the official unemployment rate in Australia is about five per cent and trending downwards. Moreover, unemployment rates in some States are the lowest in a generation, while for others they are the lowest on record. In terms of the Mobilisation Theory, low unemployment should afford workers and unions with increased industrial strength to ward off the counter-mobilisation from the Government and employers represented by WorkChoices.

This paper will argue that the economic and labour force restructuring that has occurred in the wake of the recession of the early-1990s has fundamentally altered the concept of work and worklessness in Australia. The headline measures of labour underutilisation in Australia, the seasonally adjusted unemployment rate and the trend unemployment rate are essentially products of their time. They were developed at a time when standard employment relations, that is “workers in full-time regular employment in formal sector enterprises and persons who are looking for such jobs” (Mata Greenwood, 1999, pg. 273), dominated the labour markets of the advanced industrial nations. However, the recovery from the recession of the early-1990s is associated with significant economic and labour market restructuring. As a result, two pre-existing, but not terribly problematic, forms of labour underutilisation, hidden unemployment and visible underemployment, have become serious labour market problems in Australia. The emergence of these two forms of labour underutilisation as serious labour market problems means that the real level of unemployment and underemployment in Australia is actually much higher than the official unemployment statistics suggest. This re-
interpretation of the level of labour under utilisation in Australia may help explain the ability of the Federal Government to implement its industrial relations “reform” agenda.

The aim of this paper is to examine trends in labour under utilisation in the six Australian States since 1989 using a recently developed labour market indicator, the comprehensive unemployment rate, that adds estimates of hidden unemployment and visible under employment to the trend unemployment rate in order to provide better estimates of labour under utilisation in Australia. These better estimates of labour under utilisation in Australia should then provide some explanation of the waning industrial strength of the labour movement. The second section briefly outlines the labour market indicator that is used in this paper. The third section analyses the labour markets of the six Australian States using the comprehensive unemployment rate. The final section concludes that not only is the actual level of labour under utilisation in Australia about treble the level estimated by the trend unemployment rate, for a number of States there has been little improvement in the level of labour under utilisation in Australia since the mid-1990s.

Three Alternative Labour Market Indicators

The labour market indicators that are developed from the International Labour Organisation, Labour Force Convention 160, such as the seasonally adjusted unemployment rate and the trend unemployment rate, substantially underestimate the level of labour under utilisation in Australia because they are principally designed to capture information about cyclical unemployment (Mata Greenwood, 1999). Hence, it is not surprising that a number of Australian labour market analysts have attempted to develop alternative labour market indicators that provide better estimates of labour under utilisation (see for example, Watson and Callus, 1999, Mitchell and Carlson, 2000, Mitchell, 2001, Wooden 1996, ACOSS, 2003, Barrett, 2004). These labour market indicators involve adding estimates of hidden unemployment or visible under employment to the official unemployment rate.

The Australian Bureau of Statistics is also aware of the limitations of the trend unemployment rate as a measure of labour under utilisation in Australia. Hence, it has developed three new labour market indicators to supplement the trend unemployment rate (Australian Bureau of Statistics, 2002). However, all of these measures are person rates of unemployment. Furthermore, the Australian Bureau of Statistics (2002) suggests that labour under utilisation should be measured using a time, preferably an hours, rate of unemployment. However, the Australian Bureau of Statistics has yet to develop such a measure, but other Australian labour market analysts have. See for example, Mitchell and Carlson 2000, Wooden 1996 and Barrett 2004. The analysis undertaken in this paper compares the trend unemployment rate for each State with the comprehensive unemployment rate (Barrett, 2004). The comprehensive unemployment rate is an hours rate of unemployment that converts the trend unemployment rate to an hours rate of unemployment, to which is then added estimates of both hidden unemployment and visible under employment.

The recovery from the recession of the early-1990s created substantial amounts of cyclical unemployment, that was transformed into structural unemployment as a result of the restructuring of the Australian economy that occurred during the latter part of the 1990s (Watson and Callus, 1999). This structural unemployment was eventually translated into hidden unemployment as structurally unemployed people withdrew from the labour force. The Australian Bureau of Statistics collects some information about the extent of hidden unemployment in Australia. However, there is growing evidence that the Australian Bureau of Statistics substantially under estimates the level of hidden unemployment because the Labour Force Survey excludes many, if not most, discouraged workers (see for example ACOSS, 2003). The real unemployment rate has been developed to provide better estimates of the level of hidden unemployment in Australia. The real unemployment rate is a person rate of unemployment that is essentially a measure of the number of people who might
reasonably be expected to work in a fully employed economy (Beatty and Fothergill, 1997: 138).

The real unemployment rate is based on two labour force participation gaps that have grown substantially during the 1990s. These labour force participation gaps are an indication of the extent of hidden unemployment in Australia (Wooden, 1996, Barrett, 2004). Since 1989 there has been a substantial decline in the male labour force participation rate, which in many States has not been offset by the associated increase in the female labour force participation rate. The fall in the male labour force participation rate from its peak during the boom of the late-1980s and the resultant gap between this maximum and the present figure provides the basis of estimating male hidden unemployment for each State. Second, the gap between the current State female labour force participation rate and the State with the highest female labour force participation rates can be used as the basis for estimating female hidden unemployment for each State in a particular year.

Second, part-time employment has become the driver of employment growth in Australia. Part-time employment is not a bad thing, per se, if the supply of part-time work matches the demand for part-time work. However, if those in part-time work have aspirations to work more part-time hours, or indeed to work full-time, then this mismatch will lead to the creation of visible under employment. The hours unemployment rate adds an estimate of visible under employment to the trend unemployment rate.

These two labour market indicators provide only partial solutions to estimating the real level of labour under utilisation in Australia as each adjusts the trend unemployment rate for only one type of labour under utilisation. However, the real unemployment rate and the hours unemployment rate can be combined to provide the comprehensive unemployment rate. The comprehensive unemployment rate is also an hours rate of unemployment that adds estimates of hidden unemployment and visible under employment to the trend unemployment rate to yield better estimates of the extent of labour under utilisation in Australia (Barrett, 2004).

An alternative view of the Australian labour market
The conventional view of the Australian labour market, based on the trend unemployment rate, is that it has fully recovered from the recession of the early-1990s. The Australian labour market contracted between 1991 and 1993 with the peak trend unemployment rate of 11.5 per cent attained in 1993. Then there were two years of quick recovery followed by a decade of steady improvement. By 2005 the trend unemployment rate had fallen to about five per cent, which is an historically low level of unemployment. For most States, the recovery from the trough of 1993 was interrupted to some extent by the Asian Economic Crisis or the 2000 Olympics. The effects of these two macroeconomic shocks are apparent in some, but not all, of the following six figures.

The trend unemployment rate is the official measure of labour under utilisation in Australia. However, it is essentially only a measure of the labour under utilisation that occurs in Australia as a result of changes to the level of cyclical unemployment (Mata Greenwood, 1999). Hence, it provides only a partial description of labour under utilisation and trend. The comprehensive unemployment rate can also be plotted on these six figures to provide a more accurate picture of the labour under utilisation trends in Australia. The comprehensive unemployment rate is a much broader measure of labour under utilisation than the trend unemployment rate. Consequently, the comprehensive unemployment rate always sits well above the trend unemployment rate in these figures. The comprehensive unemployment rate shows that even by 2005 the recovery from the recession had not been completed.

The person comprehensive unemployment rate clearly shows the contraction of the New South Wales labour market in the early-1990s (Figure 1). The subsequent recovery occurs in
two distinct phases. First, a strong rebound between 1993 and 1996, followed by stagnation during the remainder of the 1990s, which is interrupted by the Asian Economic Crisis and the 2000 Olympic Games. Figure 1 also shows very different gender dynamics. The contraction of the New South Wales is essentially a feature of the male labour market because female labour under utilisation, as shown by the comprehensive unemployment rate, was high during the late-1980s as a result of relatively low female labour force participation rates and the resultant high hidden female unemployment. Likewise, the recovery in the New South Wales labour market is also largely due to the relatively good performance of the male labour market.

Figure 1: Comprehensive and Trend Unemployment Rate, New South Wales, 1989 to 2005, per cent.

Source: ABS unpublished trend data, figures for February of each year.

The trend unemployment rate shown in Figure 1 shows that by early-2005, the New South Wales labour market had fully recovered from the recession. However, the comprehensive unemployment rate tells a total different story. It shows that there has been little improvement in labour under utilisation in New South Wales for nearly a decade since the mid-1990s. The 2005 comprehensive unemployment rate is comparable with the 1996 figure and about 40 per higher than the 1990 figure. Clearly, the New South Wales labour market has yet to recover from the recession. Moreover, recent trends in the comprehensive unemployment rate are worsening, rather than improving, unlike the trend unemployment rate.
Figure 2: Comprehensive and Trend Unemployment Rate, Victoria, 1989 to 2005, per cent.

![Graph showing unemployment rates](image)

Source: ABS unpublished trend data, figures for February of each year.

Figure 2 shows the contraction of the Victorian labour market during the early-1990s, subsequently followed by two years of strong recovery. However, there was little improvement in the comprehensive unemployment rate in the latter half of the 1990s. Unlike the New South Wales experience, only a small gender gap existed in Victoria prior to the onset of recession. This was due to the relatively high female labour force participation rates, and the consequent low female hidden unemployment in Victoria during the late-1980s. A gender gap did open up during the early-1990s because the female labour market continued to contract for a year or so after the male labour market bottomed out. The gender gap all but disappeared by the early-2000s as the female labour market continued its slower recovery. The present comprehensive unemployment rate is about double the 1990 figure. Furthermore, most of the recovery in the Victorian labour market occurred over the period 1993 to 1996. Hence, Figure 2 suggests that there has only been a partial recovery in the Victorian labour market since 1993.
Figure 3 shows changes in the comprehensive unemployment rate for South Australia. Again the labour market contraction of the early-1990s is clearly visible. Like the New South Wales experience, the contraction is largely confined to the male labour market. The female comprehensive unemployment rate was much higher than the corresponding male rate due to the relatively low female labour force participation rate and hence high hidden unemployment. However, it the experience after 1993 that sets South Australia apart from the other States. There was no improvement in the South Australian labour market during the 1990s. There is also no evidence of any rebound in the comprehensive unemployment rate between 1993 and 1995. Nor is there any evidence of a steady decline throughout the remainder of the 1990s. The South Australian labour market only began to improve during 2002, driven by the male labour market. The comprehensive unemployment rate in 2005 is about 50 per cent higher than the 1990 figure. Hence, there has only been a partial recovery of the South Australian labour market from the recession, much of which has occurred only in the last few years.
Figure 4 shows what is by now becoming a familiar story. The Western Australian labour market contracted between 1989 and 1992, followed by two years of strong growth. However, this growth only partially offset the labour under utilisation that was created during the earlier contraction. Hence, that initial phase of the recovery was only partial. Moreover, there is no improvement in the comprehensive unemployment rate during the remainder of the 1990s. Indeed, labour under utilisation as measured by the comprehensive unemployment rate actually rose between 1995 and 2002, which is in stark contrast to the trend unemployment rate. It is not until the early-2000s that Western Australia again begins to recover, led by the female labour market. The absence of a gender gap and the relatively low female comprehensive unemployment rate reflect the relatively high female labour force participation rates in Western Australia over the entire period shown in Figure 4. In 2005 the person comprehensive unemployment rate was nearly 50 per cent higher than the 1989 figure. Even Western Australia has yet to fully recover from the recession.
Figure 5 shows the Queensland labour market contracting between 1990 and 1993. Again the contraction is largely a feature of the male labour market as female labour under utilisation in the late-1980s is high due to the relatively low female labour force participation rates and hence high hidden unemployment. Indeed, there is no evidence of a decrease in the comprehensive unemployment rate throughout the 1990s. It is not until 2001 that the Queensland labour market begins to improve, driven by both male and female labour under utilisation falling strongly between 2001 and 2005. Such that, by early-2005 the person comprehensive unemployment rate had almost fallen to the 1990 figure largely as a result of a substantial reduction in female labour under utilisation since 1989. On the basis of this evidence, Queensland is the only State that has recovered fully from the recession, not withstanding the relatively poor performance of the male labour market.
Tasmania (Figure 6) is unlike any of the mainland States. The Tasmanian labour market contracted during 1990 and 1991. Again, the contraction was largely a feature of the male labour market. In the late-1980s female labour under utilisation was high as a result of very low female labour force participation rates and consequently high levels of hidden unemployment. Moreover, labour under utilisation in Tasmania actually increased further throughout the remainder of the 1990s to peak in 1999 and then again in 2003. After which there is a rapid fall in the comprehensive unemployment rate. Nevertheless, the 2005 figure is only marginally better that the 1993 peak and is over 50 per cent higher than the 1990 figure.

CONCLUSION
This paper uses an hour’s rate of unemployment to re-examine trends in labour under utilisation in the Australian labour market over the period 1989 to 2005. The comprehensive unemployment rate is a much broader measure of labour under utilisation than the trend unemployment rate as it adds estimates of both hidden unemployment and visible under employment to the trend unemployment rate. The trend unemployment rate shows that the Australian labour market has fully recovered from the recession. Indeed, it might even be argued, from this perspective, that if full employment in the Australian labour market has not yet been attained, it will be reached soon. Full employment would also be associated with a stronger and more dynamic labour movement with the industrial strength to resist the counter-mobilisation that WorkChoices represents. This paper is one of a small number of recent attempts to develop better estimates of labour under utilisation for Australia by developing an hours based unemployment rate. They all have one thing in common. As soon as labour under utilisation is measured by hours, rather than a person, rate of unemployment the real level of labour under utilisation in Australia is considerably higher. Moreover, when labour under utilisation is higher, the industrial strength of the labour movement is lower.

On the other hand, the comprehensive unemployment rate shows that a lot more employment has to be created before it can be claimed that the Australian labour market has fully recovered from the recession of the early-1990s. Only Queensland and possibly Western Australia have recovered from the recession. South Australia and Tasmania have
only recently begun to recover. And in New South Wales and Victoria, only about half of the labour under utilisation that was created during the recession has been eradicate since 1993. Moreover, the real level of labour under utilisation in Australia is about 15 per cent. This is treble the official estimates of labour under utilisation derived form the trend unemployment rate. No wonder the Australian labour movement is losing its ability to resist the WorkChoices reforms.

Finally, this paper follows an established tradition in Australian labour market analysis. To analyse the labour market in terms of the number of people who are unemployed. This approach places unemployed people in the spotlight and makes them the focus of labour market policy. It also provides neo-liberal labour market analysts with the space that they need to blame the unemployment problem on unemployed people themselves. From this neo-liberal perspective unemployment is the result of unconstrained choice by the unemployed, who in turn need to be coerced back into jobs, no matter how poorly paid or how poor the working conditions. However, all measures of labour under utilisation that can be expressed as a percentage, such as the trend unemployment rate or the comprehensive unemployment rate, can easily be converted into their complement by subtracting the unemployment rate from 100 per cent. This simple piece of arithmetic would turn our perspective of the Australian labour market on its head. Australian labour market analysts would no longer be looking at an unemployment rate, but rather an employment rate. This in turn would shift the spotlight of labour market analysis away from the behaviour of unemployed workers to the behaviour of under employing employers. For example, Australian labour market analysts would not be asking why 20 per cent of available labour resources are unemployed in Tasmania (Figure 6); rather they would be forced to ask why Tasmanian employers are only employing 80 per cent of available labour resources. Moreover, Tasmanian employers would be forced to explain why they are only employing 80 per cent of available labour resources.

REFERENCES

THE YOUTH LABOUR MARKET IN AUSTRALIA – IMPLICATIONS FROM WORK CHOICES LEGISLATION

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INTRODUCTION

The youth labour market, comprising the age subgroups 15-19 and 20-24 years, forms a unique segment of the Australian labour market. It is therefore that the youth labour market has received attention from a number of researchers (for example, Wooden 1996, Biddle and Burgess 1999, Lewis and Mclean 1998, among many others). The youth labour market also receives much commentary in the media, typically due to relatively very high unemployment rates compared to other age groups. The issue of youth employment has received attention most recently in 2005 in relation to proposed industrial relations reforms (Work Choices legislation). Because of their relative inexperience, youth are seen as particularly vulnerable and in a weak position when bargaining individually with employers. We start with a review of the labour market for youth in 2005 for males and females compared to prime aged (25-44 years). We then explore specific features of youth employment such as industry representation, earnings and trade union membership, compared to the prime age group. These results are then assessed in the light of the Work Choices legislation.

Labour Force and Education Characteristics

Table 1 displays selected labour force and education statistics for youth and prime aged males and females in 2005. As established elsewhere by previous research, the youth labour market is characterised by relatively high unemployment rates, low labour force participation rates, and low full-time employment to population. However, these seemingly alarming statistics are partly explained by high participation in full-time education, especially the teenage group, meaning a relatively small labour force size compared to other age groups. Of note is that the unemployment rate has fallen by over 5% in the last decade for the teenage group but still remains at least twice the rate of that for prime aged unemployment. A gap in the unemployment rate of around 2-4 % with the prime age group remains for the 20-24 year age group.

As expected, females display higher part-time employment to population ratios than males in 2005 in all age groups. Full-time employment participation increases with age while part-time employment plays a particularly large role for the two youth age groups. Furthermore, this part-time employment to population has increased by over 5% in the past decade for males aged both 15-19 and 20-24 years, and by around 10% for females aged 20-24 years. Part of the relatively large reliance on part-time employment can be explained in conjunction with education and the continuing trend for many students to also be part-time employed in order to fund their education. Between one third and around one half of full-time students in 2005 work part-time. Obviously this influence diminishes for many as students leave education and enter the full-time labour market. The role of part-time employment is largely absent by prime age for males, but remains quite significant for females, presumably allowing a mix between labour market and family duties. However, this simple explanation ignores the demand side. That is, the dearth of full-time jobs for potential young workers leading to higher participation in education as a substitute for full-time employment (Lewis and Mclean 1998).
Table 1 - Selected Labour Force and Education Characteristics – Youth and Prime Aged – 2005

<table>
<thead>
<tr>
<th></th>
<th>15-19 years</th>
<th>20-24 years</th>
<th>Prime age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Labour force participation rate</td>
<td>59.2</td>
<td>61.4</td>
<td>85.2</td>
</tr>
<tr>
<td>Employment to population (%)</td>
<td>49.8</td>
<td>53.1</td>
<td>78.3</td>
</tr>
<tr>
<td>FT Employment to population (%)</td>
<td>22.3</td>
<td>11.6</td>
<td>59.2</td>
</tr>
<tr>
<td>PT Employment to population (%)</td>
<td>27.6</td>
<td>41.5</td>
<td>19.1</td>
</tr>
<tr>
<td>% in FT Education</td>
<td>66.0</td>
<td>71.5</td>
<td>22.8</td>
</tr>
<tr>
<td>% of FT students part-time employed</td>
<td>33.6</td>
<td>45.4</td>
<td>45.7</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>15.9</td>
<td>13.5</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Source: Labour Force, Australia, Detailed - Electronic Delivery, Quarterly, May 2005, ABS cat. 6291.0.55.001

Youth Employment Characteristics – Industry Representation

Let us have a closer look at some selected features of youth employment characteristics. First, a snapshot of where employed youth are concentrated by industry gives an indication of the extent to which they are segregated in particular areas of employment. Table 2 displays the industry representation coefficients for youth and prime aged. The industry representation coefficient (Moir 1982) gives an indication of a group’s relative employment distribution across industries. It is calculated as follows:

\[ \text{Industry representation coefficient} = \frac{E_{ik} \times 100}{E_{it} / E_t} \]

Where:
- \( E_{ik} \) = the number of workers in age-sex group \( k \) and industry \( i \) at time \( t \).
- \( E_{it} \) = the number of workers in industry \( i \) at time \( t \).
- \( E_{t} \) = total employment at time \( t \).

An industry representation coefficient over (under) 100 indicates that that group is over (under)represented in that industry. Summary measures of a group’s segregation include the industry representation coefficient’s coefficient of variation and the index of dissimilarity. The coefficient of variation is commonly used in statistics to compare relative dispersion or variation across different groups. A relatively dispersed or uneven pattern of representation across industries, indicating a group’s high concentration in some industries and low concentration in others, will be indicated by a relatively high coefficient of variation. The index of dissimilarity (ID) (Cortese et al 1976) has historically been used to measure gender segregation (Watts 1992) but can easily be tailored to measure segregation of our age groups. The ID represents the share of an age group that must be removed (without replacement) to achieve zero segregation, where zero segregation implies that each industry contains the same proportion of the age group in question, equal in turn to the that age group’s total age-share of employment \( (\bar{a}_k = \frac{E_{kt}}{E_t}) \) (see O’Brien 2005 for further detail).
Starting with the summary measures of employment segregation, both the coefficient of variation and ID confirm that the youth age groups, particularly teenagers, are highly segregated by industry employment. The ID for teenagers indicates that over one third of males and just over a half of females would have to be removed from their employment (without replacement) in order to achieve zero segregation. A closer examination of the individual industry representation coefficients indicates that youth are particularly highly concentrated in the Retail Trade, and Accommodation, Cafes and Restaurants industries. Because of the extremely high relative concentration in these sales and hospitality related industries, they are underrepresented in most other industries, particularly in Mining, Transport and Storage, Government Administration, and Education. Young females generally have a higher concentration than younger males in Services industries while the opposite is true in Agriculture, Manufacturing, and Construction industries.
### Table 2 - Industry Representation Coefficients – 2005

<table>
<thead>
<tr>
<th>Age</th>
<th>15-19 years</th>
<th>20-24 years</th>
<th>Prime age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Agriculture</td>
<td>87</td>
<td>41</td>
<td>87</td>
</tr>
<tr>
<td>Mining</td>
<td>32</td>
<td>5</td>
<td>79</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>87</td>
<td>25</td>
<td>126</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>57</td>
<td>17</td>
<td>123</td>
</tr>
<tr>
<td>Construction</td>
<td>167</td>
<td>7</td>
<td>188</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>107</td>
<td>26</td>
<td>101</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>273</td>
<td>353</td>
<td>137</td>
</tr>
<tr>
<td>Accommodation, Cafes and Restaurants</td>
<td>156</td>
<td>294</td>
<td>151</td>
</tr>
<tr>
<td>Transport and Storage</td>
<td>49</td>
<td>12</td>
<td>81</td>
</tr>
<tr>
<td>Communication Services</td>
<td>28</td>
<td>22</td>
<td>105</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>18</td>
<td>18</td>
<td>71</td>
</tr>
<tr>
<td>Property and Business Services</td>
<td>42</td>
<td>38</td>
<td>95</td>
</tr>
<tr>
<td>Govt Admin</td>
<td>30</td>
<td>27</td>
<td>49</td>
</tr>
<tr>
<td>Education</td>
<td>24</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td>Health and Community Services</td>
<td>10</td>
<td>52</td>
<td>21</td>
</tr>
<tr>
<td>Cultural and Recreational Services</td>
<td>109</td>
<td>137</td>
<td>139</td>
</tr>
<tr>
<td>Personal Services</td>
<td>56</td>
<td>165</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Coefficient of Variation</td>
<td>0.88</td>
<td>1.40</td>
<td>0.46</td>
</tr>
<tr>
<td>Index of Dissimilarity (ID)</td>
<td>0.36</td>
<td>0.52</td>
<td>0.20</td>
</tr>
</tbody>
</table>

Source: Labour Force, Australia, Detailed - Electronic Delivery, Quarterly, May 2005, ABS cat. 6291.0.55.001, author’s calculations

### Youth Employment Characteristics – Earnings, Leave Entitlements, Trade Union Membership

Further selected aspects of youth employment are explored in Table 3. Namely, average earnings, access to paid leave, and trade union membership. As expected, male earnings are higher than female and earnings increase with age. This latter finding is of course expected due to youth’s relative lack of experience and human capital. It is also clear in Table 3 that youth also have lower access to paid leave, associated with their higher propensity for non-standard, particularly, casual employment. This is feature is particularly visible for youth employed part-time, with over 85% of youth aged 15-19 years, and over 70% of those aged 20-24 years, not covered by paid leave provisions. Finally, youth display
relatively lower levels of trade union membership, with fewer than 1 in 5 youth employees belonging to a trade union.

Presumably, the findings from Tables 2 and 3 are related. That is, low earnings, absence of paid leave and low trade union membership would be interrelated with the high concentration of youth in the Retail and Hospitality industries.
Table 3 - Selected Characteristics of Employment – 2004

<table>
<thead>
<tr>
<th></th>
<th>15-19 years</th>
<th>20-24 years</th>
<th>Prime age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>Mean weekly earnings – total ($)</td>
<td>268</td>
<td>201</td>
<td>571</td>
</tr>
<tr>
<td>Mean weekly earnings – full-time ($)</td>
<td>445</td>
<td>419</td>
<td>672</td>
</tr>
<tr>
<td>Mean weekly earnings – part-time ($)</td>
<td>139</td>
<td>135</td>
<td>281</td>
</tr>
<tr>
<td>% without leave - total</td>
<td>63.1</td>
<td>72.0</td>
<td>35.5</td>
</tr>
<tr>
<td>% without leave – full-time</td>
<td>23.3</td>
<td>18.4</td>
<td>19.4</td>
</tr>
<tr>
<td>% without leave – part-time</td>
<td>91.9</td>
<td>88.5</td>
<td>81.6</td>
</tr>
<tr>
<td>% trade union members – total*</td>
<td>13.0</td>
<td>15.3</td>
<td>17.8</td>
</tr>
<tr>
<td>% trade union members – full-time*</td>
<td>13.2</td>
<td>16.1</td>
<td>19.1</td>
</tr>
<tr>
<td>% trade union members – part-time*</td>
<td>12.9</td>
<td>15.1</td>
<td>13.9</td>
</tr>
</tbody>
</table>


* - denotes 1999 estimate
The Youth Labour Market and Work Choices Legislation

A number of the above results are relevant to youth in the context of Work Choices legislation. Three of the Principle Objects of this legislation warrant attention:

“(d) ensuring that, as far as possible, the primary responsibility for determining matters affecting the employment relationship rests with the employer and employees at the workplace or enterprise level; and

“(e) enabling employers and employees to determine to choose the most appropriate form of agreement for their particular circumstances; and

………..

“(k) protecting the competitive position of young people in the labour market, promoting youth employment, youth skills and community standards and assisting in reducing youth unemployment”

(Workforce Relations Amendment (Work Choices) Act 2005, pp 4-5)

The first 2 Principle Objects (d and e) imply an increased level of bargaining between employee and employer directly. Younger workers are more likely to be employed on a casual basis, less likely to be familiar with their rights and entitlements, and less likely to bargain forcefully with their employers. The very fact that youth have low trade union membership, coupled with their relative inexperience in the labour market, means that they will be in a relatively vulnerable bargaining position with employers if negotiating wages and conditions under Australian Workplace Agreements (AWAs).

The third Principle Object (k) regarding the protection of the competitive position of youth in the labour market may be construed as an attempt to keep youth wages and employment conditions at a relatively low level. The Australian Fair Pay Commission appears to be designed to deliver smaller wage increases to award and low paid workers (Waring, de Ruyter and Burgess, 2006), which includes youth and covers the minimum wage rate for youth workers.

What is for certain is that because of their industrial employment concentration, many youth will be affected by what happens in the Retail and Hospitality industries. Of particular concern would be that the already lower rates of pay and that penalty rates for unusual hours, weekends and public holidays could be diluted under the Australian Fair Pay and Conditions Standard (Waring, de Ruyter and Burgess, 2005). Furthermore, research by van Barneveld (2005) suggests that many AWAs in the hospitality sector do not conform to a no disadvantage test. However, since they are already heavily casualised youth are unlikely to be further disadvantaged by the removal of unfair dismissal protection.

CONCLUSION

The survey of labour market data in Australia shows that youth display relatively high unemployment rates, low full-time labour force attachment, high concentration in Retail and Hospitality industries, and high rates of casualisation, low earnings and trade union membership. Of particular concern would be that the already lower rates of pay and that penalty rates for unusual hours, weekends and public holidays could be diluted under the Australian Fair Pay and Conditions Standard (Waring, de Ruyter and Burgess, 2005). Furthermore, the Work Choices legislation does not appear to improve the quality of youth employment, with its focus on one on one bargaining and maintaining the “competitive” (presumable low paid) position of youth in the labour market. However, it must be remembered that a significant proportion of youth are participating in full-time education with their present employment position serving to support them in their transition toward a preferred position in their chosen professional field. Therefore, for youth engaged in employment as part of a transitory phase of their lives while in full-time education the impact will not be long lasting. These issues are of concern to the relatively unskilled youth not
pursuing education, being subject to poorer employment conditions and standards and falling real wage rates through time. Therefore, while the merit of Work Choices legislation on efficiency grounds is highly questionable, the main concern for youth and the labour market in general will be the proliferation of an inequitable income distribution.

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Zhu & Warner (2004) examined the increasing complexity of HRM in China. They conclude that there is a wide range of HR practices depending on "ownership, industrial sector, location and history". Further the direction of future change will be influenced by the type and extent of external forces. They (Zhu & Warner 2004) also note it will depend on the strategic direction the firm takes to grow the business.

Shen (2005) goes further to develop an “IHRM model that an MNE’s IHRM policies and practices are the interaction of the home HRM system, firm-specific factors and host-contextual factors. The firm-specific and host-contextual factors have a differentiated, changing and concurrent impact on IHRM policies and practices”. There is also interplay between IHRM policies and practices. Intervening factors and their impact may vary over time and in different contexts.

Lewis (2003) concludes that considerable caution must be exercised in assuming that the introduction of coherent bundles of HRM practices would boost organisation performance. The paper goes on to state that a high degree of interest in management education and remarkable industry and enthusiasm among young workers provided grounds for optimism.

The driving forces for, barriers to, and trends and patterns of acquisition of Chinese state-owned enterprises (SOEs) by foreign investment and its implications for HRM are examined by Cooke (2006). He argues that FDI’s acquisition of Chinese firms creates unique management issues. This is worthy of further research, particularly in the area of HRM, in order to establish the likely similarities and differences between acquisitions in other countries and those taking place in China and the implications of this for the globalizing businesses (Cooke, 2006).

In their recent publication Shen and Edwards (2006) explore the degree to which Chinese multinationals have a distinctive 'Chinese' approach to human resource management. The use of western management systems are evident however they have been tailored to suit local conditions. "Based on extensive original research in the subsidiaries of Chinese multinationals outside China, the book examines a wide range of issues related to this key question including the evolution of human resource management in Chinese companies, the internationalization of Chinese business, recruitment and selection, rewards and compensation, performance appraisal, strategic integration, and employee relations" (Shen & Edwards, 2006, 125).

Law, Wong & Wang, (2004) state that “If a transnational chooses to localize its human resources in its foreign operations, the effectiveness of the localization process refers to the extent to which jobs originally held by expatriate managers are filled by local employees who are competent to perform the job (Potter, 1989). This means that the local managers have the training and experience to fill the job requirement competently.

Law et. al. (2004) speak of the pros and cons for TNCs in localizing their human resources. They found that the planning and investment to move from expatriates to local management was more important than HRM practices (Law et. al. 2004). However I would suggest that this planning is sound HR practice.
The working culture differences between Chinese and Western Styles

Western and Chinese values and norms differ in the areas of the thinking styles, communication, the notion of face, expectations of work and managerial behaviour, and the application of rules. We will briefly compare some of these.

Conflicts usually come from cultural differences as a result of language barriers, misunderstanding, misinterpretation and social-psychological distance. Moreover, Hoon-Halbauer, (1999) stated that conflicts between Chinese and foreign partners are inevitable because the two partners have different objectives, organization structures and cultures. Typical and severe conflicts identified by Ding (1997) in his study of USA general managers and Chinese managers occurred in the functional areas such as quality control, wage and labour policy, import and export procedures, administration and supervision. However, Tjosvold and his colleagues (2001) found that Chinese managers not only used the traditional Chinese way of handling conflicts, they also could learn and apply the Western approaches. In conclusion Shen & Edwards (2006) confirm these views. We will now look at some unique HR issues in China.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Western Styles</th>
<th>Chinese Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thinking Styles</td>
<td>Board concepts, rationality, direct and open.</td>
<td>Chinese are likely to be constrained because of habits, rules and habitual way of thinking.</td>
</tr>
<tr>
<td></td>
<td>Creativity, imagination, jumping thinking in segments, self-contained, better in logic and scientific studies.</td>
<td>Layers by layers thinking, more abstract and theoretical.</td>
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<tr>
<td></td>
<td>-Equality, democracy and openness in the decision process goes from bottom to top, first consider consult the employees.</td>
<td>Tend to implement the tasks and plans from the top.</td>
</tr>
<tr>
<td></td>
<td>Pay attention to individual feelings, experience, rights &amp; duty relation of individuality.</td>
<td>Keep harmony, interpersonal relations and internal balance of individuality are important.</td>
</tr>
<tr>
<td></td>
<td>Exploring thinking is common in Western, after thinking want to do it, to collect data and do experiments.</td>
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<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Western Styles</th>
<th>Chinese Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules &amp; Relationships</td>
<td>Many Western companies have strict policies on fair treatment and equally apply rules to all persons.</td>
<td>Chinese society is based on notions of hierarchy; privilege and level of relations determine how you are treated.</td>
</tr>
<tr>
<td></td>
<td>Western emphasizes work standardization and predictability.</td>
<td>They prefer wide latitude in work and less rigidity.</td>
</tr>
<tr>
<td>Motivation</td>
<td>They are self-motivation and</td>
<td>Chinese always follow orders and their</td>
</tr>
</tbody>
</table>
Proactive attitude to achieve personal recognition, higher income, promotion and all part of gaining higher standing in society.

Promotion based on seniority, young Chinese managers are very uncomfortable deal with their older subordinates.

<table>
<thead>
<tr>
<th>Face</th>
<th>Western Styles</th>
<th>Chinese Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflicts of interest and differences opinions, management’s task to help the best arguments (through confrontation).</td>
<td>Chinese notion of ‘saving face’ and maintain one’s social image is more important.</td>
<td></td>
</tr>
<tr>
<td>Avoid of open criticism and direct admission of problems is essential to saving face.</td>
<td>‘Losing face’ &amp; ‘Give face’ – by treating people with appropriate respect.</td>
<td></td>
</tr>
<tr>
<td>Balance conflicts of interest and differences opinion so that no party loses face (through consensus finding).</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Western Styles</th>
<th>Chinese Styles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication</strong></td>
<td>Encourage communication between fellow workers.</td>
<td>Chinese encourage communication between subordinates and superiors.</td>
</tr>
<tr>
<td></td>
<td>Expatriate/foreign managers often do not try and learn the language and are poor in Chinese language.</td>
<td>Chinese workers have poor English and this limits their ability to communicate with expatriate/foreign managers.</td>
</tr>
<tr>
<td><strong>Negotiations</strong></td>
<td>Foreign investors preoccupied with technology and technical know-how.</td>
<td>Chinese are over-protective of their own business franchise.</td>
</tr>
<tr>
<td></td>
<td>Legalistic negotiations and consider the signed contract an end-product and binding agreement.</td>
<td>Chinese emphasize the strength of ethical and moral principles and consider a contract simply a flexible part.</td>
</tr>
<tr>
<td><strong>Working Behaviour</strong></td>
<td>Many multinational companies bring with a decentralized management system based on notions of delegation and individual accountability.</td>
<td>Traditional Chinese managers keep information and power tightly to themselves.</td>
</tr>
<tr>
<td></td>
<td>The employee wants responsibility in order to grow and to make decisions within a clearly defined function.</td>
<td>The employee is very manager oriented, avoids making decisions himself and expects clear instructions about when, how and what to do.</td>
</tr>
<tr>
<td>Working Behaviour</td>
<td>Western Styles</td>
<td>Chinese Styles</td>
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<tr>
<td>-------------------</td>
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<tr>
<td>To be judged according to objective, performance related criteria.</td>
<td>A clear split between work and private areas.</td>
<td>Work and private relationships overlap.</td>
</tr>
<tr>
<td></td>
<td>Unnoticed the management make their education, higher income, status and power.</td>
<td>A manager wins respect through a good standard of living, important contacts, influence and power.</td>
</tr>
</tbody>
</table>

**Unique HR issues in China 1**

With the rapid economic growth in the major delta areas, Zhu Jiang delta and Chang Jiang delta, prosperous industrial development brings with it huge demand for labour to cope with the growth. The local residents of these delta areas do not want to work in factories because of the low wages. The industrial sector has no choice but to hire workers from remote provinces.

Generally, firms recruit unskilled line-workers locally, but search nationwide for professionals (Ding, Ge & Warner, 2004). The small firm we look at in this paper employ over 80 per cent of unskilled line-workers from among migrants coming from the poorer rural areas or inland provinces so as to keep the operating costs low (Ding, Ge & Warner, 2004).

Chinese New Year (CNY) or Spring Festival is the major festival in China with a focus on family reunion. Most employees in China are granted extended leave during the spring festival. Some workers take up to ten days of leave. Most workers in China leave their homeland without changing residential address (“hukou” (Li & Siu, 1997)), and move to industrial provinces for job opportunities. They return home once a year during the Spring Festival period.

The motivation to move for work is financial return. For example; 1,000 RMB is the monthly income and can feed a family of three to four members, or even more, because of comparatively low cost of living in economically backward areas. This amount represents the pay level that most of the factory workers in the delta region receive.

Located in Dongguan, Guangdong Province of China, HF Garment Factory is the major supplier to Apple Garment Ltd. which is a buying office working for global brands like GAP, LEVIS. Immediately after the CNY the Merchandising Manager of Apple threatened that they would never place an order with HF again if the shipment was late. The reason for the problem was a shortage of labour force.

A closer examination revealed that HF has labour force of 700, of which 85% (about 600) are working on the production line. Immediately after the CNY holidays the factory experienced 15% labour turnover, this resulted in productivity sinking by 20%. This trend has been apparent in the last few post CNY periods. To compound the problem the Sales Department anticipates a 30% sales growth in the coming 12 months.

In essence only 85% of production workers (about 500 heads) resumed duties after the CNY resulting in a daily drop in production to 6,400 pcs/day (20% dropped). The reduced labour force cannot cope with anticipated increased in demand. The high turnover is due to workers
not returning after the CNY. One reason is the skills gained in the factory make them attractive to factories close to their home. They are attracted by other factories which offer better remuneration packages; this trend is more evident since China became a WTO member.

3 other garment factories were also examined. They exhibit a similar trend as can be seen in Figure 1. The drop-out rate in HF is just about the average compared with the competitors.

![Figure 1: Labour drop-out rates (2005)](image)

Productivity is a direct linkage with labour force availability. A drop has been observed across the garment manufacturing industry based in the same town.

In our cases, piece-rate rewards were still widely adopted by firms whenever performance could be precisely measured (Ding, Ge & Warner, 2004). The wage level for line workers had been kept low by an abundant supply of migrants from rural areas and was in the form of a fixed monthly salary with little or no bonus (Ding, Ge & Warner, 2004). In this case we found bonus and gift incentives are used to entice employees back after the Spring Festival.

![Figure 2: Daily production rates (2005)](image)
The findings confirm that there is a cyclic labour shortage in the garment industry in southern China. While some of the turnover can be explained by the CNY other reason are: burned-out of workers, decline in job performance and an increase labour turnover generally. The pressure of high turnover means that cost increase due to overtime, production delay, and a risk of losing order-generating customer.

Demographic profile of the labour force shows that skilled workers are aged between 20 and 25. Over 65% are married. The majority of workers come from other provinces. Tenure is 2.5 years on average. The high concentration of industry development in Guangdong province causes a shortage of skilled workers and recruitment is difficult. Due to this there is keen competition on labour recruitment amongst factories. Skilled workers have become aware of the trade compliance imposed by US and Europe retailers and seek to work in factories with these conditions.

Trade compliance is aimed at protecting the labour’s interest in the form of compliance to a “code of conduct”, with the following highlights:
- Working environment has to be clean, safe, bright, and in good ventilation condition,
- Fair compensation scheme for overtime work,
- Reasonable accommodation conditions and prevention of sweatshop and child labour (use of children under the age of 16).

Unique HR issues in China 2 (Making use of internal agents)
Recruitment of labour through informal leaders. Due to the problem of a competitive recruitment market many factories use informal recruitment agents. These informal leaders receive slightly higher wages in return for attracting 30 to 40 workers from their home town.

Joint recruitment effort between provinces. Governmental figures reveal via the People Daily that there is huge potential labour force in inland areas. Thus the factories recruit from specific inland provinces. Sichuan has 61 million of working population, Hunan 47m., Hubei 42m, and Guangxi 33 million (see map below). Direct recruitment activities allow direct contact between the company and potential work force.

This is more than a referral. Skilled workers can be recruited through an “internal agent” who has good connections with skilled workers and can bring a team of workers to join the company. Generally the recruited workers come from the same province as the internal agent. The internal agent uses their ability to attract skilled workers to negotiate for higher wages.

In conclusion, as a number of researchers have pointed out (Zhu & Warner, 2004; Shen, 2005; Lewis, 2003) China is developing unique HRM activities to suit their distinctive
problems. This was reinforced via a comparison of Western and Chinese issues as well as looking at the unique turnover and recruitment issues.

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THE ADOPTION, DIFFUSION AND USE OF WORK-FAMILY ARRANGEMENTS: A FRAMEWORK FOR A RESEARCH PROGRAMME OF CROSS NATIONAL COMPARISON OF WFAS.

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INTRODUCTION

With the expanding role of women in the workforce, changes in family structures and an ageing population, most people will combine employment with family care responsibilities at some stage in the life cycle. In recent years we have seen an increase in two-income households, even where there are children to be raised. This increase in women’s labour market participation raises not only the issue of inequality of labour market chances but also put emphasis on the issue of the division of care work. Feminist critique of welfare state analyses applies here: gender equality does not only imply women achieving the same labour market chances as men, but ‘the gendered division of care work, more often unpaid than paid, is crucial to understanding the gendered nature of welfare state change’ (Lewis, 2002a: 332). The social, political and economic contexts vary significantly between different countries as do the division of care work, so that we might expect this to have very different implications in different societies. We focus this paper on international comparative research on the gendered nature of welfare states. In particular, we focus on the development of work – family arrangements (WFAs), statutory and non-statutory, implemented by state, organisations or other private bodies. These arrangements are developed to enable employees to balance multiple roles. Den Dulk (2001: 7) distinguishes four types of work family arrangements: flexible work arrangements, leave arrangements, childcare arrangements and other arrangements that supports the whole work family policy in the organisation, such as information supply, training and knowledge of employees’ needs. These arrangements provide either facilities to ease the burden of caring tasks or give employees the flexibility to adjust their work to caring responsibilities.

The way and pace in which these arrangements are adopted, implemented and made use of depends on gender regimes that vary between countries. Furthermore, these arrangements have intended and unintended outcomes. This paper aims to develop a framework for international comparative research on the development of WFAs and their outcomes. In particular we focus on gender regimes as determinants of these developments and outcomes. We propose to use a framework that is based on the rational choice paradigm with a special focus on the institutional embeddedness of choices by actors (cf. Den Dulk, 2001; Campbell, 2004). The central question is: How do actors (state, employers, trade unions and individual employees) approach the development of work-family arrangements at the macro, meso and micro level and what are the (potential) outcomes of the implementation of work-family arrangements? The paper is organised as follows. We evaluate the international comparative research in this domain and propose a new integrated framework. We then present this framework and discuss briefly the methodologies of an international comparative research project using this framework. The paper ends with conclusion and discussion.
Towards an integrated framework

Research on cross-national comparisons of work–family arrangements (WFAs) use either structuralist or culturalist approaches for the description and explanation of differences between countries in the development of WFAs. In the structuralist approach researchers attribute more emphasis to institutional arrangements that support, or hinder, the introduction and use of WFAs. Often they deal with different typologies of socio-political welfare states or breadwinner systems (Lewis, 1992). Although acknowledging the cultural embeddedness of the introduction and use of WFAs, the structuralist approach does not focus on this and puts an emphasis on structural differences in practices and policies without trying to explain these differences. In welfare state analysis the structuralist approach tends to overrate the influence of political regulations on social and economic arrangements. WFAs and policies are seen as strongly connected to each other. The actual arrangements are assumed to flow from those policies. However, there may be forces, for instance in household strategies, that independently from policies may instigate certain arrangements more than others.

The culturalist approach deals with the importance of individual attitudes. This approach focuses on gender arrangements, especially on social values, norms and preferences that go hand in hand with a gender specific division of labour (Hakim, 2001; Pfau-Effinger, 2000).

The culturalist approach analyses the cultural embeddedness of the use of WFAs. They examine the development of typical arrangements (part-time work, leave and care arrangements) or appropriate gender roles in terms of work and care within the context of sociocultural norms and institutional frameworks. The problem with this approach is that the actual use of arrangements (such as child care arrangements) may divide from the predominant culture (women should take up their caring duties) and the approach does not provide an explanation for this divide (both parents simply have to work for their living and that explains the use of child care arrangements). In addition, the culturalist approach sometimes overstates the importance of national culture compared with organizational culture.

The studies that elaborate the cultural and structural basis for work-family models lead us to a vast array of typologies that are not necessarily compatible. In addition, there is much debate on the allocation of countries’ WFA policies into these typologies. At the same time there is discussion about differences between formal policies and real practices. We may classify a country into one category according to the dominant policies, but we may classify the same in a different category according to the real practices. In addition, employers’ and employees’ rational choices are not well integrated in these approaches. Employers may use the contribution to the business case, or the reputation of family friendly employer ship, as the leading principle for the adoption of WFAs, while choices of employees may be guided by orientations towards work-care arrangements within their households despite certain dominant sociocultural norms. While key in the developments of WFAs, an analysis of the role of employers and developments in the workplace is an hitherto neglected topic of research.

Another but related feature of international comparative research in this domain is their sometimes uncritical use of several levels of inquiry where they suggest straightforward top down causality from the higher to the lower level. This approach neglects the dynamics at each level and is not able to capture change in the domain under investigation. Each level has, most probably, their own path dependence and their own ideas and paradigms as well as their own constituency of self interests of parties involved. These all have an influence on how things will be and are arranged. For instance, a strategy of a typical household would be that in order to reach a decent income for the family both parents have to earn an income and ‘ignores’ the prevailing sociocultural norms of staying at home for the children. Another example, an employer in order to meet the desires of its core work force consisting of mainly highly trained women may develop arrangements that go beyond the statutory provisions as developed by state policy.
Discussing these different levels, Dickens (1999: 9–10), calls for a ‘three-pronged approach to equality action’, where legal regulation by the state, social regulation by trade unions and employer federations and voluntary employer regulation, motivated by the ‘business case’ (and/or institutional pressures to conform to good employer ship), form a ‘tripod’ of policies that support equal opportunities. As she notes, ‘business case arguments are inevitably contingent, variable, selective and partial and often underplay the wider context within which business rationales are having to be pursued’. Adding to this, Hantrais and Ackers (2005) stated that Dickens observation ignores individual choices and family coping strategies and suggest a ‘quadripod’ approach “adding the active individuals that make up a family to the agencies of the state, trade unions, and employers and also recognizing families as social actors” (ibid. 211).

Another issue concerns the rather limited focus on performance outcomes of WFAs. Typically most research is directed towards the determinants of the adoption and diffusion of WFAs with the implicit assumption that an increase in use of WFAs would be beneficial for both employees and employers. Of course there are cases that show some of the expected outcomes but in general research does not combine the issue of determinants of development, the typical WFAs and their outcomes. Apart from that there are intended and unintended outcomes. For instance, the different types of work-family arrangements differ in their consequences for employers. Childcare arrangements usually mean that children are cared for during the time parents are at work. On the one hand, these arrangements help to increase the availability of working parents at the workplace and, thus, increase labour supply (Glass & Fujimoto, 1995). Moreover, childcare facilities rarely affect work itself, or the organization of work. On the other hand, however, the financial costs for the employer may be considerable. Leave arrangements or flexible work arrangements offer employees the opportunity to reduce their working hours, or adjust them to family life. In contrast to childcare facilities, these types of facilities potentially decrease labour supply (through temporary absence of work, or reduced hours) and may affect the organization of work. For instance, flexible working hours can lead to an increase in employee control and a decrease in the ability of managers to monitor hours and productivity directly, and vice versa (Peters & Van der Lippe, 2006). Furthermore, additional administration and coordination costs may occur, but these costs are usually smaller than the financial costs related to childcare.

Following Haas (2005) we suggest to combine approaches into a new framework. We tend to look for a more integrated multilevel approach with triangulation of methods. We propose to use a framework that is based on the rational choice paradigm with a special focus on the institutional embeddedness of choices by actors (cf. Den Dulk, 2001; Campbell, 2004). The central question is then: How do actors (state, employers and individual employees) approach the development of work-family arrangements at the macro, meso and micro level and what are the (potential) outcomes of the implementation of work-family arrangements? We suggest to analyse the developments along four dimensions: i) the gender choices, i.e. the actual use of WFAs by genders, ii) employers choices and decisions regarding arrangements, iii) the policies of dominant actors (state and trade unions and other groups), and iv) the cultural embeddedness of the choices. The next figure presents the framework of diffusion and deployment of WFAs.
Choice is a relative, complex, and contingent concept, not easily grasped by large-scale quantitative studies. It is important to unravel the complex processes whereby women and men at different stages in their life-course and in different socio-economic situations, reach decisions enabling them to strike an acceptable work–family balance. The aim is to contribute to a better understanding of the barriers to, and constraints on, choice and of the means whereby women, in particular, and men try to overcome them. The analysis is based on the observation that individuals can and do exercise varying degrees of control over work family arrangements. We argue that individual preferences and choices with respect to WFAs, and perceptions of choice and of constraints are determined to a greater or lesser extent by both endogenous and exogenous variables. The former include negotiations within households and the latter knowledge, awareness, legitimacy and availability of public state and employer’s policies on WFAs, in conjunction with social values and cultural norms.

On macro level we discover indicators for historical paths and developments of state level policies as well as patterns of values and norms about a gendered division of labour in terms of welfare state regimes (Esping Andersen, 1999) and gender regimes (Haas, 2005; Walby 2004) that may facilitate or hinder the introduction and use of WFA arrangements. Macro level developments of labour market integration, social security systems, gender relations and expenditures on child care arrangements determine the scope of the development of WFAs in organizations. In addition, we intend to seek the views, the ideas and paradigms of dominant actors in the field, such as political parties, social partners and interest groups. The methods used in this stage are a quantitative analysis of available statistics, in order to describe the effective division of unpaid and paid work between genders and the take up of WFAs. These should be analysed in relation to the different (indicators of) welfare regimes and gender regimes as well as prevailing sociocultural norms. In addition qualitative methods are used to investigate the views of dominant actors. The results are country specific WFA profiles.

On the meso level, despite any public offering of WFAs, employers’ choice is key to further developments. The main rationale is the (perceived) costs and benefits of WFAs for the organization either driven by the business-case or social responsibility (Den Dulk, Peters and Poutsma, 2006). This may not only concern short term benefits like retention of talent, but
the choice may also be based on the reputation of becoming a family-friendly organization. This last choice may be the result of institutional pressures to conform to social responsibility (cf. Lewis & Smithson, 2001). In addition, in this stage an investigation of organisational determinants of WFAs is necessary. To do this a survey of organization with varying degree of WFAs is conducted. This raises also the opportunity to include the costs and benefits in the analysis. The results are employer’s preferences and choices for WFAs per country and the factors that determine these preferences and choices.

In addition, on the micro level, employees have the ‘choice’ to take up WFAs. These choices are determined by job characteristics (flexibility, autonomy), supporting work climate (norms and values) and the (perceived) organizational support (Dikkens et al.). There is a strong relationship between choice of WFA on this level and household strategies of time patterns and division of work and care between spouses. Although preferences of individuals can be covered with attitudinal surveys, household strategies require a more in depth approach. The result in this stage is a profile of the prevailing preferences and choices by spouses per country.

In terms of outcomes for individual employees we focus on satisfaction, commitment and performance on the individual level. Organizational level outcomes are employee turn-over rates, labour market position (preferred employer) and labour productivity. With societal outcomes we focus on labour market integration and other indicators of inequality.

**Methodology of the international comparative project**

To run such an endeavour asks for a project oriented approach with different modules. Also a multi level approach is apparently necessary. We propose a modular approach in stages.

Table 1 summarises the approach.

Important is the development of the research team and the learning process during the research programme.

**DISCUSSION & CONCLUSION**

This paper explores a framework to be used for international comparative research of the development and outcomes of work – family arrangements (WFAs). It combines a neo-institutional approach with a rational choice perspective of the introduction of WFAs. In doing so the framework is able to cover the dynamics of the field and allows to trace changes in the domain which may point to emerging anchors for policy initiatives.

The framework is rather complex and needs a multi method and multi resources approach. In order to monitor such a international research project the paper suggests a modular project approach. First project is to start to draw the macro picture per country trying to capture the policies of the main actors on the one hand and available statistics on WFAs on the other. The main question in this stage is “What are the gender profiles of the countries?” Second project is the discovery of organisation level policies and practices as well as outcomes in each country and relate these to the policies and statistics from the first stage. The main question of the research in this stage is “What are the determinants for employers’ choice for WFAs in the respective countries?” Third project consists of a search for individual choices of take up of WFAs and individual level outcomes and relate these to organisation level policies. The main question in this stage is “What individual choices are being made in the context of gender profiles, employers’ preferences and household strategies?”

Note that the above approach includes nesting and requires a multi level approach in analyses. Second note, it is important to approach this endeavour as a double learning project, that is, the international team will learn theoretically, empirically and methodologically
at each stage. Third, the outcomes of the project implies an exchange of information on policies and practices around WFA s in several countries which may facilitate learning by practitioners and awareness of supportive social policies in other countries permits social comparisons that demonstrate the feasibility of such provisions. Hopefully they help to improve policies and practices.

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INTRODUCTION

As increasing numbers of women have entered the workforce over the last decade or two, much research has been devoted to the issues of equal opportunities, women in management, sexual harassment, and family-friendly employment policies. Concerns about balanced commitment to the job and to personal and family life have been debated (Schwartz, 1992, Davidson and Burke, 1994), with a shift in focus from these issues being only women’s concerns to being more of a question of how to achieve a balanced commitment to work by both men and women (Burke and Nelson, 1998, Hochschild, 1997, Burke, 2000). The modern organisation struggling to come to terms with the global pressures of cut-throat competition, has now to grapple with the necessity of developing a committed, satisfied workforce and remaining socially responsible, all the while ensuring high levels of productivity and excellent bottom-line results. Employees face increasing performance pressures as well as longer working hours (Schor, 1991). Such role expectations may be particularly difficult for women to meet, since it is well-known that women face the bulk of household responsibilities, contributing to the high levels of work-family conflict often reported (Itzin & Newman, 1995; Ramgutty-Wong, 2002).

Much of the gender literature has generated findings regarding employment practices, career aspirations, equal opportunity, the proverbial “glass ceiling” and other issues, but have largely focused on workplace contexts that were Western, Private Sector, and industrialised. Although categorised as a middle income economy, Mauritius has had to face the consequences of a remarkably swift development since the 1980’s, part of which includes the necessity for a nimble, ‘facilitating’ public sector (McCourt & Ramgutty-Wong, 2003). This Indian-Ocean island of 1.2 million people represents an interesting case study of an industrialising economy that is coupled with a disconcerting backwardness with regard to policies and practices for the provision of gender equality in its various forms.

Public Sector context

The Public Services in Mauritius have all inherited the characteristics of the British Public Service. In spite of Mauritius having gained its independence in 1968 and acceding to the status of Republic in 1992, the Public Sector’s system is still linked, three decades on, to this colonial heritage.

The Civil Service of Mauritius, which was developed around 1900 after the British took over a French system of administration, is characterised by a complex network of rules and regulations, high formality, a multiplicity of grades, and a long chain of command.
When the country became independent, the ministerial system supplanted the colonial structure, with attempts made in the late 70’s and the 80’s to convert the Public Service into an effective instrument of development policy. In effect, it was in the face of the acute economic problems faced by the country in the early 1980’s that part of the blame was attributed to the inefficiency of the Public. An articulated ‘political will’ found its reflection in the 1998 edition of the PRB Report, wherein Government expressed its commitment to reform the public sector with a view to improving service delivery and strengthening the process of public policy and decision making in that sector. Successive reports have all but repeated the exact recommendations since.

Currently, there is no clearly-defined policy for the management of human resources. Successive Governments have attempted some change in the structure and culture of the Civil Service, through various Steering or other Advisory committees. Current ills, apart from the image of inefficiency and complacency, include the inability of management to bring about change, the shortage of qualified personnel in key areas, and the absence of career development prospects, the absence of a quality of work life and motivation effort, and the unattractive remuneration package offered.

**Women in the Public Sector**

With over half of the population (51%) of Mauritius being female, and over 30% of the workforce also comprising women (CSO, 2004), and equal access to education, much concern has been raised recently regarding the poor representation of women in all walks of employment and more significantly, at decision-making levels.

Mauritius being more of a traditional than a really modern society, is still a male dominated place, and the concept of “work” still follows the male model (Pleck, 1977; Cook, 1992) to a very large extent, in which the ideal worker is one who works continuously and full time and does not allow family to interfere with work (Lewis, 2001). This model is increasingly inappropriate because of the obvious growing numbers of women with children in the labour force but also because the assumption of a continuous, vertical, organisational “career” based on an androcentric model fits less and less into both men’s and women’s experiences in the contemporary labour market. The recent 'Work and the Family' (2002) report, a laudable study, showed that there were indeed a considerable number of issues that needed to be addressed, notably in the areas of: innovative work schedules, more gender equality and application of existing provisions of the Law. Although Mauritius has a plethora of international and local pledges (Beijing 1995 Conference on CEDAW, Commonwealth Secretariat’s model of Gender Management System (1995), an imminent Equal Opportunities Act, and policies (Gender Action Plans (2000, 2004), ostensibly aimed at creating a gender sensitive programme of development for the country, the reality is quite different.

This paper explores the extent to which the Mauritian Public Sector is woman-friendly and family-friendly, given the above societal configuration, coupled with pressures to show “results” in its role as a facilitator to economic development and investment, at a time when the country is set to meet the challenge of shifting from an industrial economy to a knowledge economy (Ramgutty-Wong, 2004). Scholarios and Marks (2004) have demonstrated employees’ perceptions of the impact of their job and organisational environment on work-life balance feeds into their (employees’) motivation and commitment, such a relationship bearing either positive or negative outcomes for both employees and employer, as the case may be. Many writers (Scholarios and Marks, 2004; Clark, 2000) have pointed out the devastating effects on individual employees when work-life balance is persistently kept out of their reach. These are principally: increased levels of stress and stress-related illness; lower life satisfaction; higher rates of family strife, domestic violence, and divorce; rising incidence of substance abuse, and parenting difficulties.
Conversely, a sound balance between workplace and private or family life commitments not only benefits the overall health and well-being of the individual, but is known to contribute to more efficient work, enhanced team-working and collaborative efforts, lowered absenteeism and generally increased productivity and work commitment. The latest National Gender Policy (2004) seven strategies to be pursued, among which are the following:

(i) Develop and implement the necessary measures at Ministry/organisational/company level to ease the home-work conflict;
(ii) Strengthen ongoing programmes and formulate new ones that deal with provision of childcare facilities and other needs for working mothers;
(iii) Promote information and communication related programmes that work towards improving the gender relations at the levels of the family, community and workplace in ways that take into consideration the difference in roles, responsibilities, and needs of women and men.

Family-friendliness

Much of the evidence regarding family-friendly workplaces points to the underlying basis being economic rather than welfare or social responsibility. Family-friendly efforts are seen to be designed to ‘help’ employees cope with family problems that would otherwise interfere with their job performance (Hooyman and Goonea, 1989). Lambert (1990) suggests that that the phrase “family-responsive policies” may be misleading and work against gender equality because so many of them function as work supports to help ensure that employees continue to give priority to work over other commitments. Generally, family-friendly policies are indeed associated with improvements in productivity and work performance. However, business case or not, if family-friendliness is a by-product of new working practices, then mutually-beneficial situations can be achieved for both employee and employer. Most popular among the family-friendly organisational policies are: Parental leave; Paternity leave; Time-off for emergencies of a family nature; Job Sharing; Opportunities to move from full-time to part-time work; Home working during normal working hours; Workplace or other nursery provision; Help with child care costs; Flexitime or other types of temporal flexibility.

Unfortunately, other than following the mandatory provisions, neither Public nor Private sector employers of Mauritius seem to provide much assistance for childcare. Of the Public Sector, almost none provide ANY nursery facilities (Centre for Applied Social Research, 2002)

Additionally, whereas theoretically both parents have responsibility for childcare, in Mauritius, it is almost invariably the mother who ends up taking absence from work, or having to leave early or arrive late, to attend to the occasional childcare problem (CASAR, 2002).

Temporal and Locational Flexibility

Flexibility in schedule and location has the potential to assist employees in balancing work and family responsibilities, while at the same time enabling employers to cut overtime costs, retain valued staff who may otherwise leave, and to provide more responsive services to the public through longer opening hours (Wilson and Greenhill, 2004; Lambert, 1990). We use “temporal flexibility” (hereafter referred to as “flexibility”) as a proxy variable to examine the extent of family-friendliness in the Public Sector of Mauritius, within a context of extensive institutional and legal provisions, but a history of quasi non-application thereof. Arguably, other important variables could have been chosen over flexibility. But even flexibility is not entirely a satisfactory item that can be termed independent variable, since in and of itself, it may not necessarily indicate family-friendliness (the dependent variable). The benefits of flexibility may in fact accrue more to the employer than the employee, such as cost-reduction or extension of opening hours. We focus here on outcomes concerned with the employee, even though the business case for introducing flexibility has been proven through such positive organisational outcomes as a decrease in absenteeism and an increase in productivity and improved overall organisational performance (HR Magazine, 1991).
We return to our premise that flexible timing and work location is positively correlated with work-life balance (Thomas & Ganster, 1995). In terms of homeworking opportunities, past research in Mauritius has established that not a single employer, either Public or Private stated that it would be possible for employees to work from home. Additionally, Public Sector department and Ministry heads also state that employees could not change their work status from full-time to part-time if they wanted to (CASAR, 2002).

Such a backdrop illustrates a build-in contradiction in the existent employment laws and practices, whereby on one hand, gender equality is being pursued, and on the other, there are hardly any provisions for specific leave to take care of a sick child, no short-term nor other form of nursery facilities, no flexitime, part-time, job-sharing or compressed workweek, all of which remain predominantly female preoccupations or issues of interest. However, over 50 percent of senior Ministry staff said that job-sharing could be possible. This contradiction reaches the point of absurdity when it appears (CASAR, 2002) that most employers (88% overall) of both Public and Private sectors state that it is either Very Important or Important to help employees balance work and family responsibilities!

METHODOLOGY

The general research problem explored in this study was the inadequacy or inexistence of relevant structures, policies and practices within the Mauritian Public Sector to promote the development, well-being, and career of female employees. This was operationalised through the wide ‘family-friendliness’ variable, within which temporal and locational flexibility was adopted as specific.

A multiple case study approach was adopted, with a view to span a wide cross-section of Public Sector departments of Mauritius. Five key organisations were selected:

- The Prime Minister’s Office, being the most important Ministry as well as being the first department to introduce the Establishment Cadre;
- The Ministry for Foreign Affairs and Regional Co-operation, which imposes a six-day roster to most of its operational-level staff;
- The Ministry of Women’s Rights, Child Development and Family Welfare, as it deals with gender issues;
- The Ministry for Civil Service Affairs and Administrative Reforms, as it is the largest Ministry, which is also a central one designing policies for the Public Sector; and
- The Ministry of Finance.

The targeted population was employees of both sexes and from all levels of the organisations selected. The population was considerably large, involving, in order of hierarchy, 30 Permanent Secretaries, 61 Permanent Assistant Secretaries, 156 Assistant Secretaries, 600 Executive Officers, 4700 Clerical Officers, 1412 Word Processing Officers, 400 officers of the Management cadre, and over 10,000 officers of the lower grades. A streamlining was necessary for manageability, and subjects were selected using a stratification based on gender, age and seniority. The final sample was made up of fifty-five men and an equal number of women.

Data was collected in three phases:

(a) desk research and documentary searches, with a view to learn about the organisations’ history, background, strategic directions, guiding policies and current practices,

(b) A survey-type enquiry amongst both management and non-management employees, using two sets of structured questionnaires. One was distributed to employees themselves, and the other was directed at the Personnel Cadre which acts as the HR department in the Public Sector, and
A combination of individual interviews and focus groups with selected Human Resource, general and line managers. Two focus groups were held, under confidential cover, one with ten Personnel managers, and the other (large) one, with a representative group of eighteen employees.

Forty-five women and 44 men make up the database of respondents. A total of eighty-nine (n=89) usable survey questionnaires were returned. Some (n=9) were rejected due to being poorly completed. Questionnaire data was analysed quantitatively, and data from interviews and managers were analysed along the same dimensions, but categorised into themes. Of all the respondents, women are the most highly qualified, with 28 first-degree holders, and 5 post-graduates. In terms of salary, earnings were not computed because all employees, irrespective of gender, earn salaries as per the Pay Research Bureau provisions. The majority of respondents were aged between 30 and 60 years. Age was considered as an important variable, and the sampling procedure included adjustments in favour of individuals with family responsibilities. Eighty percent of all respondents were married with dependents. 12% were either divorced or legally separated, with dependents. Two respondents were single, and five others were widowed, all with dependents.

RESULTS AND DISCUSSION

Woman-friendliness
The argument in the literature that women’s special status as the ultimate nurturer, career or no, is due to their basic difference from men in relating to their families. Being thus oriented, women tend to be discriminated at the work place because they are perceived as less committed, and as deserving less investment. A better understanding of a woman-friendly work place, then would be one that embraces the idea that women’s family roles must not be negated, and instead, made the object of improved and increased policies and practices for enhancing workplace equality. Thus, the family-friendliness of an organisation can be taken as a determining factor in assessing the woman-friendliness of the organisation. Other factors are: recruitment and selection policy concerning discrimination, and equal employment opportunities in career prospects, salary, promotion, and training.

Survey findings point to a general conclusion regarding the low representation of women at higher echelons in the Public Sector, in that women are not seen fit for certain jobs at such a high level, that their commitment to work is inferior to that of men, as rated through their workplace record of absenteeism, career breaks, maternity leave, childcare issues, and other family-related problems. A third reason given was the low rate of participation of women in the competitive promotion exercise, even though this is open to everyone, based merely on qualifications and experience. Interestingly, 66% of male respondents thought that women lacked the necessary leadership skills to perform managerial work, while 73% of the women expressed a contrary opinion.

Family-friendliness
Focus group discussions indicated that female employees of the Public Sector were as qualified, and often better qualified, than their male counterparts, but that they tended to shy away from promotions and responsibilities, usually to allow their husbands to pursue a high-powered career while they (the women) cared for the home. The second most-cited reason for not competing for promotion was the stress and long hours they associated with managerial work. Some women also stated that they were simply not ‘ready’ for such roles as committee work, and tough decision-making. The fact remains that even in the Public Sector, more males than females are found in top decision-making roles, such as Permanent Secretary, Permanent Assistant Secretary and the newly-created job of Senior Chief Executive. This is yet another illustration of the glass-ceiling phenomenon, in which women at all levels lack role models at the top who could inspire and encourage them to aspire for, and obtain, higher-level jobs.
Here again, data gathered clearly show that responsibility for care in the home is an overwhelming female responsibility (58 women, and 31 men). Since it is easy to argue that both employees and employers would gain if the work-life balance were facilitated by easing the pressure of family responsibilities, it would be advisable to provide equal opportunities for both males and females to have time off for childcare responsibilities. This would be truly promoting gender equality. And yet, no network of support systems exists to assist women in combining paid employment and dependent care. Questionnaire data revealed significant findings regarding care arrangements include:

- none of the Public Sector organisations provide any facilities for short-term child care, such as when school finishes early or the usual childminder is not available;
- None of the organisations provide nursery or child minding facilities;
- No responding employee is free when when children leave school, which is between 2.30 and 3.00 in the afternoon (depending on schools);
- 18% of employees state that their children take care of themselves.
- 14% of male respondents stated that their spouse was a housewife, who looked after the children, whereas none of the female respondent claimed such spouse support;
- 23% stated they relied on nurseries or child care centres;

It appears that some workplace policies which may be highly beneficial to employees are wholly or nearly inexistent in the public sector. The rigid legislation concerning employment in the Public Sector specifically explains the categorical stances taken by Heads of Ministries – that there is NO possibility to move from full-time to part-time work, to work from the home, nor to work a compressed work week.

In terms of leave entitlements that enable women – the principal caregivers – to cater for children’s holidays, sickness, or such, it would be unfair to state that, on the question of leave entitlement, the Public Sector was family-unfriendly, since many types of leave are in effect provided as statutory. However, leave is not always automatically granted upon request (27% of all respondents stating that it was sometimes difficult to obtain approval from the supervisor).

There are indications that the very concept of family-friendly workplaces is new to Mauritian’s. Most respondents could not state clearly whether the Public Sector was family-friendly or not, and most simply stated that they were coping well with their family and work commitments. However, when presented with a list of options that they would like to see provided by their employer, they overwhelmingly demanded: subsidized food (100%), equal opportunities (92%), Health care plans (98%), flexible hours on employee demand (98%), Childcare facilities during school holidays (97%), Counselling (96%), activities open to family participation (83%), childcare/eldercare facilities (87%), working from home (69%), and job sharing (63%). Interestingly, no respondent wanted to move from full-time to part-time work, explaining that they saw it as bringing job insecurity and loss of entitlements and privileges in its wake.

Is temporal and/or locational flexibility is a feasible working arrangement in the Mauritian Public Sector?

It was found that most respondents (89%) work between 35 and 40 hours in a week, on an 8.45 am to 16.00 pomp schedule. Data revealed that overtime work was most common among males of the lower grades. However, in times of policy implementation, and other project-specific work which could last at times several months, most officers were required to increase their workloads, resulting in a seven-day week.

The extremely low response rates on dimensions regarding compulsory overtime, night shifts, and roster schedule suggest that ‘atypical’ working hours may not be a feature in the Public
Sector at all. However, this does not mean that employees face little or no difficulties in relation to working hours. In fact, focus group data reveals that it is precisely the aforementioned overtime and weekend work irregularly required of them – since these were non-negotiable – were more of a source of difficulty than it would otherwise have been had it been regular, since fresh and emergency arrangements for childcare and other family responsibilities were more complicated to manage than if they were planned and negotiated ahead. Additionally, the fatigue, stress and pressure faced by parents is probably heightened in such situations, as they tend to threaten solid arrangements, with concomitant negative impacts on themselves, their families, and their work. These would in fact be situations that could have quite easily been managed at the organisational level through the provision of ad hoc, short-term child minding facilities. In a general fashion, all female respondents and NO male respondent stated that working atypical hours would pose a problem in reconciling work and family demands.

Data from questionnaires and focus group interviews corroborate regarding difficulties in organising the morning routine. The majority of respondents stated that the main cause of lateness for work was related to problems faced while arranging for childcare supports on a daily basis. Whether it is the regular childcare provider that is late or traffic problems faced while getting the child to a relative/nursery/childcare centre, the result is frustration and stress whilst trying to get to work on ‘scheduled’ time. In fact, a review of attendance records reveals that it is mostly women employees who are frequently late for work. Focus group interviews revealed that most women placed family responsibilities, including the risk or necessity to arrive late at the workplace, over commitment to the work or career.

Questionnaire data also reveals that the flexibility measures that find most favour among Mauritian civil servants would be: job-sharing, career breaks, flexitime, and banking of leave entitlement (78%), followed by locational flexibility in the form of teleworking, e-working and home-working (69%). However, how amenable is the Public Sector to the provision of structures, supports and policies for temporal and/or locational flexibility? The only example of flexibility so far has been the introduction of flexible timing – within a range of 30 minutes – as a measure to curb lateness linked to the prevailing transportation problems in Mauritius.

Labour laws in Mauritius are intended to protect the minimum entitlements for employees but it would seem that many employers are unwilling or unable to extend any kind of provision beyond that which is mandatory. However, they still wish to come across as woman-friendly or family-friendly, but, as research is repeatedly demonstrating, are often unlikely to put policies and practices in place to help employees better manage their family and work commitments, to deal with sick children or to be home when the children return from school.

**Women and workplace stress**

Workplace stress and family-related problems and responsibilities being closely related (Davidson & Cooper, 1993) it comes as no surprise that the majority of female respondents stated that they suffered from stress (82%), even though their male counterparts also claimed this (75%). Further, issues relating to difficulties in reconciling work and family commitments was cited as the single most important cause of stress (79%), followed by discrimination at work (68%) and work overload (59%). Working women continue to face acute stress related to grossly inadequate child- and elder-care facilities all over the island, as acknowledged publicly by the then-Minister for Industry (L’Express, 6 June 2000).

**Women and Careers in the Public Sector**

The fact that women are under-represented at executive level, (30% of total executive staff) (Price Waterhouse Coopers, 2003) sheds light not only on human resource practices but also on the perceptions and organisational culture prevailing. As such, up to 78% of women, while believing that, in terms of competence and ability, are as able as a man to work at executive level, the majority of respondents stated their low motivation level for aspiring for
such status and responsibility. Since the main factor has repeatedly been cited as family responsibilities, it would seem that the male model of career progression is very much in force, and negates the women-specific issues of pregnancy, work-home balance, childcare before work, after school hours, during holidays, cooking, and housework. Even the human resource officers, when interviewed, expressed surprise that they (the Personnel Managers) were supposed to champion programmes and policies aimed at promoting the advancement of women and setting up of women-friendly practices. Of the ten interviewed, four believed that such issues were not of the employer’s concern, and two had no opinion whatever on the matter.

CONCLUSION

The study has revealed that the conflict between the world of work and that of non-work is high, and is experienced with much stress and strain by women especially.

It is clear that the inadequacies in workplace structures and policies to address women-specific issues serve to further accentuate the traditional model of the worker, of the woman and of careers, leading to a perpetuation of the divorce between home and work and condemning women to predominantly reproductive and nurturing roles. Having adopted the flexibility variable for operationalising our research problem, we see that, since the Public Sector is characterised by high formality and rigidity in structures and procedures. Consequently, the only approach to addressing the abovementioned issues would be to design and adopt a proper strategic HRM-style that formally includes written policies and procedures, physical set-ups, and planned implementation and application of statutory entitlements and clear guidelines of where employer discretion may be exercised. Needless to say, a legal framework would have to be put in place. As it stands, Labour legislation needs to be reviewed, and the imminent Equal Opportunity Act will have to be applied to all forms of diversity management (and not, as it would appear, to predominantly ethnic discrimination issues). Paradoxical as it would seem, flexibility is to be achieved through formality. Here is a case where structure will lead the new culture. The provision of attractive parental leave and other provisions must be attractive to men as well as to women, and an Employer of Choice strategy must be adopted by the Public Sector, so as to bring in not only individuals with high educational qualifications, but also those who will qualify for teamwork, work commitment, customer service, innovation, productivity, quality and efficiency. Women who do make it to the top must not feel constrained by the rigidity of the bureaucratic system and the male model of the executive. Instead, they should take their responsibility as role models and mentors seriously. Perhaps some extent of women-only training may be required to jumpstart the new thinking. Such new thinking should also be taking place at the Union level, especially given the high unionisation rate in the Public Sector.

We have seen that work and family issues have the potential to affect both the individual’s and the organisation’s well-being. Similarly, policies directed at these issues have the potential to address some of the most resilient barriers to women’s advancement and satisfaction in the Public Sector. By surfacing the issues arising out of the gendered division of domestic and caring labour, the rigidity of the current system may be addressed. Finally, the effective impact of such a change will be highly contingent on the way they are implemented by Ministries and other departments, and used by individual employees.

REFERENCES


LOCAL ISOMORPHISM VERSUS INTERNAL CONSISTENCY: THE COORDINATION OF EMPLOYMENT RELATIONS PRACTICES (ER) IN DEUTSCHE TELEKOM’S EUROPEAN TRANSITION ECONOMY (ETE) SUBSIDIARIES

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INTRODUCTION

This paper examines Deutsche Telekom’s (DT) attempts to coordinate its human resource management (HRM) practices across its Greenfield and brownfield investments in mobile and fixed line subsidiaries in European Transition Economies (ETEs). It compares and contrasts areas where some degree of internal consistency was achieved with those functions and/or practices that were linked to local HRM conditions (see Harzing 2004:59): it further considers the degree to which exogenous and endogenous factors associated with the post communist environment of these countries impacted on DT’s strategic international human resource management (SIHRM) decisions.

The paper begins by outlining the research methods used to obtain data for this project. It then discusses path dependency and SIHRM theories and concepts (see Hausner et al 1995; De Cieri & Dowling 1999; Bartlett & Goshal 2000; Scullion & Paauwe 2004) that were used to assist in analysing the data before considering contemporary issues in the global telecommunications sector. It outlines and discusses DT’s subsidiaries in the Czech Republic, Slovakia and Hungary and examines DT’s SIHRM strategies across the group. The paper concludes by analysing the extent to which DT has been successful in implementing these practices.

RESEARCH METHODS

A number of reasons underpinned the decision to choose DT and its subsidiaries in the Czech Republic, Slovakia and Hungary for this research project. First, DT provided an excellent example of a former western based public monopoly that evolved into a privatised MNC following the deregulation of the German telecommunications sector. Second, its Central and Eastern European subsidiaries were able to provide rich detailed data on how DT’s SIHRM strategies were influenced by contextual factors associated with these telecommunications companies (TelCos) operating in post-communist emerging economies. Third, the Czech Republic, Slovakia and Hungary followed relatively similar political and economic transformations that allowed for some comparative analysis (see also Hausner et al 1995:5). The research adopted an inductive approach with SIHRM theories providing a useful starting point for an analysis of the data.

A case study approach was adopted and during 2004 and 2005 semi-structured interviews were conducted with a range of stakeholders at T-Mobile Czech Republic, Slovak Telecom, T-Mobile Slovensko (formerly Eurotel Bratislava) and Magyar Telecom. These included TelCo management representatives and local trade union officials. The interview data was supported, cross-checked and compared with data from a range of secondary sources including company annual reports; internal company reports supplied by TelCo managers; government reports; Supranational organisations — e.g. Union Network International (UNI)
and International Labour Organisation (ILO) — union documents; journal articles, theses, book chapters; newspaper and magazine articles; internet and other electronic data sources.

**Strategic International Human Resource Management (SIHRM)**

*One of the central questions in MNC literature is the extent to which subsidiaries adapt their practices to local circumstances and behave as local firms (local isomorphism) versus the extent to which their practices resemble those of their parent company (local consistency)* (Harzing 2004:59)

MNCs typically face the conundrum of ‘the dual imperatives of local responsiveness and global integration’ (Taylor et al 1996:962). While the former strategy allows firms to customise goods and services to better suit local laws, customs and consumer tastes the latter achieves cost reductions through economies of scale and scope (Hill 2006:395-400). Such policies are tempered by the characteristics of the industrial sector within which the MNC operates and/or the type of product or service that it produces. Similarly, the implementation of new technologies and production practices within international subsidiaries often requires the export of new management and work practices from the parent firm to the host country subsidiary. Research suggests that expatriates are often used as the facilitators of such international knowledge transfers (Dowling & Welch 2004; Riusala & Suutari 2004). This in turn may foster the coordination and standardisation of some HRM practices across the MNC. Knowledge flows need not be a one way process, as knowledge and information that the expatriate picks up whilst on an international assignment may equally flow from the subsidiary back to the parent firm (Harzing 2004).

But differing local institutions — including laws, regulations and customs — may limit the coordination of HRM practices, leading to different HR strategies being implemented amongst the various subsidiaries (Harzing 2004:61). Taylor et al consider this idea from the perspective of context specific and context generalizable HRM competencies, with the former being confined to local contexts while the latter may be usefully exported across the entire MNC group (Taylor 1996:964). Path dependency theories suggest that historical factors in Eastern Europe may further limit the ability for MNCs to introduce western style practices into their Eastern European subsidiaries (Hausner et al 1995:136-38; Bandelj 2003). For example, Hausner et al argue that the free market ‘triumph of capitalism’ approach to the fall of communism, whereby the collapse of the former regime led to an institutional vacuum that could then simply be filled with western management concepts and practices, presents an overly simplistic view of events (Hausner 1995:6). Rather, they suggest that historical institutional practices, that were built into the system over time, tend to re-assert themselves even if they lead to suboptimal performances at both the macro economic and micro (firm) levels (Hausner 1995:5-6). This viewpoint is supported by Bandelj who states, ‘institutions can persist even when the initial conditions that created them change substantially’ (2003:137). Put simply, the old order tends to reassert itself. Lamberg and Parvinen link this concept of path dependency to strategic management theories by considering how historical decisions and contexts impact on current strategies (2003:551-52). This then has implications for MNCs trying to develop coordinated strategic international human resource management (SIHRM) policies, as they may be operating in countries that possess quite different historical contexts to those of the home country.

Taylor et al define SIHRM as ‘Human resource management issues, functions, and policies and practices that result from the strategic activities of multinational enterprises and that impact on the international concerns and goals of those enterprises’ (1996:961). SIHRM practices therefore link IHRM practices to the overall strategies of an MNC. In this regard, IHRM practices include national diversity and cross cultural issues, expatriate management, the coordination of HRM policies across international borders, and the associated transfer of management practices (Wolfram Cox et al 1998:3). For example, in the late 1990s IBM sought to better coordinate management practices and organisational culture amongst its 330,000 employees worldwide by improving its global intranet infrastructure (Yaun 2006).
De Cieri and Dowling’s integrative framework of SIHRM (1999) includes exogenous factors such as country and industry characteristic along with endogenous factors such as the MNC structure and strategy. It further considers the difficulties that MNCs face in balancing global integration with local responsiveness.

TELECOMMUNICATIONS

Until the 1980s, TelCos in most industrialised market economies (IMEs) were fixed line public-sector utilities enjoying ‘monopolies’ in their home market. However, many IMEs subsequently deregulated their telecommunications industries, exposing them to competition (Katz 1997; Ross 2003). This process gained further impetus in the late 1990s when most World Trade Organisation (WTO) member countries committed to an agreement — the fourth General Agreement on Trade in Services (GATS) protocol — that ensured competition within their telecommunications sectors (WTO 1998). Induced to compete in the market place, former monopolies, such as DT, had to change their corporate culture towards a more commercial outlook. To reduce costs, incumbent fixed line TelCos engaged in downsizing strategies supported by new technologies and work practices, outsourcing agreements and strategic alliances (Ross 2003). Many TelCos also embarked on international acquisitions and/or entered into global alliances in order to better meet the challenges of this new environment — for example, to gain access to new markets and/or share R&D costs.

The speed of technological change within the telecommunications sector and associated plethora of new products and services entering the market further required TelCos to act quickly in order to stay ahead of — or at least match — their competitors. For example, researchers suggest that voice over the internet protocol (VoIP) may be the next ‘killer application’, as Internet Protocol (IP) based networks increasingly replace existing circuit switched networks (Louis 2004). Such changes meant that fixed line TelCos faced declining revenues from traditional sources. The introduction of mobile telephone technologies created a substitution effect as voice traffic increasingly shifted from fixed to mobile service providers. This substitution effect was particularly pronounced in Eastern European countries, which had relatively low fixed line penetration rates under former socialist regimes. A spokesperson for a DT owned subsidiary in Eastern Europe stated that ‘voice on fixed lines is dead’ (Interview Eurotel Slovakia 2005). Such trends promoted rapid growth and high profits for mobile TelCos during the 1990s, which in turn enticed new entrants into the sector. A dichotomy then developed between fixed line TelCos that were downsizing and cutting costs, while mobile operators were expanding and increasing revenues. This led to differences in the psyche of workers in the two sectors. Fixed line workers were generally unionised but faced uncertain futures associated with decreased job security and changes to traditional ER practices. In contrast mobile TelCo employees tended to be younger, non-unionised, workers operating in greenfield sites in an expanding market.

By 2006, however, the market for mobile telephones had reached saturation point in many countries, including much of Eastern Europe. This was accompanied by increased global and local competition. New competitors included mobile virtual network operators (MVNOs) that operated with low overheads via wholesale agreements with established mobile operators to buy minutes of use (MOU) for sale to their own customers (Kozakova 2006). Mobile TelCos were then forced to cut costs and streamline their operations to better respond to this new operating environment. Interview responses from mobile TelCo managers suggested that much depends on the success of the roll out of 3rd generation (UMTS) mobile networks that allow for greater services via the internet. But the provision of UMTS requires large-scale investments, including purchasing government licences and building new networks. Given that the difference in voice quality is marginal, customer take up of mobile data services is critical to its success.
DEUTSCHE TELEKOM (DT)

Following its shift from a state owned public monopoly (SOE) to a privatised firm, DT evolved into a multinational corporation (MNC) with subsidiaries operating in 29 countries; by 2004 more than a third of its revenues were being generated outside of Germany (Katz 1997; DT 2005). DT’s international subsidiaries included greenfield and brownfield investments in both mobile and fixed line TelCos in the ETEs. Table 1 outlines DT’s subsidiaries in the Czech Republic, Slovakia and Hungary, which include fixed line and mobile TelCos. Some of these firms were directly owned by DT and others were owned by DT’s wholly owned subsidiary T-Mobile International. HR policy for the group is set by DT’s HRM department, which also plays an active role in overseeing T-Mobile International’s HRM coordination practices. Therefore, this paper uses the parent company name to cover both DT and T-Mobile International subsidiaries, as their IHRM processes are to a large degree integrated.

Table 1: Deutsche Telekom (DT) subsidiaries: Czech Republic, Slovakia & Hungary

<table>
<thead>
<tr>
<th>Subsidiary</th>
<th>Country</th>
<th>Owner</th>
<th>Telecommunications Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-Mobile Czech Republic (formerly Paegas5)</td>
<td>Czech Republic</td>
<td>T-Mobile International1</td>
<td>Mobile TelCo</td>
</tr>
<tr>
<td>Slovak Telecom</td>
<td>Slovakia</td>
<td>Deutsche Telekom (DT) - 51%</td>
<td>Fixed line TelCo</td>
</tr>
<tr>
<td>T-Mobile Slovensko (formerly Eurotel Bratislava2)</td>
<td>Slovakia</td>
<td>Deutsche Telekom³</td>
<td>Mobile TelCo</td>
</tr>
<tr>
<td>Magyar Telecom (formerly Matáv)</td>
<td>Hungary</td>
<td>Deutsche Telekom</td>
<td>Fixed line &amp; Mobile TelCo⁴</td>
</tr>
<tr>
<td>T-Mobile Hungary (formerly Westel6, merged with Magyar Telecom in 2006⁶)</td>
<td>Hungary</td>
<td>Deutsche Telekom</td>
<td>Mobile TelCo</td>
</tr>
</tbody>
</table>

Notes:
1) T-Mobile International is a wholly owned subsidiary of DT;  
2) Eurotel Bratislava was renamed T-Mobile Slovensko in 2005;  
3) T-Mobile Slovensko is 100% owned by Slovak Telecom, which in turn is 51% owned by DT;  
4) In March 2006 Magyar Telecom merged with T-Mobile Hungary. Since then the former firm T-Mobile Hungary has operated as an independent business unit and brand name within Magyar Telecom  
5) Paegas was renamed T-Mobile Czech Republic in 2002;  
6) Westel was renamed T-Mobile Hungary in 2004.

Sources: Interviews 2004-2005; Annual reports; Internal company reports, Magyar Telecom (2006); T-Mobile Slovensko (2006)

De Cieri and Dowling’s SIHRM model considers the balance between global integration and local responsiveness to be a primary MNC concern. In this regard DT initially took a multidomestic style approach to its internationalisation strategies in Eastern Europe, whereby each subsidiary operated relatively autonomously. DT’s preferred market entry mode was via a joint venture, often as a minority shareholder, but by 2005 it was the majority shareholder in all the above firms. This shift to majority share ownership was linked to a more global strategy that included attempts to better coordinate and standardise its policies across the group. A cornerstone of DT’s IHRM coordination strategies was its ‘One Company’ change program, which sets out the business direction, organisational design and organisational culture of the DT group of subsidiaries (T-Mobile 2004). It further states that ‘the highest levels of performance can be achieved when strategy, structure and culture of the organisation are aligned’ (T-Mobile 2004). This fits with the SIHRM concept of linking IHRM practices to the overall strategies of the MNC. The ‘One Company’ program included extensive training programs that were conducted across the group, such as, leadership alignment and employee engagement workshop sessions. These sessions were supported
by intranet training programs (T-Mobile 2004; Interviews with DT 2005). DT’s Eastern European subsidiaries were also able to introduce their own requirements into the ‘One Company’ concept via a group-wide learning infrastructure model (DT internal document 2005). Such practices were reinforced by DT’s T-Spirit program and Code of Conduct that sought to create an MNC wide organisational culture (Internal Company Documents; Interviews with DT 2005).

HR sections within the Eastern European subsidiaries were seen as playing a leading role in developing these programs through personnel development, recruitment and training programs. One subsidiary HR manager advised that their role was to ‘to build up the core HR with an international flavour and with international tasks’ (Interview T-Mobile Czech Republic 2005). This was despite the previous bad reputation that Eastern European personnel departments had acquired under the former socialist system, when they kept extensive records on employees’ work and personal lives, which could then be passed on to state agencies — including the secret police (Tung & Havlovic 1996:6). Soulsby and Clark suggest that these former political activities had tainted personnel departments to the extent that during the transition period some senior Czech managers deliberately reduced their personnel department’s scope and authority (1998:86-87). But by 2005 foreign investment and international joint ventures had introduced more ‘Western’ style HRM departments into Eastern European firms and the previous bad reputation of personnel sections no longer appeared to be an issue for DT’s subsidiary workers (Ross 2006).

Interestingly DT set up a matrix style reporting structure whereby HR managers across the group reported directly to senior HR executives in the parent firm, rather than their local managing director (Interview T-Mobile 2004). This centralised control helped to reinforce the coordination of the groups HR practices. DT also held twice yearly ‘HR Summits’ where it brought together all its subsidiary HR managers to share and exchange information, and discuss topical issues. Interviews suggested that DT considered this personal contact amongst its HR subsidiary managers to be an important vehicle for generating trust between different cultures, regions and countries.

DT’s post-acquisition integration strategies also included the use of expatriates to transfer skills and expertise to its Eastern European subsidiaries. Expatriate jobs were generally of a strategic nature or involved work that required very specific expert knowledge. DT advised that expatriates were further used to support and train local staff. This appears to have been conducted on an ad hoc basis, as there were no formal programs for rotating expatriates and/or local managers between subsidiaries (Interviews with DT 2006). However, senior DT managers advised that this situation was not optimal and that their IHRM section would like to implement a more standardised rotation policy that would allow more managers to gain international experience (Interviews with DT 2006).

DT’s SIHRM coordination policies also included attempts to standardise management compensation practices. While actual compensation levels varied depending on the economic circumstances and local wages of individual countries, the structure of managers’ compensation packages became more standardised. In this regard DT formulated Global Compensation Guidelines (GCG) that served as a guide for the remuneration of managers and senior executives across its Eastern European subsidiaries. These guidelines included five management levels, with total compensation split between a fixed income component, a performance related management bonus and fringe benefits. Further, all managers were employed on individual employment contracts that were outside the scope of any collective agreements that may have been operating within the subsidiaries. Senior executives within the top two management levels were eligible for extra long-term incentives, while the performance related (variable) component of their income was worth up to fifty per cent of their total compensation (DT internal document 2005). In contrast the performance related (variable) component for managers in the lower three management levels comprised only
twenty per cent of their total remuneration. DT stated that harmonising remuneration practices across the group led to greater transparency and fairness (DT internal document 2005).

However, the implementation of DT’s ‘One Company’ policy met with some resistance within the subsidiaries. Employees in successful subsidiaries in particular could not understand why they had to change their practices in order to accommodate and better address problems in less successful subsidiaries across the group. A further issue was the historical management legacy of the communist era. Following the collapse of communism and ensuing rapid economic liberalisation and privatisation, local managers had little or no experience with free market economies and many struggled to adjust to market forces. A recurring theme from the subsidiary managers who were interviewed were the problems associated with older workers. One expatriate managing director in the Czech Republic advised that when conducting meetings he would sometimes ask the assembled managers to consider an issue and to come up with ideas and/or strategies for addressing the issue at the next meeting. He stated that when the team met up again the younger managers would invariably have a list of options or ideas that they had developed, while the older managers would simply ask ‘what do you want us to do?’ This lack of initiative was a hallmark of the communist era and proved a difficult challenge. The response of many of DT’s subsidiaries was to target these workers for redundancy (Interviews 2004-2005). These problems appeared more pronounced in Slovakia, which had an authoritarian government throughout most of the 1990s and subsequently did not truly embrace free market practices until a change of government in 1998; such free market practices had already been introduced within the Czech Republic and Hungary (Interviews Slovakia 2005).

Unions & European Works Councils
Unions in Eastern Europe were influenced by institutional and historical factors. Unions under the previous socialist regimes were controlled by the state and were, therefore, associated with the ruling communist party. Their role was to transmit party policy and union membership was virtually compulsory. Following the collapse of the former system most Eastern European countries legislated to allow workers to form independent unions (Egorov 1996:98). Cox and Mason (2000) therefore divide Eastern European unions into ‘new’ and ‘successor’ organisations, with the latter being reformed versions of organisations that existed during the socialist era.

DT states that it recognises the rights to freedom of association and collective bargaining throughout its subsidiaries, within the scope of national regulations and existing agreements (DT internal document). But DT has not attempted to export its German style codetermination practices to any of its Eastern European subsidiaries. Rather, interviews suggest that within the context of its Eastern European subsidiaries its relationship with local unions tends to be limited to the minimum required by local laws and practices.

There are no unions in T-Mobile Czech Republic or T-Mobile Slovensko, and there is evidence that management have actively tried to prevent unions from establishing themselves in these firms. Being mobile TelCos these subsidiaries also have little history of union activity. In contrast, older Eastern European fixed line TelCos have a longer union history, but these organisations carry the historical baggage of their socialist past when they were effectively an arm of local communist party governments. For example, while the Trade Union of Communication of Slovakia (OZS ¹) retained many of its older members within Slovak Telecom, its previous association with the communist party, along with changing social attitudes, has made it difficult for it to recruit newer members from more recently employed younger workers (Interview OZS 2005; Slovak Telecom 2005). Both new and successor unions operate at Magyar Telecom, which caused a fracturing of the union movement within the firm and limited their influence on management policies. Large scale downsizing strategies at the fixed line TelCos, Slovak Telecom and Magyar Telecom, further reduced their overall union membership numbers and influence.
Following the admission of the Czech Republic, Slovakia and Hungary into the European Union (EU) in 2004, the above subsidiaries were required to send representatives to the DT European Works Council (EWC). But the DT EWC operates quite differently from the DT German based works council in that management do not consider it to be a forum for co-determination, but rather a vehicle for providing information and consultation on topics of a transnational nature (DT internal document). Interviews inferred that DT management were quite happy to comply with the provisions of the EWC, as it created far fewer legal obligations than the local German works council (Interviews with DT 2005).

**CONCLUSION**

Path dependency theories suggest that historical factors associated with Eastern Europe’s former socialist economic and political system would constrain the ability of Western MNCs, such as DT, from introducing Western style HRM practices into their Eastern European subsidiaries (Hausner et al 1995:136-38; Bandelj 2003). But this research suggests that such issues were far more pronounced during the transition period in the early to mid-1990s. An exception was the continuing problems associated with older workers that were institutionalised under the former system. But from the point of view of MNCs such as DT, such problems lessened over time as these workers retired and/or were made redundant. The TelCo subsidiaries then employed younger workers with little recollection of the former system.

In contrast to path dependency theories, many of DT’s SIHRM policies could be seen as path making, as DT gained experience in managing its international operations; (Hausner et al 1995:136-38; De Cieri & Dowling 1999). DT’s IHRM strategies then shifted from a multidomestic towards a more global approach, with HRM practices increasingly being transferred and standardised across its subsidiaries. De Cieri & Dowling’s model considers the influence of endogenous factors such as intra-organisational networks and MNC mechanisms of coordination (1999). In this regard DT’s ‘One Company policy’ strove to better align the groups HRM practices, employment conditions and organisational culture. These HRM polices appeared to be context generalizable, in that DT was relatively successful in exporting them across the group (Taylor 1996). DT’s EWC provided a further vehicle for the coordination and discussion of transnational HRM issues.

These changes may have been further facilitated by exogenous factors such as the industry characteristics of the telecommunications sector (De Cieri & Dowling 1999). This is a dynamic sector linked to widespread technological and organisational change (see Ross 2003). As outlined above, mobile TelCos employees also tend to be younger, non-unionised, workers, which negated union opposition to DT management’s HRM strategies and initiatives in its mobile TelCo subsidiaries. There was also evidence that some managers in DT’s Eastern European subsidiaries actively sought to keep unions out of their firms. Where successor unions did exist in DT’s older fixed line TelCos their influence was limited by falling membership and a negative historical legacy associated with their former links to the communist party. This suggests that within the eastern European context, the IR polices of DT’s subsidiaries tended to be context specific (Taylor 1996). Thus, while some degree of internal consistency was occurring within IHRM practices across the DT group, the relationship between management and unions were being dictated by local IR cultures and legislation.

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INTRODUCTION

This paper explores the commitment of employees (managers and workers) in five small to large organizations. It focuses on the way they define and manage their commitment to the organization, and the role of perceived organizational support as a mediator of commitment. The paper begins with a brief review of the commitment literature. It then discusses the importance of perceived organizational support in relation to commitment. Some important limitations of past research in the area are acknowledged, and key findings are then discussed in light of the implications for managerial and HRM practices, and for future research.

Organizational Commitment Literature

Over the last three decades, a significant amount of research has been conducted on the topic of commitment in relation to the organization (e.g., Caldwell, Chatman and O'Reilly, 1989; Cohen, 1993; Etzioni, 1988; Fink, 1992; Galinsky and Swanberg, 2000; Kirkman and Shapiro, 2001; Meyer and Allen, 1991; Meyer and Allen, 1997; Morrow, 1993; Reichers, 1985; Rousseau, 1997). At the heart of these approaches is the idea that commitment is a multi-dimensional construct (Cohen, 2003). For example, Mueller, Wallace, and Price (1992) state the study of 'organizational commitment' for sociologists has resulted in two main areas emerging: 'affective or emotional attachment of an employee to the organization', and 'an emotionally neutral "intent to stay" that is an immediate precursor to leaving or staying'. Mueller et al. (1992) further point out that the first view is very close to the psychological approaches, while the second view is closer to that held by economists. However, they also note that in both cases it is the 'structural features of the workplace [that] are hypothesised to affect the employee’s level of commitment, which in turn impacts on the turnover decision' (Mueller et al., 1992, p.212; see also Mossholder, Settoon, and Henagan, 2005; Gupta, and Delery, 2005). Using a structured questionnaire in a study across three large hospitals, Mueller and colleagues (1992) found evidence to support their hypothesis that there are at least two forms of organizational commitment: emotional and non-emotional.

Meyer and Allen (1991) agree with the multi-dimensional view, but propose a three-component model of commitment - 'affective', 'continuance' and 'normative'; while Iverson and Buttigieg (1999) argue for a 'four-factor' model incorporating 'affective, normative, low perceived alternatives and high personal sacrifice'. Iverson and Buttigieg (1999: 308) note that most researchers agree that commitment is comprised of 'two distinct but related concepts or components: attitudinal and behavioural commitment'. They also note that 'attitudinal commitment', or 'affective organizational commitment', is about the individual’s loyalty to their organization, while 'behavioural commitment' is fundamentally different (Iverson and Buttigieg, 1999). Behavioural commitment is about the 'process by which individuals link themselves to an organization', and the focus of this approach is 'the actions
of individuals’ (Iverson and Buttigieg, 1999). While the multi-dimensional aspects of commitment are obvious, the precise nature of these dimensions is less so.

Periods of radical change such as downsizing and restructuring can also have an effect on the way employees commit to the organization (Shah, 2000). For example, a study conducted by Schellenberg (1996) discovered that the instability that occurs when organizations downsize undermines employee commitment to the point that many of the survivors eventually quit because they feel that they can no longer trust their employer. In the face of these changes, an Australian survey found that ‘job security has become a significant part of employee thinking [with] thirty-one percent’ of employees stating that they felt ‘insecure about the future [of] their job[s]’ (Hannan, 1997, p.A24). The survey also revealed that ‘the level of insecurity rose above 40 percent for workers on fixed contracts...’ (Hannan, 1997, p.A24). Cappelli (1999, p.66) notes that ‘an explicit exchange of loyalty and commitment by employees in return for economic [job] security’ has become a crucial issue in the current insecure economic climate that many people face.

Although Cohen’s (1995) work clearly reveals commitment is a multi-dimensional construct, and is influenced by a number of different factors, he also acknowledges that a full appreciation of commitment involves an understanding of the relationships that exist between the different forms, or categories, that commitment is expressed (e.g., continuance, affective). Studies like those of Mueller et al. (1992), and Cohen (1995; 2003) clearly demonstrate the lack of agreement in the literature as to the nature of commitment. A key feature of my research, at one level, is to help clarify the nature of organizational commitment and distinguish the implications of this for the organization, and for HRM practices.

Meyer and Allen (1997) note, to understand the complexities involved in the study of commitment there is a need to understand people’s ‘potentially complex relations among their various work and non-work commitments’ (p.ix; see also Lambert, 2000). However, Meyer and Allen further point out that most of the theory and research on commitment focuses on ‘employees’ commitment to the organization’. The reason for adopting this focus, they argue, is that not much research has been conducted in the area of ‘other work-relevant commitments’ (Meyer and Allen, 1997, p.ix).

An exploration of the literature on employee commitment revealed that what Meyer and Allen (1997) stated was indeed the case. Although the focus of much of the research in this area was the employee, this body of research sought to understand the commitment of the employee in terms of his or her commitment to the organization, hence the term organizational commitment. For example, Vocational commitment (Blau, 1985; Greenhaus, 1973; Price and Mueller, 1986; Morrow and Wirth, 1989; Ritzer and Trice, 1969), and Ideological commitment (Gordon, Philpot, et al. 1980; Fullagar and Barling, 1989; Barling, Wade and Fullagar, 1990; Benson, 1991), are two common focal points. Research into commitment, that took the concerns of the employee in the workplace as its focus, rather than the organization, was oddly marginal to the area (Sano, 2002, p.941).

Another important issue called for by Wayne, Shore, and Liden (1997, p.106), is for further research to explore ‘other types of social exchange relationships, such as those with co-workers and customers’ (see also Siders, George and Dharwadkar, 2001). The practical implications of employee commitment involving other work-relevant commitments - for the organization and for HRM practices - are often overlooked given the organization-centred focus dominated by past research. These other work-relevant commitments are central features of this paper.
Perceived Organizational Support

Perceived organizational support (POS) is based on social exchange theory. This variable involves exchanges between the employee and his or her employing organization. Lincoln and Kalleberg’s (1990) study on ‘culture, control, and commitment’ in work organizations and of work attitudes between the United States and Japan reveals, in essence, that the way the organization commits and/or supports its employees affects the commitment and satisfaction of its employees. This finding has important implications for the role of human resource management and, more specifically, for the organization’s general HRM system to influence these processes. The work of Huselid (1995) has some bearing here.

Huselid’s (1995) study, on ‘the impact of HRM practices on turnover, productivity, and corporate financial performance’, found that these practices have both an economic and a statistically significant effect on ‘employee outcomes (turnover and productivity)’ (p.635; see also Bae and Lawler, 2000). Further research in this area has indicated similar findings (Eisenberger, Fasolo, and Davis-LaMastro, 1990; Ichniowski, Shaw, and Prennushi, 1997; Lincoln and Kalleberg, 1996; Masterson, et. al., 2000; Tsui, Pearce, Porter, Tripoli, 1997; Whitener, 2001). More specifically, Whitener (2001, p.516) points out that ‘high commitment HRM practices increase organizational effectiveness’ (see also Arthur 1994; MacDuffie, 1995; Pfeffer, 1994). Such high performance workplace systems foster a climate whereby individuals become ‘highly involved in the organization and work hard to accomplish the organization’s goals’ (Whitener, 2001, p.516; Campbell, 2000). While these studies have made some strong links between high performance workplace systems and organizational effectiveness, Whitener points out that they have done so ‘without investigating the relationship between human resource practices and employee commitment’ (p.516).

Research into commitment and HRM practices reveals that employees interpret these practices as a sign of the organization’s commitment to them (Whitener, 2001; see also Maurer., Pierce., and Shore, 2002; and Tekleab, Takeuchi, and Taylor, 2005). In other words, employees reciprocate a commitment that is conducive with their perceptions of the organization’s commitment to them. Whitener points out however, that ‘only a few studies have explored the role of human resource practices in this model’, for example, Allen (1992), Miceli and Mulvey (2000), and Wayne, Shore, and Liden (1997). The findings of Miceli and Mulvey (2000) have particular importance.

Miceli and Mulvey’s (2000) work on ‘pay systems’ showed that satisfaction with pay systems led to a perception of greater organizational support, which then positively affected - among other things - employee commitment. Although their studies did not find a significant relationship between ‘pay or pay level satisfaction’ and commitment, they did find that the perceived level of organizational support, through satisfaction with the organization’s pay system, positively affected commitment. This finding led Miceli and Mulvey to conclude that ‘employers wishing to engender feelings of support, to encourage commitment, and to stimulate citizenship behaviour should attend to systems’ operation and workers’ perceptions of them’ (p.77). In other words, as the perception of organizational support increases, through positive HRM practices (in this case - pay systems), then so too does employee commitment.

METHODOLOGY

This study is a multi-method qualitative and quantitative study of commitment in the workplace. Rather than beginning with formal hypotheses and then setting out to test these hypotheses, a series of theoretical propositions are developed through a reflexive interpretive analysis of respondents’ stories. A survey instrument is then developed from the propositions generated from the interview data and which is subsequently tested through a rigorous statistical analysis.
Study Setting
The study setting was the Latrobe Valley, a region situated approximately 160 km east of Melbourne in the state of Victoria (Australia). Five organizations - three small engineering companies (20 to 50 employees each), one power station (approximately 500 employees), and a government department (approximately 200 employees) participated in the study on the basis of their geographical location, and past or current experiences of restructuring and/or downsizing.

Qualitative Data Collection
Semi-structured interviews of approximately 1-hour duration were conducted with 19 (13 male, 6 female) full-time respondents. Respondents were asked to comment on their experiences of commitment in the workplace rather than assume employees were simply committed to the organization (Weiner, 1982). Interviews were transcribed and coded using NUDIST (Non-Numerical Unstructured Data by Indexing, Searching and Theorizing) text-analysis software (Richards & Richards, 1997). Ten respondents identified themselves as managers (9 males, 1 female) and nine (4 male, 5 female) as skilled workers (i.e. supervisor, team leader, technician). In terms of age, the sample was diverse with two respondents aged in their 20’s (2 technicians), 10 in their 30’s (6 managers, 3 team leaders, 1 supervisor), four in their 40’s (2 managers, 2 technicians), and three in their 50’s (2 managers, 1 technician). The names of respondents were changed to ensure confidentiality and anonymity.

KEY ANALYTIC FINDINGS - The Qualitative Study
Respondents exhibited four basic objects of commitment, which they described as being what they were committed to: the job; the employer; relationships and the money and their commitment reflect varying degrees of either one, or more, of these objects. Underpinning the objects of each respondent’s commitment lay a more subtle ingredient: two distinct components of commitment – material and emotional. The emergence of these two sub-components supports the findings of Mueller, Wallace, and Price (1992), who describe an emotional and non-emotional component to commitment in their own research. Although Meyer and Allen (1997) also identified components of commitment, they believed it manifested itself in three forms: ‘affective, normative and continuance’. Nonetheless, respondents in this study only seemed to exhibit two components: the material and the emotional. The commitment of individuals also seemed to change, depending on the context in which their commitment manifested itself, indicating a strong interactional relationship between the objects of respondents’ commitment – to their job, to their employer, to their workplace relationships and, for the money – and the components of their commitment – emotional and material. Consequently, any attempt to engage with these concepts as separate issues seems to marginalise the importance of this relationship.

Table 1 below presents a summary model of the qualitative data that can account for the two basic Components of commitment operating within each individual’s Objects of Commitment.
Table 1: Components and Objects of Commitment: The Qualitative View

<table>
<thead>
<tr>
<th>Components of Commitment</th>
<th>Objects of Commitment</th>
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<tr>
<td>The employer</td>
<td>The job</td>
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<td>Material</td>
<td>Status-seeking</td>
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<td>Instrumental attachment</td>
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<td>Emotional</td>
<td>Altruistic attachment</td>
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<td>The money</td>
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KEY ANALYTIC FINDINGS - The Quantitative Study

The second phase of the research involved empirically testing the multi-dimensional nature of commitment, and the implications for perceived organizational support, through quantitative analyses of the qualitative data. It involved an analysis of survey data generated from 347 employees across the same five organizations. Another aim of this survey was to explore and describe the underlying structure of employee commitment and to investigate its contribution to high or low committers.

The participants were 264 males (Mage = 44.01 years, SD = 8.06 years) and 91 females (Mage = 39.13 years, SD = 8.66 years - two respondents failed to indicate as either male or female). The final sample size of 357 represents a 47% return rate from the 767 employees who were initially contacted for participation in this project. The sample comprised blue-collar workers (N = 159), white-collar workers (N = 110), and managers (N = 82; six respondents failed to indicate their status as either manager or worker).

Participants in this second phase of the study completed a questionnaire package that included demographic information and 39 items relating to their commitment to, and satisfaction with, their present organization. These items were derived from published sources (e.g., Carnall, 1999; Meyer, & Allen, 1997) as well as 20 items developed from the qualitative study. Respondents rated each item on a 7-point Likert scale (from 1 ‘Agree Strongly’ to 7 ‘Disagree Strongly’) on the basis to which they either agreed or disagreed that it applied to them in their organization. Examples of items were: ‘Job security is important to me’, ‘I like my present job’, and ‘I do not feel like part of the family here’ and all are included in Table 2. Employees were also asked to indicate their level of commitment to the organization on a scale from 1 (low) to 10 (high).

In order to identify empirically the latent dimensions underlying commitment, an exploratory factor analyses was conducted on 39 items. Four components were extracted through Principal Components analysis with varimax rotation. In total, 46.19% of the variance shared among the items. Table 2 below shows the results of the principal components analysis including eigenvalues, percentages of variance, factor loadings, proposed factor labels, and reliability estimates. The first component explained 25.04% of the variance with the 12 significantly loading items best grouped under the label, “Belonging/Relationships”. The items (e.g., ‘I feel like part of the family’) highlight a commitment based on a connection with others. Component two included seven items that appeared to indicate a commitment to the ‘Job’ - for example, ‘I like my present job’ and ‘My job is challenging’. Nine items loaded on Component 3 with all appearing to tap issues relating to a commitment to the ‘Organization’. As an indication, ‘I need to make this company successful’ and ‘This organization has a great deal of personal meaning for me’, imply an engagement with, and a responsibility towards, the organization. The final component was labelled ‘Alternatives’ rather than ‘the money’, as each of the six items appeared to emphasize the lack of choice if leaving the organization...
Table 2: Factor loadings, eigenvalues, percentages of variance, and internal consistency measures for the factor analysis of the 39-item (final 34-item) commitment questionnaire.

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am given adequate feedback</td>
<td>Rel’nship  .65</td>
</tr>
<tr>
<td>I feel like I am just a possession here</td>
<td>Job - .62</td>
</tr>
<tr>
<td>There is a strong emphasis on team-work</td>
<td>Org’n  .62</td>
</tr>
<tr>
<td>I feel a strong sense of belonging to my organization</td>
<td>Alternatives  .61</td>
</tr>
<tr>
<td>I feel part of the family here</td>
<td></td>
</tr>
<tr>
<td>My expectations are being met</td>
<td></td>
</tr>
<tr>
<td>This organization deserves my loyalty</td>
<td></td>
</tr>
<tr>
<td>I am just an overhead</td>
<td></td>
</tr>
<tr>
<td>My job is secure</td>
<td></td>
</tr>
<tr>
<td>We are all equal here</td>
<td></td>
</tr>
<tr>
<td>Everyone is committed here</td>
<td></td>
</tr>
<tr>
<td>Staffing levels are adequate for achieving the work requirements</td>
<td></td>
</tr>
<tr>
<td>I like my present job</td>
<td></td>
</tr>
<tr>
<td>I would be very happy to spend the rest of my career in this</td>
<td></td>
</tr>
<tr>
<td>organization</td>
<td></td>
</tr>
<tr>
<td>I need a change</td>
<td></td>
</tr>
<tr>
<td>This is a great place to work</td>
<td></td>
</tr>
<tr>
<td>My job is challenging</td>
<td></td>
</tr>
<tr>
<td>I have a lot of autonomy</td>
<td></td>
</tr>
<tr>
<td>Enterprising bargaining agreements are good</td>
<td></td>
</tr>
<tr>
<td>I would feel guilty if I left my organization now</td>
<td></td>
</tr>
<tr>
<td>I really feel as if this organization’s problems are my own</td>
<td></td>
</tr>
<tr>
<td>This organization has a great deal of personal meaning for me</td>
<td></td>
</tr>
<tr>
<td>I have high expectations</td>
<td></td>
</tr>
<tr>
<td>I need to make this company successful</td>
<td></td>
</tr>
<tr>
<td>I owe a great deal to my organization</td>
<td></td>
</tr>
<tr>
<td>I am only here for the money</td>
<td></td>
</tr>
<tr>
<td>Even if it were to my advantage, I do not feel it would be right to</td>
<td></td>
</tr>
<tr>
<td>leave my organization now</td>
<td></td>
</tr>
<tr>
<td>If I had not already put so much of myself into this organization,</td>
<td></td>
</tr>
<tr>
<td>I might consider working elsewhere</td>
<td></td>
</tr>
<tr>
<td>I believe that I have too few options to consider leaving this</td>
<td></td>
</tr>
<tr>
<td>organization</td>
<td></td>
</tr>
<tr>
<td>It would be very hard for me to leave here right now, even if I</td>
<td></td>
</tr>
<tr>
<td>wanted to</td>
<td></td>
</tr>
<tr>
<td>One of the main reasons why I’m staying here is because there is</td>
<td></td>
</tr>
<tr>
<td>not much available elsewhere</td>
<td></td>
</tr>
<tr>
<td>Too much of my life would be disrupted if I decided to leave right</td>
<td></td>
</tr>
<tr>
<td>now</td>
<td></td>
</tr>
<tr>
<td>Individual contracts are good</td>
<td></td>
</tr>
<tr>
<td>Job security is important to me</td>
<td></td>
</tr>
<tr>
<td>Eigenvalues</td>
<td></td>
</tr>
<tr>
<td>% of variance explained</td>
<td></td>
</tr>
<tr>
<td>Cronbach’s Alpha</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.51</td>
<td>3.02</td>
<td>2.32</td>
<td>1.85</td>
</tr>
<tr>
<td>25.04</td>
<td>8.87</td>
<td>6.83</td>
<td>5.45</td>
</tr>
<tr>
<td>.85</td>
<td>.80</td>
<td>.76</td>
<td>.71</td>
</tr>
</tbody>
</table>
Following the identification of the underlying dimensions of employee commitment, one aim of the study was to examine the predictive ability of these dimensions in differentiating those employees who report a high commitment to the organization from those who report a low commitment. In order to achieve this, a discriminant function analysis was conducted to establish which pattern of the four commitment dimensions were the best predictors. The outcome was a dichotomous variable that distinguished low ‘committers’ (score ≤6 on the commitment question, N = 101, Mage = 41.35 years, SD = 8.05 years) from high ‘committers’ (score ≥9 on the commitment question, N = 101, Mage = 44.40 years, SD = 8.81 years).

Descriptive data for the analysis, along with the results from the univariate ANOVAs, is presented in Table 3 below.

**Table 3: Means and standard deviations with univariate results for four dimensions of employee commitment by commitment to the organization.**

<table>
<thead>
<tr>
<th>Type of Commitment(b)</th>
<th>Low (≤6)</th>
<th>High (≥9)</th>
<th>Univariate: F(1,194)</th>
</tr>
</thead>
<tbody>
<tr>
<td>to Relationships</td>
<td>5.04 (0.93)</td>
<td>3.91 (1.03)</td>
<td>66.65**</td>
</tr>
<tr>
<td>to Job</td>
<td>3.98 (1.18)</td>
<td>2.80 (0.84)</td>
<td>63.86**</td>
</tr>
<tr>
<td>to Organization</td>
<td>4.92 (0.75)</td>
<td>3.64 (0.86)</td>
<td>124.81**</td>
</tr>
<tr>
<td>to Alternatives</td>
<td>2.88 (1.10)</td>
<td>3.43 (1.25)</td>
<td>11.03*</td>
</tr>
</tbody>
</table>

a) On a scale of 1 (lowest) to 10 (highest), (b) On a scale of 1 (agree strongly) to 7 (disagree strongly), * p<.01, ** p<.001

As can be seen from Table 3, the high committers reported significantly greater commitment based on Relationships, the Job, and the Organization than did the low committers (lower numbers reflect greater agreement). They also reported a commitment based on significantly fewer alternatives than did the low committers.

One discriminant function was shown to significantly differentiate the two groups, χ² (4, N=196) = 118.43, p<.001. The function explained 45.97% of the shared variance between the groups and the predictors on that function. For interpretation of the predictors, loadings less than .50 on the structure matrix were not considered. On the basis of both the univariate results and the structure matrix, the predictors that seemed to most clearly distinguish the low from the high committers were a commitment based on the Organization (r=.87), Relationships (r=.64), and the Job (r=.62). Based on the discriminating predictors, 162 employees (82.70%) would have been correctly classified as low or high committers, compared to 98 (50%) that would have been correctly classified by chance alone.

Once again, to identify empirically the two sub-components underlying commitment, an exploratory factor analysis was conducted across 19 satisfaction related items. Two components were extracted through principal axis analysis with varimax rotation. In total, 47.1% of the variance shared among the items. Table 4 below shows the results of the principal axis analysis including eigenvalues, percentages of variance, factor loadings, and proposed factor labels. The first component explained 28.4% of the variance with the four significantly loading items best grouped under the label, ‘Emotional’. The items (e.g., ‘I like my present job’) highlight a commitment based on an emotional/satisfaction content or ‘likeability’ factor. The second component included three items that seem to show a
commitment involving a material basis - for example, ‘I am adequately paid’ and ‘My job is secure’.

**Table 4:** Factor loadings, eigenvalues, percentages of variance, and internal consistency measures for the factor analysis of 19-items (final 7-items) from the 39-item commitment questionnaire.

<table>
<thead>
<tr>
<th>Key Questions</th>
<th>Factor ‘Employee Satisfaction’</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. ‘Emotional’</td>
</tr>
<tr>
<td>My job is challenging</td>
<td>.839</td>
</tr>
<tr>
<td>I like my present job</td>
<td>.787</td>
</tr>
<tr>
<td>This is a great place to work</td>
<td>.553</td>
</tr>
<tr>
<td>I have a lot of autonomy</td>
<td>.429</td>
</tr>
<tr>
<td>My expectations are being met</td>
<td>.611</td>
</tr>
<tr>
<td>My job is secure</td>
<td>.515</td>
</tr>
<tr>
<td>I am adequately paid</td>
<td>.476</td>
</tr>
<tr>
<td>Eigenvalues</td>
<td>3.21</td>
</tr>
<tr>
<td>% of variance explained</td>
<td>28.4</td>
</tr>
</tbody>
</table>

In naming these two factors, it was decided to go with the most obvious question that presented itself in each category. For example, ‘I like my present job’ seems to involve an emotional aspect while ‘I am adequately paid’ seems to involve a more material aspect: hence the terms ‘emotional satisfaction’ and ‘material satisfaction’.

A linear regression, exploring the affect of these two factors on employee commitment, reveals that both ‘satisfaction’ factors together explain 25 percent of the total variance for employee commitment, which is highly significant ($F(2, 352) = 57.57, p < 0.001$). Interestingly, when measuring each factor as separate variables, a One-way Analysis of Variance reveals that they both have a significant effect on employee commitment (‘emotional satisfaction’, $F(23, 331) = 6.55, p < 0.001$); ‘material satisfaction’ ($F(24, 330) = 3.95, p < 0.001$). However, ‘emotional satisfaction’ still explains the greatest portion of the variance (24%) in comparison to ‘material satisfaction’ (14%). Therefore, the factor ‘emotional satisfaction’ is the overall best predictor of employee commitment. This is an important finding for HRM practices. Employers need to understand which type of commitment – emotional or material – characterises the commitment of their employees, this is especially important for those employees, which it considers, are core or essential to the organization. These highly valued employees need to have an emotionally based commitment to the organization rather than a materially based commitment.

This quantitative phase of the research program sought to empirically examine and validate the underlying multi-dimensional nature of commitment. Four components and two sub-components of commitment were reliably identified – a finding that, for the most part, also reflects the objects and components of commitment identified in the qualitative section. The underlying sub-dimensions – material and emotional – although shown to exist as discrete variables, were inconclusive at each of the four targets of commitment. Nonetheless, the
results also support, in theory, that commitment is multi-dimensional (e.g., Cohen, 1995; 2003; Iverson & Buttigeg, 1999; Meyer & Allen, 1991; Mueller et al., 1992), however it is the structure of these dimensions that continues to be debated.

Perceived Organizational Support
The concept – perceived organizational support – was measured in two discrete ways. First, by the way employees felt the organization valued them - ‘I am considered just a number in this organization’ and ‘I feel as though I am part of the family in this organization’. The second measure used was derived using two other questions: ‘On a scale of 1-10 (1 being low and 10 being high) please rate your personal level of commitment to this organization’ and; ‘on this same scale please rate the organization’s level of commitment to you’. The following table shows the perceived level of employee acceptance within the organization as a valued organizational member, by their perceptions of the organization’s level of commitment, or perceived organizational support, to them as an employee.

Table 5: Level of Acceptance by Employee Perceptions of the Organization’s Level of Commitment to Them.

<table>
<thead>
<tr>
<th>Level of Acceptance(a)</th>
<th>Organizational Commitment(b)</th>
<th>n</th>
<th>m</th>
<th>sd</th>
<th>F-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Just a Number’</td>
<td>Yes</td>
<td>145</td>
<td>3.8</td>
<td>1.9</td>
<td>95.75***</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>211</td>
<td>5.9</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>‘Part of the Family’</td>
<td>Yes</td>
<td>146</td>
<td>6.2</td>
<td>2.0</td>
<td>84.45***</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>201</td>
<td>4.2</td>
<td>2.1</td>
<td></td>
</tr>
</tbody>
</table>

(a) On a scale of 1 (strongly disagree) to 7 (strongly agree). (b) On a scale of 1 (lowest) to 10 (highest). ***p < 0.001

A One-way Analyses of Variance revealed a significant relationship between the two variables ‘just a number’ and ‘part of the family’, and the employee’s perceptions of the organization’s level of commitment to them. People, who feel they are ‘just a number’, or who feel they have very little organizational support, are more likely to have a perception of the organization’s commitment to them that is lower (a mean of 3.8) than for those who did not feel this way (a mean of 5.9). This was significant (F(1, 354) = 95.75, p < 0.001). People who feel they are ‘part of the family’, or who feel they have a very high level of organizational support, are also more likely to feel that the organization is committed to them at a higher level (a mean of 6.2) than are those who do not feel ‘part of the family’ (a mean of 4.2), which is significant (F(1, 345) = 84.45, p < 0.001).

This has important implications for managerial practices. For example, managers need to implement key strategies designed to address the way employees perceive the support of the organization. Failure to address this issue will result in a decrease in commitment to the organization by employees. This has particular importance for those employees in whom the organization places a great deal of value, such as technical specialists and other professionals who have hard to replace skills and expertise.
CONCLUSION AND IMPLICATIONS

Through their qualitatively rich narratives, respondents’ understanding of their commitment revealed it as a complex multi-dimensional issue that goes beyond its links with or to, any one definitional context, such as to the organization. Respondents displayed a commitment to the work they perform, their relationships within the organization, the organization itself, and simply because they had no other viable alternatives - in terms of finding employment elsewhere. This last form of commitment I have coined commitment by default. A key feature of the qualitative aspect of the research was the finding that two sub-components of commitment exist, based on either a material or emotional context. These two sub-dimensions support the findings of Mueller, Wallace and Price (1992). However, my study clarifies their non-emotional component by labelling it as material commitment. These various commitment dimensions were validated by the quantitative survey findings.

The emergence of the categories of commitment provides support for Meyer and Allen’s (1997) distinction between ‘foci’, or ‘objects’ of commitment, and ‘components’ or ‘forms’ of commitment. Meyer and Allen (1997, p.8-9) note, research on ‘foci’ of commitment involves ‘efforts to distinguish among the entities to which an employee becomes committed’. Meanwhile, they argue the research on ‘components’ views commitment as taking different forms. In other words, ‘the nature of the commitment that defines the relationship between an employee and some other entity…can vary’ (Meyer and Allen, 1997, p.8; their emphasis). This is an important issue for management and HRM practices. For example, the findings in my research demonstrate that employee commitment also has multiple, but specific, dimensions, and that the employee’s commitment can, and does, vary along these specific dimensions, depending on how they perceive the commitment of the organization to them. A key feature of my research also demonstrates two underlying sub-components of commitment: the material and emotional, with the emotional component being the overall best predictor of a highly committed employee. In other words, employees who show high levels of commitment tend to be emotionally committed, whereas employees who show lower levels of commitment tend to be more materially committed. This is an important difference to the findings of Meyer and Allen. Therefore, managers need to establish the type and level of commitment that exists in their organizations, along the lines suggested by this research, before implementing key HRM strategies designed to effect employee commitment.

The respondents in this study show that high committers commit to the work they perform first, then to the availability of alternative employment in the marketplace, then to the organization, and finally to their workplace relationships last. This means that a key feature of the workplace is the level of satisfaction with the work performed. Those individuals who do not have high levels of commitment were shown to be committed by default. In other words, these individuals were simply waiting for a viable alternative to arise and then they were going to exit the organization. Failing to find alternative work elsewhere, these individuals were then committed to the work they perform, and then to the organization, and then least of all to their workplace relationships. Interestingly, good workplace relationships – with colleagues and with leaders – did not factor as an important feature in the commitment of either the high or the low committers. This does not support the findings of Wayne, Shore and Liden (1997) who argue that good workplace relationships – with colleagues and leaders – is an important component of the commitment process by interacting with perceived organizational support.

The perceived support of the organization was found to be an important factor involved in the development of commitment. Employees in this study generally fit into two main categories: those who felt the organization delivered high levels of support, and who felt they were highly valued by the organization, and those who felt otherwise. The degree of perceived organizational support was clearly acknowledged as an important precursor to commitment by both categories of respondents. Those who felt they had a high level of organizational support reciprocated this sense of support to the organization, and felt that the organization
was very committed to them. For these people, knowing the organization provided them with high levels of support resulted in fostering a high level of commitment from them to the organization. This situation contrasted negatively with those who felt they did not have the same level of organizational support. For these individuals, low perceived organizational support also resulted in lower levels of commitment from the employee. This finding lends support for Whitener (2001), and Micelli and Mulvey (2000), who argue that employees perceive high levels of organizational support – through HRM practices – as an indication of the organization’s commitment to its employees. It is important from a HRM perspective that this relationship be acknowledged and appropriate interventions developed.

The implications of my four by two factor model of commitment for perceived organizational support reveals an interaction between commitment – at both the individual and organizational levels – and HRM practices. Employees’ perceived level of organizational support affects the way they commit to the organization. Further research is needed to establish the extent of this interaction.

An important limitation of this study stems from the qualitative phase of the research. The various components of commitment found in the present study were derived from the researcher’s interpretations. Other researchers may interpret the stories of the respondents in a different manner. Although the use of Factor analysis in the larger quantitative study has gone some way in validating the qualitative aspect of the research, and thereby validating these interpretations, further research in this area is needed to validate these interpretations.

REFERENCES


INTRODUCTION

Despite purportedly extensive efforts to improve the number of women in organisational leadership positions research on the participation rate of women in management show modest results. While women represent 44.5% of the total Australian workforce the percentage of women who have climbed within management ranks is very low. Currently, women currently account for 10.2% of top executives in Australia in organisations with more than a hundred employees (EOWA, 2005). In addition, an estimated 8.6% of the directors of Australia’s 200 largest listed companies are women. This position is unlikely to change greatly in the future. The latest results (2004) of the annual census of Australian Women in Leadership completed by Equal Opportunity for Women in the Workplace Agency (EOWA, 2005) show that the pace at which the number of women in senior management roles is increasing is negligible. Managers need to develop their career and at present only 6.5% of the line-officer pipeline replenishment to managers are women.

The data on women in management raises issues about the ability of organisations to attract, retain and develop women for managerial roles. Women enter the workforce in similar numbers to men so at the lower entry levels to organisations there is a strong gender balance. However, further along the career path the trend of equality in organisational roles between the genders changes significantly (Mallon, et al, 1999). Tracking data on the different percentages of women in supervisory and managerial roles shows a negative relationship between their representation and the level of management (Nesbit, 2005). This result is despite the fact that women are active participants in education providing themselves with university education in equal numbers to men. Additionally women enter graduate recruitment programs in near equal numbers (EOWA, 2005).

Apart from the fact that these data suggest serious problems for societal values of equality between the sexes, organisations should also be concerned (Cranford, et.al. 2003). The attraction and the development of managers are costly thus turnover of women managers directly affects the cost structures of organisations. Additionally, organisations miss out on the indirect benefits of having diversity within their managerial ranks. Diversity is seen to increase the perspectives applied to managerial decisions, as well as demonstrate tolerance of diversity that helps create an atmosphere of respect for differences (Cranford, 2003).

What organisations do to increase the percentage of women in management therefore is critical to society and to organisational environments. This paper reports on a study to investigate the actions of organisations to enhance and support women in managerial roles and to examine the impact of these actions. The study uses both quantitative and qualitative methods. Quantitative data is gathered from organisations’ compulsory annual reports to the Equal Opportunity for Women Agency. This data includes work profiles that outline the various roles within the organisation and the gender profile of these roles. The reports also outline the activities that are carried out to enhance and support women in managerial roles. Qualitative data is gathered through semi-structured interviews with Human Resource managers or their representatives within organisations. The interview was used to validate
the data reported within the EEO report as well as to provide some richness of insight into the operation and impact of activities supporting women (EOWA, 2005).

**METHODOLOGY**

**Organisations Studied**
To investigate the activities of Australian organisations in terms of their activities this study focused on three industries. These industries are - :

- Construction & engineering
- Health & community care and
- Finance & insurance

These industries were chosen because, historically, they represented different levels of associations with employment of women. Specifically, construction and engineering has not traditionally been associated with employment of women and so would be expected to have low percentage of women in management. Health and community care is traditionally associated with the work of women and so it is expected that organisations within this industry are likely to have the most experience with women in management. The finance industry was chosen because it has traditionally been a moderate employer of women being less traditionally receptive to women in the past but in recent decades has moved to be more focused on increasing women in management roles. Additionally, the finance industry is increasingly being put forward as a model industry in its employment practices for women.

Organisations taking part in this study were identified from the database of organisations provided by the Equal Employment Opportunity for Women Agency that indicated organisations that had submitted EEO reports. While all organisations with more than 100 employees are required to submit reports, many organisations seek exemptions from reporting based on high compliance levels in their EEO activities. As a first step and as far as available, organisations that had reports available in both years were selected. Approximately fifty organisations from across these three industry groups were randomly selected and invited by email to participate in telephone interviews about their activities for increasing the numbers of women in management and supporting women in the workplace. At the time of writing thirty organisations had responded favourably to the request and had been interviewed. Ten organisations were interviewed within each industry group. Other organisations were generally favourable to the request but for various reasons had not been yet organised interviews.

**Quantitative Data**
Information about the organisational activities enhancing support the employment of women and their movement into management was sourced from 2003 and 2005 “Equal Employment Opportunity” reports of these organisations. These reports are part of organisations’ obligations under the Equal Opportunity for Women in the Workplace Act 1999 in Australia, which requires organisations to outline a workplace profile of employees’ roles as well as the gender of these employees. Apart from data on the extent and level of women in management the documents also provide information about the actions carried out to support women in their career efforts as well as to document the extent that women occupied managerial roles.

**Qualitative Data**
Additionally all the organisations were contacted by email to invite their participation for the interview section of the study. This required them to provide a manager to be contacted by phone for a semi-structured interview about their EEO practices. Subsequently, Human Resource managers or other EEO representatives of the selected organisations were/interviewed in regards to
- the perceived effectiveness of the activities taken by their organisation
- whether they can identify a cause-and-effect relationship between actions taken and changes in the number of women in managerial roles
- the turnover of women in their overall workforce and the different managerial levels
- the most common reasons why women leave their organisation
- the retention rate of women who go on maternity leave
- the perceived degree of top-management support in their organisation and
- The perceived main obstacles to the advancement of women in their organisation.

Phone interviews were selected both to increase the likely willingness to provide a person to be interviewed as well as the fact that specific information was being sought. In the end 30 organisations (10 from each industry groups) participated in the study. Despite the fact that interviews were conducted by phone and specific questions were focused on there was substantial variability in the length of interviews which lasted between 20 minutes up to 60 minutes. As is common in interviews of managers, they are generally reluctant to give time to such an interview but once engaged in the topic seem willing to extend their time and provided a rich source of information about the organisation’s environment and processes associated with women in management.

RESULTS AND DISCUSSION

Table 1: Women in management, and average activities in place.

<table>
<thead>
<tr>
<th></th>
<th>Finance</th>
<th>Health</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women in Senior Management</td>
<td>23%</td>
<td>11%</td>
<td>41%</td>
</tr>
<tr>
<td>Women in Management</td>
<td>33%</td>
<td>16%</td>
<td>53%</td>
</tr>
<tr>
<td>Mean No. of activities</td>
<td>17</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

Table 1 shows the current status of the average percentage of women in management for organisations in each of the three sectors investigated as well as the mean number of activities designed to support and encourage women in management. These figures are virtually identical from 2002. Thus there is little change in actual percentage growth in women in management over the three years since 2002. Clearly the industry of Health and community services has the most women in management which reflects the traditional association of women in organisations within these industries. The percentage of women in management in finance is the next highest and this also has the most activities to encourage and support women, which reflects a growing recognition of these industries of the positive role of women in management. The lowest percentage of women in management is in the construction industries and they also have a relatively low number of activities to support and encourage women. Although the number is the same as in Finance and Insurance the impact is clearly not as effective. Specific qualitative information about each of the three industries based on interviews is presented next.

Finance & Insurance Sector
On average, the Finance & Insurance ‘sector’ has a quota of 23% women in senior management roles, and overall management positions are occupied by 33% of women. No significant change in these figures over the years could be reported, despite the fact that the improvement of the number of women in upper managerial roles is a topic that is extensively discussed and pursued in this sector.
Companies in the sector have an average of 17 activities in place, which is by far the greatest number across the three industries. Leadership training is generally perceived as being the most effective activity, followed by coaching, networking and career development programs. This focus is due to the perception that some women reportedly do not have sufficient skills to pursue managerial roles and an even greater number of women do not perceive themselves as doing so.

Flexible work arrangements are generally regarded as being necessary to attract and retain women, however, their effectiveness in regards to women rising into leadership positions is disputed. The perception of this depends largely on whether part-time managerial roles are made available in the organisation or not. These organisations that do have them available report that they greatly help women to combine work and family responsibilities and generally work very well. In this respect, it has been found that role models are of significant importance. Generally, the first person taking a non-traditional workplace approach is perceived as having great difficulty to gain acceptance from top management and peers. However, once a practice worked well with one person, it is usually quickly accepted and increasingly adopted.

Across the sector, top management support is considered as being of crucial importance in the endeavour to increase women’s opportunities to advance into leadership positions. Generally, top management interest in and support of the matter is ranked as very high, partly reported as being due to the fact that the topic is perceived as being up-to-date. However, top management in most Finance & Insurance organisations seems to be aware that talented women graduate in equal proportions as men from universities but get lost along the career path. Therefore, many CEOs consider it as their goal to retain female talent for the benefit of their organisations.

The strive for further career opportunities and family responsibilities were given as the most common reasons that women (managers and general staff equally) leave organisations in the Finance & Insurance sector. A number of organisations report that women have great difficulties finding affordable child care facilities for their offspring that would enable them to go back to work. Due to the large amount of resources this would consume and the unpredictable demand, only few organisations consider implementing organisation-owned child care facilities. However, despite the reported difficulties for women in finding child-care, 87% of women who take maternity leave are retained by the organisation.

The main barriers that prevent women from advancing into more senior management roles are perceived as being lack of self-promotion and the perception of women that they cannot successfully combine family responsibilities and superior work performance. This reportedly leads many women to move into support roles rather than specialist or generalist roles as these are seen as easier to combine with family responsibilities. However, once in a support role, many women find it hard to move into a more generalist managerial role at a later stage. It is also reported that many women who take time out (mostly because of maternity) have extreme difficulties to get back on the career track.

Health & Community Care Sector
The Health & Community Care Sector is highly female dominated. Women represent on average 41% of all senior management positions and 53% of all management positions in the organisations and it needs to be noted that these average numbers were significantly impaired by one organisation that does not quite align with the nature of the business of the other organisations. As a result of the high proportion of females in the overall workforce, the topic is significantly less promoted in the sector and fewer actions are taken (10 on average). Some effort is, however, made on attracting and retaining women as the sector suffers from a skills shortage and ageing of its workforce.

Leadership training, leadership development programmes and support to external studies are generally regarded as being most effective in supporting women in their efforts to
advance into leadership positions. The reason for this is the perception that even in this sector women are not overly confident to take on leadership roles. Therefore, they need to be encouraged and given the knowledge they require or perceive they require to succeed. A lack of female self-confidence in comparison to men can, however, not be considered a significant hurdle to the advancement of women as they represent on average far over 50% of the workforce.

The most common reasons why women leave the Health & Community Care sector are reported to be dissatisfying compensation, a lack of career opportunities, specifically in non-profit organisations, and a lack of flexibility of the workplace with no major differences in these reasons for managers and general staff. Insufficient workplace flexibility is caused by the nature of the business that often requires 24/7 availability of services, thus, while policies about flexible work arrangements are in place throughout organisations, the flexibility that can eventually be granted seems limited in care jobs. Although family responsibilities are reported to be amongst the reasons why women leave organisations in this sector, this appears to be less the case than in the Finance & Insurance sector. Another reason that was surprisingly often stated in this sector, although not part of the initial list of reasons given, was ‘moving away’ as the partner had found a more lucrative job in a different area.

At 91% the Health & Community Care Sector has the highest retention rate for women who go on maternity leave. This might be due to the fact that the sector is generally seen as very family friendly. While child care support is a more passive endeavour in the Finance & Insurance sector (e.g. by distributing brochures about child care), a number of organisations in Health & Community Care actively help their employees in finding child care places, provide on-site facilities or allow employees to take their kids to the workplace where appropriate.

Construction & Engineering Sector
Organisations in the Construction & Engineering Sector agree that they have great difficulty attracting female talent. This translates into the lowest female manager quotas of the three industries: 11% in senior management positions, and 16% in overall management positions. The factors for the sector’s unattractiveness are perceived to be twofold:

• projects demand utmost flexibility of employees that many women are not prepared to give, mostly because this is difficult to combine with family responsibilities
• tough work environment for females; in many instances gender stereotypes are still prevailing, the glass-ceiling is said to persist, therefore women have to put enormous effort into proving that they are as effective as men.

Low attractiveness to women causes many organisations to undertake information sessions at schools and universities and offer scholarships in order to improve the image of the sector and promote their organisation. These actions, however, show reportedly only very limited effect. Some organisations report that parents frequently discourage their daughters to consider careers in construction & engineering. Frustrating results, in turn, cause some organisations to capitulate. The average number of activities in place in the sector is 10, with the tendency that larger organisations do more than smaller companies. Extensive resource requirements and prolonged lead time before effects may be achieved are generally named as causes by those companies that do not have many activities in practice. However, other organisations stress that it is not the most expensive activities that are most effective, but rather effective communication that is aimed at changing perceptions. Overall, leadership training is perceived to be the most effective activity followed by networking, mentoring and career development programmes as they provide women with the necessary skills, information, confidence and incitation to advance in a male dominated work environment. Furthermore, in the endeavour to change industry related stereotypes, female roles models are widely considered as crucial.
In order to attract an increasing number of women into the sector, a number of organisations now create managerial roles in non-traditional work areas such as support, administration, and in-house legal departments.

In the construction and engineering sector, family responsibilities are clearly seen as the major cause that women leave the organisation, followed by lack of career opportunities and lack of workplace flexibility. There are no significant differences in these reasons reported for managers and general staff. With an average percentage of 66%, the construction and engineering sector has the lowest retention rate for women who go on maternity leave. This coincides with family responsibilities being the major cause of termination.

Overall, top management in the interviewed organisations is seen as interested in and supportive of the topic. This is mainly due to females being considered as more capable of coping with the high industry-related workplace pressure than men, as being more thorough workers than men and as improving the dynamics and communication of the project teams.

CONCLUSION

Despite efforts to attract and encourage women into management Australian organisations are well aware of the fact that the quota of women in managerial and particularly senior managerial positions is still not representative of the percentage of women in the labour force.

However, there is no doubt across organisations that female talent constitutes an essential part of Australia’s economy; a part, which needs to be retained in order to remain competitive in the long run. But not only might the loss of female talent lead to inferior competitiveness in the long term, it also incurs considerable replacement costs in the short run.

Overt gender discrimination is generally reported to be a matter of the past. Nonetheless, indirect obstacles still seem to be in existence preventing women from reaching the top levels of their organisations in equal proportions as men. Findings from the analysis of the 30 organisations in this research suggest that the pace at which this is happening is marginal.

Even those organisations that put great effort into supporting women report difficulties in retaining women at certain stages of their careers. Reasons for this are widely seen to be twofold. First, some women seem to perceive that they reach levels at which further advancement is extremely difficult. These females report lack of challenges and missing career opportunities as reasons for termination, a finding that might suggest the persistence of the glass ceiling, especially in the construction and engineering sector where many organisational representatives have no doubt in its persistence.

Second, family responsibilities are given to be as one of the prime reasons that women leave organisations. Inability to find affordable child care facilities is said to play a role in this decision. However, even in those rare cases where on-site child care facilities are provided or child care is actively facilitated by organisations, a significant number of women drop out or simply decide not to advance any further in their careers. Many mothers seem to see full-time work in a management position as difficult to combine with family responsibilities. It is crucial to understand that the decision for these women to give up their jobs is not necessarily a decision against their organisations or their careers, but for their families. Yet, the organisational problem of losing talent and the problem for women of having to sacrifice their careers when wanting a family persist. Most of the activities put into practice by organisations do not seem to provide remedy for this dilemma. However, an emerging trend appears to be promising: part-time managerial roles.

While part-time management was widely unimaginable in the past, a growing number of organisations now experiments with reducing working hours of their leaders if required (Mallon, 1999). Organisations that enable their managers to do so, report this practice to be
very successful. Despite these findings, a significant number of organisations remains reluctant in regards to part-time managerial roles, especially organisations in the construction and engineering sector.

Role models seem to play a crucial role in overcoming concerns in regards to part-time management and creating a culture that is more favourable towards non-traditional workplace approaches. Many organisations that successfully practice part-time management today report that the first person taking a non-traditional work approach always faces a challenge as superiors and subordinates generally have difficulties of coping with the uncertainty of the change.

However, once proved practicable, non-traditional practices are said to be generally quickly adopted by others and create a more change embracing organisational culture. Yet, it is also acknowledged that the successful implementation of part-time managerial roles requires careful planning and communication. What exactly it takes to make part-time management a success remains yet to investigate for future research.

REFERENCES


INTRODUCTION

The issue of politicisation of the public service has been of considerable interest in a number of countries over recent years as governments have sought to exercise greater direct control over the executive wing in order to insure effective and rapid implementation of their policy changes (ABC, 2002; Colley, 2001; Pullin & Haidar, 2003; Spry, 2001). Although such concerns can be readily evidenced in writings going back more than a century (Lord Morley, 1889), in Australia there has been an increased academic and societal interest in the matter over the past twenty years in response both to government appointments and replacements of senior public servants, as well as a number of high profile crises in which an independent public service voice appeared absent (Emy & Hughes, 1988; Hawkes, 1999: 80; Henderson, 1986:33; Mulgan, 1998a: 3; Nethercote, 2003; Parker & Nethercote, 1996; Podger, 2004:9-10; Weller, 1989: 369).

However, despite this growing interest, ‘politicisation’ remains a very imprecise term (Parker, 1989b:384-5). Public servants have been regarded as politicised because they themselves are politically aligned or their actions are seen to be political. Such observations do not assist in developing a useful understanding of whether a public service is or is not politicised (Weller, 1989). Public servants can be no more immune from ‘being political’ than any other person who holds views and votes. Similarly, public servants in implementing the policies of a government must also be seen to inevitably act politically. Often it is the appointment of persons to senior public service positions on the alleged basis of their political views or affiliations, or their removal, which is seen to be the source of a politicisation. This view is also problematic in terms of developing a definition of politicisation that might be tested empirically. Politicians should be able to expect that their senior public servants will act diligently to implement government policies and it is not useful to regard them as politicised because they do so. Nor is it thought constructive to regard the appointment of an individual with particular political views as necessarily constituting a politicised appointment, as the decision may have been based upon other criteria.

The issue of public service politicisation has been a focus of attention because it is seen to impact upon the quality of government and democracy in those countries that have adopted a Westminster style of government. Even in the United States of America (USA), which has not, such concerns are apparent (Peters, 1995:91). Yet, a precise definition of a politicised (Vis a Vis non-politicised) public service remains elusive. The purpose of this paper is to present a model that may assist in advancing the inquiry. When Northcote and Trevelyan issued their Report on the Organisation of the Permanent Civil Service in 1854, they placed the employment relationship of public servants at the core of their model, known as the Westminster system (1854). Indeed, what public servants do, whether they act for party purposes, can be seen within the Northcote-Trevelyan model to be secondary to the nature of their employment relationship. The Northcote-Trevelyan specifications for an independent civil service provide the basis for a model of a non-politicised public service.
A theoretical framework for analysing the relationship between public policy in Australia and politicisation of the employment relationship (ERp) is first presented, based upon relevant literature. The ERp is seen to be a control relationship in which such control is exercised through human resource management (HRM) functions, all of which were essentially addressed in the Northcote and Trevelyan Report (1854). Weberian style ‘ideal types’ (Weber, 1968:20-1) are developed which contrast the ‘rational, independent, non-politicised’ with the ‘irrational politicised’ forms of the ERp. Each of these ‘ideal types’ consists of exhaustive and mutually exclusive dimensions (Kitay & Marchington, 1996:1265,78,87). They are not meant to mirror reality but rather to provide analytical tools (Weber, 1968:21). Their usefulness is explored through two case studies: the appointment of one Department Secretary and the termination of another.

**Politcisation of the Employment Relationship**

In order to develop an understanding of a ‘politicised’ ERp, consideration will be first given to defining the relationship itself and then to the meaning of ‘politicisation’ of that relationship within the context of public sector employment.

**Defining the Employment Relationship**

The origins of the law defining the ERp in Australia are to be found in English law which was itself influenced by the Roman (Macken, O’Grady, Sappideen, & Warburton, 2002:1-2). For workers, the transition from a feudal to an industrial society was evolutionary and “it was logical that the courts would apply the rules of contract law to the relationship” (Macken et al., 2002:6). The courts determined that the degree of control exercised in the relationship by the person employing, the amount, nature and direction of that control distinguished the employment contract from other relationships (Macken et al., 2002:7) Thus the ‘control test’ came to determine the existence (or not) of an ERp and, in legal terms, its existence was seen to be dependent upon whether or not a contract of service existed. In recognition of the difficulties associated with determining the existence of an ERp, the courts have developed an extended control test to assess ‘whether on balance, the range of features or indicia of the working relationship are more in the nature of an employer/employee relationship or otherwise’ (Clayton & Mitchel, 1999:22). The ‘control test’ ‘has to be applied to the reality and the totality of the relationship between the two persons and not to the work itself’ (Macken et al., 2002:8).

Control of the ERp is also a common focus of industrial relations (IR), human resource management (HRM) and employment relations (ER) approaches. Fastenau and Pullin (1998) argue that the IR perspective focuses upon workers’ efforts to control the ERp and the employer response, while HRM focuses on management’s efforts to direct and control the relationship. Keenoy and Kelly (1998) view the nature of work and its power relations as the fundamental focus of their study of the ERp and argue that industrial relations institutions and changes can be best understood in terms of three great struggles for the control of the workplace: the distribution of rewards, the limits of managerial autonomy, and the difficulties in securing employee commitment (Keenoy & Kelly, 1998).

The sources of power and authority in the ERp are many but may be classified according to the dimensions of the relationship identified in the literature, namely, the economic, legal, social, psychological and political (Spooner & Haidar, 2005a). Control is exercised through a range of practices and behaviours including formal and informal rules and regulations, strategies and sanctions. Fells (1989:480-1) cautions that control can be achieved by actions that do not necessarily have the appearance of controlling activities such as through the introduction of particular practices including even those of a participative nature. Whilst control in the ERp may be contested, legally and economically, the balance of power rests with the employer.

While it is apparent that control is exercised and resisted within all aspects of the ERp, a distinction must be made between the relationship itself and its intended outcomes or the
work performed. Behrend (1957:505) argues that within every ERp there are two main elements, an agreement on wages and an agreement on the work to be done. This domain of activity in which an 'agreement' is reached may be viewed as the HR domain. Beyond and somewhat separate to this area of activity, however, lays the domain of work itself. Haidar and Pullin (2001:645) offer the notion of there being two areas in which power is exercised in the ERp, which they term the task and HR domains. The task domain includes the actual performance of the job in which the worker is seen to be under the command of a super ordinate (Haidar & Pullin, 2001:644-6). The HR domain includes 'the span of control over HR functions' such as recruitment, compensation, development, promotion and dismissal (Haidar & Pullin, 2001:645-6).

Control by the employer is exercised over the relationship primarily through the HRM function. Although control over the performance of specific tasks and job functions may be exercised, control over the relationship is ultimately actioned within the HR domain. While effective organisations may well demonstrate a strong inter-relationship between their control of both task and HR domains, these remain conceptually and in many cases, practically quite separate. A worker who fails in the assigned tasks may still be promoted, while one who exceeds the job requirements can nevertheless face retrenchment. The power to control job performance (or task elements) derives from the power to control the HRM elements of the ERp.

A study of the exercise of control by an employer over an employee must be focussed upon the HRM domain of that relationship and the way control is actioned through the various HRM practices. Taxonomies of HRM functions are widely available within the literature and recited in almost every contemporary HR text as well as numerous journal articles (De Cieri & Kramar, 2003; Dessler, Griffiths, & Lloyd-Walker, 2004; Devanna, Fombrun, & Tichy, 1981; Gardner, 1993; Pynes, 1998). Bobko and Russell (1991) analyse the use of taxonomies in HRM and identify that they are attempts at classification but note that as there is no overarching definition of HRM, those taxonomies that have been developed reflect the purpose for which they were proposed. Bobko and Russell (1991) identify and examine the categories of job analysis, selection as well as training and development. A great deal of contemporary HRM literature focuses upon the strategic planning function and/or HR information systems as important HRM functions (Pynes, 1998). These examples highlight the need to distinguish between HRM functions which are essentially managerial (such as planning and information processing) and those that directly impact upon the ERp itself. From a review of the literature it can be seen that the key functions impacting upon the ERp are the acquisition (recruitment and selection), reward and motivation (compensation), development (training and development), maintenance (performance management) and separation (termination and retirement) activities of HRM (De Cieri & Kramar, 2003; Nankervis, Compton, & Baird, 2002; Stone, 2005:10).

The HRM functions directly impacting upon the ERp are the mechanisms of employer control over the relationship and provide the basis for an analysis of whether this is politicised. To re-encapsulate the argument advanced so far: the ERp is a control relationship in which the employer exercises superior power to control; although the relationship witnesses the exercise of control through both task and HRM domains, it is within the latter that ultimate control is actioned; and, it is through the performance of specific HRM functions that control is executed.

**Politicisation of the Public Sector Employment Relationship**

Since the introduction of the modern public service in the mid nineteenth century, concerted effort has been made to keep politicians out of public management and legal provisions have been introduced to prevent interference of politicians in the employment aspects of public managers and also from the detailed implementation of public policies (Spooner & Haidar, 2005b). One purpose of the introduction of this arrangement was to get rid of the problems associated with the patronage system, which many claimed lead to inefficiency and
ineffective use of public money (Farnham & Horton, 1996:50-1; Spooner & Haidar, 2005c:44; Spry, 2000:5). A politicisation of public employment restricts the opportunity for citizens to work in government by limiting such access to those who are liked by politicians and, this in turn, may deprive the nation of the use of technical expertise existing within a country (Stahl, 1971:29).

Politicisation means different things to different people. Politicisation in the context of the public service tends to have a variety of meanings and there is a tendency to regard all political activities of public servants as part of a politicisation process (Curnow, 1989: 17-21; Haidar & Pullin, 2004: 1-3; Mulgan, 1998a:3; Parker, 1989a:384-5; Weller, 1989:369-70). Weller argues that politicisation is to be seen as the opposite of political neutrality and identifies politicisation with two tendencies which can be said to contradict two aspects of neutrality: the use of the public service for party purposes and the appointment, promotion and tenure of public servants through party political influence (Weller, 1989). Indeed, Weller asserts that partisan appointments are at the core of charges of politicisation (1989:374). He argues that politicisation of the public service does not occur when public servants express their opinion or even when they take political action as part of their trade union activity nor is politicisation simply the reverse of neutrality (1989:370-1). It is argued that public servants have the right to be politically active as long as their personal preferences do not overrule government policy or jeopardise the impartiality of the public service (1989:371). Politicisation, according to Weller, becomes possible when the public service is used for party purposes and where there is party political influence in the appointment and promotion of public servants (Weller, 1989:371). Thus, the two major forms of politicisation are seen to be, first, what public servants do and, secondly, the nature of their employment relationship.

The Northcote-Trevelyan Report of 1854 also placed the employment relationship of public servants at the core of their model, known as the Westminster system (1854). The Report is generally recognised to mark the origins of the meritocratic Civil Service (Farnham & Horton, 1996:47). Within the Northcote-Trevelyan model, what public servants do (task domain) can be seen to be secondary to the nature of their employment relationship (HRM domain). If the employment relationship is politicised and party faithfuls are appointed, or incumbents are rewarded for acting for the party, then what they do can be seen to flow from their employment relationship. Key aspects of the HRM of public servants lies at the heart of the British style of representative democracy requires that ministers are responsible because they are conferred with executive power. The power that public servants exercise emanates from this power conferred on ministers. Under the Westminster principles, public servants are expected to provide frank and fearless advice but to be politically neutral servants of their ministers and to implement the policies laid down. A major recommendation of the Northcote-Trevelyan Report (1854) was to create an arrangement whereby politicians will gain frank and fearless advice from public servants whose employment relationship is not controlled by them but rather by an independent public service agency (Haidar & Pullin, 2004:12). Appointment on merit, security of tenure and a career service are complementary principles seen to support the neutrality of public servants and which epitomised the public service ERP in Australia and elsewhere for more than 150 years.

In drafting the Australian Constitution, attention was directed as to how persons should be appointed to the Commonwealth Public Service and as to ‘how best to guard against Their improper dismissal’ (Spry, 2000:2). The Constitution (1901:s.67) provides for the appointment of public servants and requires that the power to appoint and remove ‘shall be vested in the Governor-General in Council, unless the appointment is delegated by the Governor-General in Council or by a law of the Commonwealth to some other authority’. Spry
(Spry, 2000) provides an informative account of the development of legislation governing the
ERp of public servants and argues that ‘an overriding concern of those who contributed to
the debate over the (first) Public Service Bill was to ensure that political patronage played no
part in appointments to, or promotions within, the Commonwealth Public Service’. The first
relevant legislation was the Public Service Act 1902 (Cwlth) which provided for entry to the
Service by ‘open, competitive, and written examinations’, appointments at a junior level with
more senior positions closed to outside entrants’ (Report of the Committee of Inquiry into
Public Service Recruitment, [Boyer Report], 1959; Spry, 2000:8). Since that time, there have
been many amendments to the laws governing the terms of employment pertaining to public
servants and to Departmental Heads (previously Permanent Heads) in particular. However,
the nature of these changes may not have altered the basic principles underpinning the
system until the 1970’s.

It appears that growing dissatisfaction with the public service, partly related to perceived
barriers to ministerial control, was not fully evident in Australia until the 1970’s (Spooner &
Haidar, 2005c:47-9). A rapid expansion in government functions and a consequent growth in
the Australian public service after World War II had resulted in a loss of ministerial control
over the expanded range of administrative and policy matters, with power shifting to senior
public servants or ‘mandarins’ (ABC, 2002; Pullin & Haidar, 2003; Weller & Smith, 1977:6;
government in twenty-three years, and one that was committed to a broad reform agenda,
resulted in growing concern over issues of ministerial control and the political neutrality of
public servants (Weller and Smith 1977:7). In 1974, the Prime Minister announced the
establishment of a Royal Commission to examine government administration (RCAGA, 1976;
Spooner & Haidar, 2005c). Since that time, there has been considerable change in the
nature of public sector employment, including significant reforms to some aspects of the
HRM of senior public servants. A comprehensive analysis of these changes is beyond the
scope of this paper although the various legislative amendments have been outlined by Spry
(2000) and others. The detail of these reforms is very lengthy but include the introduction of:
a greater political role in the appointment and removal of departmental secretaries - no
longer ‘Permanent Heads’ (1984); provision of fixed term appointments for Departmental
Secretaries (1993); provision for the Prime Minister to appoint (and terminate) a person to be
the Secretary of a Department for a period of up to 5 years (1996); provision for the Prime
Minister to appoint, terminate and determine remuneration of Secretaries of Departments
(Public Service Act 1999:S.56-61).

By 2006, it would appear that the Northcote-Trevelyan model of an independent public
service is dead in terms of the ERp of very senior public servants in Australia, now known as
‘Secretary of a Department’. It appears that appointment on merit, as assessed through
some form of independent assessment of qualifications, the notion of belonging to a ‘career
service’ and tenure are no longer applicable in the ERp of Departmental Secretaries. The
current legislative provisions appear to provide for the Prime Minister to employ and
terminate these leading, key personnel in the Australian public service virtually at will (Spry,
2000:11; Public Service Act 1999: s.58). This is suggestive of a politicisation of the public
service ERps but this notion has not been properly examined.

As previously discussed in this paper, although the issue of public service politicisation has
attracted a good deal of attention, the associated analysis has been somewhat lacking in
terms of both definitions and serious scrutiny. The focus of this paper is upon a particular
aspect of the debate and, as argued previously, the most core and important aspect, that of
the employment relationship itself. Utilising the insights gleaned from our examination of the
nature of the employment relationship and that of ‘ politicisation’, Weberian ideal types will be
constructed to facilitate our further analysis.
A Framework for Analysis
In developing our analytical framework, we are guided by Weber (1968), Kitay and Marchington (1996), Northcote and Trevelyan (1854) and by the very many writers who have provided taxonomies of the HRM functions.

The focus of our study is upon identifying whether the employment relationship of senior public servants is politicised. Such an enquiry virtually begs the use of Weber’s ‘ideal types’, as a ‘politicised’ relationship only has meaning when compared to a ‘non-politicised’ form. The nature of public sector employment, and the changes that have occurred within it, form an integral part of public sector organization and “to discuss organizations in any intellectual terms other than the most mundane necessarily is to draw strength from the well of Max Weber’s intellectual legacy” (Clegg, 1990:3). The development of ‘ideal types’ requires the identification of the exclusive and exhaustive features of each (Kitay & Marchington, 1996). The exclusive features of the ‘rational’ (Weber, 1968:22), non-politicised, independent or ‘open competitive’ type can be deduced from the work of Northcote and Trevelyan (1854) with the assistance of HRM taxonomies. Northcote and Trevelyan proposed a public administrative system based upon an independent agency exercising the HR function, appointment on merit as assessed by a proper system of examination conducted by a politically independent and constitutionally appointed Board, promotion based on merit and reports of superiors, ‘a proper system of transfers' between departments’ and annual increments of salary conditional upon satisfactory work (1854). These elements of an independent agency exercising control over the employment relationship, appointment on merit, access to promotion and tenure subject to satisfactory performance comprise the key elements of the traditional career public service in Australia (RCAGA, 1976; Spooner and Haidar, 2005b). Implicit within these elements is the establishment by the independent agency of a formal and impartial mechanism for assessment and review. Also, superannuation or a pension entitlement also contributed to the removal of patronage as well as ‘underpinning a permanent career structure’ (Farnham & Horton, 1996:47)

In direct and extreme contrast, the exclusive features of the ‘irrational’ (Weber, 1968:22), dependent or politicised type can be deduced from a direct comparison with the characteristics of the first type: exercise of the HR function by politicians, absence of formal measures to assess candidates for the job, individually based remuneration (rather than a formalised salary scale), appointment to a position (rather than a ‘service’ and hence lack of guaranteed access to a career structure) and termination at the discretion of the politician.

The elements of the Northcote- Trevelyan (1854) model of an independent public service provide the basis for developing ideal types that are ‘exclusive’, while HRM taxonomies assist in ensuring that the characteristics identified under each type are ‘exhaustive’. The two ‘ideal types’ developed for analytical purposes are set out in Table 1. These two types have been constructed as extreme end points on a continuum. At one end we have the open-competitive type and, at the other, we have the politicised type. It is likely that actual cases of HRM practices would fall somewhere between these two extremes, in many combinations of the key elements. For example, although politicians may have exercised the final authority to employ a person for a position, they may have advertised the position nationally and based their selection on job related criteria.

<table>
<thead>
<tr>
<th>HRM Functions</th>
<th>Open-competitive</th>
<th>Politicised</th>
</tr>
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<tbody>
<tr>
<td>Source of Authority</td>
<td>Independent Agency</td>
<td>Vested in politicians</td>
</tr>
<tr>
<td>Recruitment: Attraction</td>
<td>Position advertised nationally</td>
<td>No public advertisement</td>
</tr>
</tbody>
</table>
The ideal types set out above demonstrate characteristics that are exclusive in that there is a clear and measurable difference between each of those identified for each type and they are also exhaustive in terms of the taxonomies identified in the HRM literature. These types will be employed to assist an analysis of two particular cases of public sector ERps: the appointment of one Department Secretary, Max Moore-Wilton, and the termination of another, Paul Barrett.

**Case Studies**

The appointment of Mr. Max Moore-Wilton to Head the Department of Prime Minister and Cabinet in 1996 and the dismissal of Mr. Paul Barratt from the position of Secretary of Defence have each been the focus of allegations of political interference in the employment processes (Palmer, 2006). These case studies are only explorative in terms of the model we have developed. It is recognized that considerably more in-depth research must be undertaken in order to adequately test our ideal types. However, this case study analysis will, it is believed, advance knowledge in this field because, as far as we are aware, a systematic
analysis of the HRM elements pertaining to the appointment of senior public servants has rarely been undertaken.

Max Moore-Wilton

Mr Max Moore-Wilton was appointed Secretary to the Department of Prime Minister and Cabinet from May 1996 (Mulgan, 1998b). Prior to his appointment, Mr Moore-Wilton enjoyed a ‘distinguished career in both the private and public sectors’ and immediately prior to appointment as Secretary to the Department, he was National Director, Policy Co-ordination and Priorities Review, Australia Stock Exchange (1995-96) (Charlton Event Solutions, 2006). Although he was not openly connected with the Coalition parties and had in fact been appointed Chief Executive of the Australian National Line by an ALP government, his appointment was seen as ‘political’ because he came immediately from ‘outside’ the public service and because ‘his reputation for tough restructuring and down-sizing was clearly instrumental in his appointment and indicated that he had been chosen as the Coalition Government's person to spearhead retrenchment of the public service’(Mulgan, 1998b; Schroder, 1997).

Mr. Moore-Wilton was employed under the provisions of the Public Service Act 1922 (Cwth) (as amended and consolidated at 6 February 1996). Under the provisions of the then Act, the Governor-General may appoint a person to ‘an office of Secretary’ on the recommendation of the Prime Minister. (s.36). The Act provided that the Prime Minister must not recommend an appointment to the Governor General unless, in the case of appointment of Secretary of Department Prime Minister and Cabinet, a report had been obtained from the Public Service Commissioner and, in the case of other Departmental Secretaries, a report was obtained from the Secretary to the Department of the Prime Minister and Cabinet (s.36). The Act made it clear that the Governor-General must act in accordance with a recommendation made by the Prime Minister (s.37(11)). The Act also provided that an appointment shall not exceed five years (s.37) and that the Governor-General may terminate the appointment on a specified day and if, after that day the person does not hold another office of Secretary, he or she is retired from the Public Service (s.37(5)).

Under the then Act, all Department Secretary’s pay was set by the independent Remuneration Tribunal (Remuneration Tribunals Act 1973). However, Mr Moore-Wilton allegedly approved for himself an additional tax-free accommodation allowance of $17,000 ‘because he was still technically a resident of Sydney’ (Sydney Morning Herald, 1 November 1997). The $330 per week allowance has been estimated to be three times the level recommended by the public service guidelines. Mr Moore-Wilton’s salary was ‘just over $150,000’ but with allowances and perks, this rose to a total package of about $210,000. Therefore, in terms of the key factors constituting our ‘ideal types’ as set out in Table 1, it can be seen that the facts of the appointment as far as they are known, point towards a ‘politicised’ type, although there are some factors evident which do not neatly fit this type.

All facts of this case are not known and, indeed, only secondary data has been identified and used in this paper. However, on the basis of the information available, it is possible to provide some tentative analysis of this case, as presented for discussion in Table 2. As can be seen, the information available concerning each of the key HRM functions suggests a tendency towards politicisation. None of the facts associated with the exercise of HRM functions in the Moore-Wilton case were seen to fit the ‘open-competitive’ type. However, it can also be seen that whilst the exercise of some functions was thought to be consistent with a ‘politicised’ type, many were seen to demonstrate elements of both types and thus conform to neither; for example, under the Act at the time of the appointment of Mr Max Moore-Wilton, it was the Governor-General who had the power to appoint with advice from the Prime Minister, who was in turn required to receive a report on the candidate from either the Public Service Commissioner, in the case of an appointment to Department Secretary of Prime Minister and Cabinet (PM&C) or, in the case of other Department Secretary appointments, from the Department Secretary of PM&C. In effect, this of course means that the Prime
Minister had the power to make an appointment but that it was subject to certain requirements.

**Paul Barratt**

Mr Paul Barratt was appointed to the office of Secretary to the Department of Defence in late 1997 for a fixed-term of five (5) years commencing February 1998 (Spry, 1999). At the time of his appointment (and latter dismissal), the provisions of the *Public Service Act 1922* governed the appointment and the removal from office of Secretaries of Departments, as set out above in the previous case study. At the time of his appointment, Mr Barratt held office as Secretary to the Department of Primary Industries and Energy and he had a long history of senior appointments in the Australian Public Service, although interrupted by a term as the Executive Director of the Business Council of Australia, from 1992 to 1996. Following the election of October 1998, in which the Government was returned, all Secretaries of Departments were left in place although there was a Cabinet reshuffle and the Hon John Moore MP was appointed Minister for Defence (*Barratt v Howard & Ors [2000] FCA 190 (10 March 2000)*).

**Table 2: Appointment of Mr Max Moore-Wilton**

<table>
<thead>
<tr>
<th>HRM Functions</th>
<th>Open-competitive</th>
<th>Other</th>
<th>Politicised</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Source of Authority</strong></td>
<td></td>
<td>Governor General-advice from PM-advice from Commissioner or Dept Sec PM&amp;C</td>
<td></td>
</tr>
<tr>
<td><strong>Recruitment:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attraction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Opportunity to Apply</strong></td>
<td></td>
<td>Citizens known to politicians considered</td>
<td></td>
</tr>
<tr>
<td><strong>Scope of consideration</strong></td>
<td></td>
<td>‘Unwanted’ persons excluded</td>
<td></td>
</tr>
<tr>
<td><strong>Position Criteria</strong></td>
<td></td>
<td>Dev by politician but subject to input from senior officer</td>
<td></td>
</tr>
<tr>
<td><strong>Selection Method</strong></td>
<td></td>
<td></td>
<td>No formal interview process</td>
</tr>
<tr>
<td><strong>Relevant Standards</strong></td>
<td></td>
<td>Capacity to downsize considered relevant</td>
<td></td>
</tr>
<tr>
<td><strong>Matching applicant to job</strong></td>
<td></td>
<td>Mixture: politicians’ criteria plus report by senior officers</td>
<td></td>
</tr>
<tr>
<td><strong>Selectors</strong></td>
<td></td>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td><strong>Transparency</strong></td>
<td></td>
<td>Limited Review</td>
<td></td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td></td>
<td>Mixture of formal determination &amp; individual discretion</td>
<td></td>
</tr>
<tr>
<td><strong>Rewards</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td></td>
<td>Not linked to formal career structure</td>
<td></td>
</tr>
<tr>
<td><strong>Training and Development</strong></td>
<td>Not Known but thought not to be formally provided</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Not Known but</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Management Conduct understood to be at politicians discretion

Standards Not known

Separation Subject to politician’s decision; fixed term

Termination

Retirement Fixed term contract

On 22 July 1999, Mr Barratt was advised by Mr Moore-Wilton, Secretary to the Department of Prime Minister and Cabinet, 'that his appointment would be terminated by the Governor-General on the advice of the Prime Minister in early August' (Australian Financial Review, 30 July 1999:4; Spry, 1999). On 27 July 1999, Mr Barratt obtained an interim injunction from the Federal Court restraining the Prime Minister, Mr Howard, 'from advising the Governor-General to terminate Mr Barratt's employment' (The Australian, 28 July 1999:1).

In a series of court cases between July and August 1999, Mr Paul Barratt took action in the Federal Court against the Prime Minister, the Secretary and the Commonwealth to prevent the termination of his appointment (Barratt v Howard & Ors [2000] FCA 190 (10 March 2000); Barratt v Howard [1999] FCA 1132; Barratt v Howard [1999] FCA 1183). In March 2000, the Full Bench of the Federal Court upheld the previous decision of Justice Hely who had found that there was no legislative intent in the Act to exclude natural justice and that Mr Barratt was entitled to be told the grounds upon which a recommendation that he be dismissed was proposed, and to be heard. His Honour accepted that policy or political considerations could be factors in the decision to terminate and that, therefore, it was not necessary that there be a cause such as a fundamental fault on the part of the Secretary. The Court found that a Minister's loss of trust and confidence in a Secretary was sufficient to justify termination if that lack of trust and confidence was prejudicial to the effective and efficient administration of the department and it rejected arguments that a Secretary is entitled to be given reasons for the Minister's loss of trust and confidence in him or her (Commonwealth of Australia, 2000).

Although the Prime Minister may decide to recommend the dismissal of a Secretary for a wide range of reasons, the recommendation has 'a direct and immediate effect on the applicant's interests' and for this reason the obligation to provide procedural fairness arises (para 53). Justice Hely said that procedural fairness requires the applicant "be told the grounds upon which a recommendation is proposed to be made to the Governor-General that his appointment be terminated, and he is entitled to be heard in relation to those grounds or reasons" (para 68). However, the applicant need not be given an oral hearing and is only entitled to put his case to the Secretary of Prime Minister and Cabinet. Accordingly, Justice Hely argued, where the Prime Minister acts on the reasons given by his departmental Secretary, the Prime Minister need not also hear the applicant before making the recommendation to the Governor-General. However, should the Prime Minister make the recommendation to the Governor-General on grounds other than those contained in the Secretary's report, the applicant may be entitled to a further hearing (Spry, 1999).

Justice Hely held that Mr Barratt, the applicant, was entitled to procedural fairness because he is the holder of a 'public office', that is, the 'office of Secretary', and his appointment is regulated by the Public Service Act (para 12). His Honour stated that “At common law, and apart from statute, Crown servants hold office at the pleasure of the Crown, and may be dismissed at any time without notice, and for any reason, or for no reason. There is no right to be heard before dismissal” (para 7). However, as the Public Service Act now governs the appointment of the applicant, the common law position no longer holds, and the applicant cannot be dismissed at pleasure (Spry, 1999). He may only be dismissed in accordance with the terms of the Act, and any exercise of a power under the Act is 'subject to general public
law principles which govern the exercise of administrative discretions’ (para 12). The position of the applicant would be otherwise if his relationship with the Government were one of mere employee/employer. In that case, he would only be entitled to be heard before dismissal if the statutory contract of employment conferred such a right (para 11).

To consider the issues and the judgement of the Paul Barratt case in the context of our ‘ideal types’, we need to focus upon the proposed features of the HRM function: Separation-Termination as shown in Table 3.

**Table 3: Public Sector Employment Relationship Ideal Types - Separation**

<table>
<thead>
<tr>
<th>Separation</th>
<th>Open-competitive</th>
<th>Politicised</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination</td>
<td>Subject to formal performance requirements and review by an independent agency; life long or tenured employment</td>
<td>Subject to politician’s decision and discretion; fixed term employment</td>
</tr>
</tbody>
</table>

It would seem that the facts of the Barratt case quite clearly do not conform to the ‘open-competitive’ type. However, while the facts of the case more closely resemble those of the ‘politicised’ type, there are some qualifications or differences. Paul Barrett was appointed under a fixed term employment contract and the judgements in the Barrett case confirmed the right of the Prime Minister to terminate the Department Secretary’s employment without there necessarily being a fault on the part of the employee. These facts are consistent with a ‘politicised’ type. However, the Barrett judgement also found that the employee, as a holder of a public office, has a right to procedural fairness which requires that the person is entitled to be told the grounds upon which a recommendation for termination is made and is entitled to be heard in relation to those grounds or reasons, by the Secretary of Prime Minister and Cabinet. These rights may be seen to limit the politician’s discretion identified under the politicised type.

**CONCLUSION**

The focus of this paper has been upon developing an improved understanding of the implications of public policy for the employment relationship of senior public servants. It has been argued that despite the interest and importance attached to the notion of an ‘independent’ vis a vis ‘politicised’ public service, the meaning of politicization has remained imprecise. We have attempted to address this area of need by drawing on Weber’s ideal types and HRM taxonomies to develop a theoretical approach for assessing whether the employment relationship is politicised. The two case studies presented in the paper are based upon secondary data only and it is recognized that more in-depth research of the issues is needed in order to effectively test the ‘ideal types’ and the research approach outlined. However, by providing details of two exclusive and exhaustive types of HRM public sector functions, we would argue that we have advanced the cause of actually assessing whether or not particular public policies have resulted in a more politicised public service. Although our analysis primarily addresses the situation of public sector employment, it has significant implications for understanding how public policy as well as HR practices impact upon independence and control in the employment relationship more generally.

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WORK-FAMILY INTEGRATION IN THE UK – A REVIEW

Celia Stanworth¹, Niels-Erik Wergin and Geoff White

INTRODUCTION

In this paper we discuss the concept of work-family integration rather than the more popular term of work-life balance. Batt and Valcour (2003) consider work-family integration to be a situation where employees do not experience conflicts between work and family responsibilities and are able to reconcile both demands. Thus the focus of the paper is to ascertain how far UK workers are able to realise work-family integration, in particular through employer’s work policies and practices, and changes brought about by recent UK and EU legislation. The achievement of integration is also said to be advantageous to employers, in terms of the ‘business case’ - an imputed link between policies to underpin work-life integration and improved retention, a superior pool of recruits, greater commitment and stability, reduced absenteeism, and higher productivity and competitiveness (Walsh, 2005; DTI, 2004b; CIPD, 2006).

The issue of work-family integration has become central to public discussions in the UK for a number of reasons. It appears to be the latest phase in debates of the last two decades about the social construction of the labour supply, and the ‘denormalisation’ of the labour market (Ackers and Wilkinson, 2003), in terms of rising female participation, the growth of atypical employment and new tax/welfare regimes. It may be a ‘re-branding’ of the older concepts of flexibility and family-friendly working practices that gradually became devalued because of their narrow association only with women’s and more particularly mother’s problems of reconciling work and family responsibilities (Industrial Society, 2000). There is some evidence of a ‘family-friendly backlash’ from employee groups who perceive little personal benefit from such policies (Walsh, 2005). Work-life balance or integration is a more inclusive concept able to encompass the needs of sexes, acknowledging the role of fathers as parents, and widening the remit of employer’s obligations to include all types of caring, and even positive opportunities for self-development.

Clearly, demographic changes have also driven this debate. Besides the continuing rise in the labour market participation of women in the UK, with well over half of women with pre-school children working (Walsh, 2005) and two-thirds now returning to work after maternity leave (EOC, 2006), the population is ageing which can be expected to increase numbers of employees with caring responsibilities for elderly or dependent relatives (Taylor, undated; EOC, 2006). Family patterns in the UK have also changed from the traditional male sole breadwinner model to a dual-earner model. Around two-thirds of contemporary families conform to this pattern (Working Families, 2006). Overwork, stress and work intensification is a further issue. The UK has the longest working hours in Europe (Work Foundation, 2005), and working fathers tend to work even longer hours (EOC, 2006).

Prior to 1997, the stated policy of the UK Government was that how parents combined ‘their domestic responsibilities with their wish or need to work’ was essentially for them to decide in the light of personal circumstances (HMSO, 1995 cited in Scott, 1998, pg. 22). Since the election of a Labour government in 1997, however, work-life integration has moved up the political agenda, with a ‘paid work ethic’ (Taylor, undated) or salvation through work at the heart of its policies. It has actively encouraged more women to move into paid employment, as well as disadvantaged groups such as the disabled, lone mothers and the jobless (DTI, 2000). The Labour administration has also championed the development of childcare provision for working parents and a National Childcare Strategy was introduced in 1998. A Work-Life Balance campaign was launched in 2000 to encourage more employers to provide a range of flexible working practices (Walsh, 2005). Recent legislation has improved the rights of reduced hour’s workers, introduced parental leave, given rights to parents to request
flexible work, and extended maternity rights. All of these have put pressure on employers to evaluate and redesign policies to assist their employees to integrate work and non-work.

Other institutions and pressure groups in the UK have joined the debate, with trade unions and child care lobby groups supporting more intervention. Trade unions recognise that work-life integration is crucial to their survival and a way of attracting new female members (Ackers and El-Sawad, 2006). Giving workers greater choice about the hours they work and reducing the deleterious effects of work intensification is the current emphasis (TUC, 2006b; 2006c). Research by the TUC showed that work-life imbalance results in ill-health, but flexible work choices that are genuine are associated with higher job satisfaction and retention (TUC, 2006a). But integration has not yet been achieved according to a survey of parents (Working Families, 2006). Half of the respondents were unhappy with the balance of their lives; it was work that predominated and left too little time for family life. The Equal Opportunities Commission (EOC) is seeking a comprehensive framework of rights for both mothers and fathers, to promote culture change in organisations so that workers seeking flexible hours are not disadvantaged. The EOC feels that successful work-life integration has business benefits (EOC, 2006).

Conversely the employer’s organisation, the Confederation of British Industry (CBI), feels that recent employment law is unjustified, reflecting employers’ typical concerns about cost implications and their preference for voluntarism (Ackers and El-Sawad, 2006). In a recent survey 26 per cent of employers felt that legislation on work-life balance is having a negative impact on their business (CBI, 2004). The small firms lobby is also against ‘red tape’ and foresees problems of providing cover for maternity or paternity leave (Ackers and El-Sawad, 2006).

The Chartered Institute of Personnel and Development (CIPD), the UK professional body for HR specialists, is aware that work-life integration issues are often portrayed as a conflict of forces:

Between employers battling to enhance performance in the face of malingering employees and onerous and expensive employment legislation; and potential employees struggling to find working arrangements to suit their personal commitments, while those employed suffer overwork, excessive hours and stress. (CIPD, 2006, pg. 6)

However, the CIPD believes that these forces can be complementary rather than conflicting. A related issue is whether flexible working patterns put forward as ‘family-friendly’ are genuine, or merely a cloak for employer-driven priorities. Ackers and El-Sawad (2006) feel that business-driven demands predominate in the UK.

Against this background the rest of the paper is organised as follows. The next section lays out the legislative framework for work-family policies in the UK. Various types of working practices are then outlined, and their impact evaluated. Finally conclusions are drawn.

**LEGISLATIVE DEVELOPMENTS IN WORK-FAMILY INTEGRATION**

The development of legislation affecting work-family integration in the UK has been slow in comparison to most European countries. While the right to statutory maternity leave in the UK has existed since 1975, and to time off for antenatal care from 1980, it was only with the UK’s broader integration with ‘Social Europe’ after 1992 that a more meaningful raft of work-family legislation emerged. In response to the 1996 EU Parental Leave Directive the UK introduced new statutory entitlements to parental leave and time off for family emergencies under the Maternity and Parental Leave Regulations 1999, and the Employment Relations Act 1999.
The Employment Act 2003 further developed the legal framework by providing new or enhanced employee rights and state support. These included the extension of maternity leave to 26 weeks (regardless of service); paternity rights; paid adoption leave; the right for parents to request flexible working patterns; the right to unpaid parental leave to care for a child: and the right for all employees to take time off work to care for a dependent, including the elderly. According to the DTI (2003b, pg. 1):

these rights, together with existing rights to parental leave and time off for dependants, provide parents with more opportunities than ever before to balance work and family life, whilst being compatible with, and beneficial to, business efficiency.

The current state of play in the UK therefore provides for the following main areas of statutory provision for work-family policies.

**Maternity Leave.** Women in the UK are entitled to 26 weeks’ ordinary maternity leave, regardless of service. During the 26 weeks the woman is entitled to all normal terms and conditions of employment, except for remuneration (wages or salary). At the end, she has the right to return to her original job. If a redundancy situation arises the woman must be offered a suitable alternative vacancy and, if this is not available, she may be entitled to redundancy pay. A woman is entitled to statutory maternity pay (SMP) if she has been employed by her employer for a continuous period of at least 26 weeks ending with the 15th week before the expected week of childbirth. She must also have average earnings at least equal to the lower earnings limit for National Insurance contributions. SMP can be paid for up to 26 weeks and is payable by the employer (but partly reimbursed by the state for small businesses). Those not eligible for SMP may be entitled to Maternity Allowance paid by the Government for up to 26 weeks. Employees with 26 weeks’ continuous service by the beginning of the 14th week before the expected week of childbirth are also entitled to a further 26 weeks’ maternity leave (giving 52 weeks in total) during which their employment contract continues but with limited terms and conditions. Pregnant women are entitled to time off to attend antenatal care appointments.

**Paternity Leave.** Fathers who have worked continuously for at least 26 weeks, ending with the 15th week before the expected birth are entitled to one or two consecutive weeks’ paternity leave. Most employees are entitled to Statutory Paternity Pay (SPP) during this period – the rate being the same as SMP.

**Adoption Leave and Pay.** Adoption leave and pay are available to individuals who adopt, or one member of a couple that adopt jointly. The partner of the adopter may be entitled to paternity leave and pay. Adopters are entitled to 26 weeks’ ordinary adoption leave (normally paid leave) followed immediately by up to 26 weeks’ additional adoption leave. Adopters must have worked for their employer for at least 26 weeks before the adoption.

**Parental Leave.** Employees who have completed one year’s service with their employer are entitled to 13 weeks’ unpaid parental leave for each child born or adopted. The leave can be taken up to the child’s fifth birthday (or eighteenth in the case of a disabled child). Employees remain employed while on parental leave and some contractual terms, such as notice and redundancy, are retained.
Time off for dependents. All employees are entitled to a ‘reasonable’ amount of time off without pay to deal with an emergency involving a dependent, including the breakdown of childcare arrangements.

The right to flexible working. Parents of children under the age of six (or 18 in the case of a disabled child) have the right to apply to their employers to work more flexibly. The request can cover hours of work, times and place of work and may include requests for different patterns of work, such as flexi-time, home working, term-time working only, shift working, self-rostering and annualised hours. The employer can only refuse if there are clear business grounds for so doing.

Many UK employers provide benefits such as paid maternity and paternity leave at higher levels than the statutory minimum (in terms of remuneration but not necessarily length of leave), especially in the public sector. WERS 2004 found that, overall, 57 per cent of all workplaces provided fully-paid maternity leave (84 per cent of public sector workplaces) (Kersley et al., 2005, pg. 31). Fully-paid paternity leave or discretionary leave was provided by 55 per cent of workplaces (84 per cent of public sector workplaces). The results indicate that extra-statutory leave arrangements are more likely in larger workplaces and organisations and in workplaces where trade unions are recognised. On average, 16 weeks of fully-paid maternity leave were provided, and on average eight days fully-paid paternity leave. In contrast a recent survey of the South East region of England (Corby et al., 2005), found while 25 per cent of employers paid above the statutory minimum for maternity pay, only 14 per cent allowed more than the minimum maternity leave period.

Recent improvements in statutory rights appear to have led to changes. A survey of parents’ views on maternity and paternity rights and benefits conducted in 2005 (Smeaton and Marsh, 2005) found that increases in maternity leave and pay had been matched by increased take-up of leave, from an average of four to six months. Smeaton and Marsh (2005, pg. 1) found that as many returned to work as before (8 in 10) but ‘in 2005 mothers found fewer obstacles and greater flexibility that aided their return, including more part-time work’. The proportion that changed employer halved from 41 to 20 per cent. Fathers took more leave than previously around the birth of their child and reported more chances to work flexibly.

Following the publication of its ten year strategy for childcare (HM Treasury, 2004), the Government is in the process of passing new legislation – the Work and Families Bill. Entitlement to statutory maternity pay and maternity allowance will be extended from 26 to 39 weeks by women expecting babies after 1 April 2007 (with the goal of a year’s entitlement by the end of this Parliament). The Bill also extends the rights to paternity leave; extends the notice period for return to work after maternity to eight weeks; introduces ‘keep in touch’ days whereby a woman can go into work for a few days before the agreed date of return without jeopardising her right to maternity leave or SMP; and extending the rights of carers to request flexible working.

In the following sections we consider three main ways in which work-family integration may be achieved, although these are not mutually exclusive. These include: temporal flexibility or flexibility in working patterns to accommodate family responsibilities; flexibility in the location of work; and lastly support with the care of children and/or other dependents.

TEMPORAL FLEXIBILITY

Temporal flexible working allows flexibility in regard to times at which employees work. Some of these arrangements have the potential to be more adaptable than others: for example informal flexitime that can be altered from day-to-day. Such ‘high trust’ arrangements are more likely to be found in organisations where skills are hard to replace, and amongst professional, managerial and technical occupations. For example in a UK medical charity undertaking high level research, employees, in agreement with their line manager, are
allowed some discretion to adjust their working hours as long as work is completed (Matthews, 2006).

There are various types of temporal flexibility (some of which can be introduced concurrently): part-time work, flexitime, job-sharing, term-time working (for parents with children at school), compressed hours/working week (working same time as before, but on fewer days), time off in lieu (time-off instead of overtime pay), self-rostering (which allows employees to schedule their work), v-time (voluntarily reducing hours for a set period), and time accounts such as annual hours systems.

Temporal flexibility is important because it is, supposedly, one of the major tools enabling employees to achieve a better work-life balance (although this is not necessarily the case, as will be discussed later).

Against the background of a long hour’s culture, temporal flexibility seems particularly important, as it potentially enables employees who work long hours to fit them around important familial and social responsibilities. The UK has the longest average working hours in the EU. In 2002, men in full-time employment in the UK worked an average 45.5 hours per week, almost four hours more than the EU average (41.8 hours), while women in full-time employment worked 40.9 hours on average, about 1.5 hours more than the EU average (39.3) (Eurostat 2003, pg. 159). In 2006, almost a third of all males in employment, including the self-employed (30.3%), and almost one in ten of all females in employment (9.5%) worked more than 45 hours per week (ONS, 2006).

Temporal flexibility is important for another reason: there is a considerable shortfall of childcare places in the UK. This problem is amplified by the fact that the number of working mothers in the UK is increasing, and today, the majority of working women return to work within nine months of giving birth, compared to only 9% in 1971 (Belitz and Crossley-Holland, 2006, pg. 83). As a result, only a few mothers of young children are able to work full-time. In 2002, of the women whose youngest child was under the age of five, just over a third worked part-time, and only one in six worked full-time (ONS, 2003c, cited in Davies, 2004). The impact on fathers is much lower, as few fathers take time off to care for their children (ONS, 2003c).

The DTI-sponsored surveys Work-Life Balance 2000 (WLB1) (Hogarth et al., 2001) and the follow-up study Second Work-Life Balance Study (WLB2) (Woodland et al., 2003; Stevens et al., 2004) found that there is high demand for flexible working. However, employees sometimes had doubts about the feasibility of flexible working practices and concerns about the consequences of adopting them for job security and career prospects (Stevens et al., 2004, pg. viii).

In 2003 (before the statutory ‘right to ask’ was implemented), 17% of employees had made a request for flexible working practices within the last two years. Most of these requests were made by women, mothers, and parents whose youngest child was below the age of two. Almost a third of mothers (29%) had asked for flexible working practices, compared to only one ninth (12%) of fathers. The most common request was to reduce the hours of work (29% of all requests for any flexible working measures), while the second most common request (23%) was a change to when employees work (such as flexitime or compressed working weeks). Most of these requests (77%) were agreed, while one fifth of requests had been refused. Agreement rates did not vary significantly according to the size of establishment, employees’ occupations or length of service, or whether or not the request was made by a parent (Stevens et al., 2004, pg. xiv).

A key finding of the large, government-commissioned, survey Work-Life Balance 2000 (Hogarth et al., 2001) is that:
There was a substantial demand for flexible working time arrangements from employees. (…) More men wanted flexitime, compressed hours, and annualised hours than women. Women were more likely than men to want term-time working or reduced hours (pg. xiii).

The demand for temporal flexibility in the UK is relatively high. The most commonly requested measure was flexitime. WERS 2004 defines flexitime as ‘no set start or finish time, but an agreement to work a set number of hours per week or per month’ (Kersley et al., 2005, pg. 28). Formal schemes usually involve ‘core’ time when employees have to be present. More informal arrangements may allow employees to vary working hours to a greater extent as long as work is completed (see for example the case in DTI, 2004a). Thirty-five per cent of workplaces in the 2004 WERS offered flexitime to some employees, and the proportion of workplaces offering this form of arrangement had increased since the 1998 survey (Kersley et al., 2005). Flexitime appears to be available to both men and women, with just under half of employees saying that it would be available (DTI, 2004b). Men with dependent children were more likely to believe flexitime was available to them than those without. In a survey of employers in the South–East of England, flexitime was very common, and taken up by almost equal numbers of men and women where offered (Corby et al., 2005). This may be influenced by long commuting times, and the prevalence of financial services. Nationally, flexitime is associated with larger workplaces and office, skilled and managerial occupations (DTI, 2004b).

The second most common practice is reduced hours for a limited period of time, requested by around a third of employees. The least popular practice requested is job-sharing, affecting only one in six employees. Job sharing is various forms of sharing a whole job with someone else. Job sharing has been advocated for women with families, and is considered a pattern of work that could enable women managers to integrate work and family, although the actual take-up amongst managers has never been high, with half of UK employers reporting that managers were excluded from eligibility to work a job-share (DTI, 2003a). WERS 2004 found that 26 per cent of workplaces offered job sharing to some workers, and it had increased for non-managerial employees since the last survey in 1998 (Kersley et al., 2005). Similarly, the second DTI survey (2003b) found a rise in numbers of workplaces offering job sharing. Two-fifths of employees reported that they would be eligible to job-share, with women more likely to do so (DTI, 2004b).

Compressed working time is another form of time flexibility, and usually takes the form of nine day fortnights or a four and a half day week (Kersley et al., 2005), and can assist with work-life integration in terms of limiting hours of work, and regularity of time off. 16 per cent of workplaces in WERS 2004 offered compressed working time to some employees. Twenty per cent of employees considered they were eligible for this arrangement. A larger proportion in the DTI survey (30 per cent) felt they were eligible (2004a). The DTI employers’ survey (2003a) found that provision had more than doubled since the previous survey, but from a low base.

There were little differences in demand for all these practices between parents and non-parents, but there were between mothers and fathers (mothers were more likely to request part-time work, job-sharing or term-time only working), and demand also varied according to the age of the youngest child (parents with a child below the age of two were more likely to want to work flexitime, part-time or reduced hours for a limited period of time) (Stevens et al., 2004: xiv). Despite this relatively high demand, employees had doubts about whether several of these practices were feasible. While 58% of employees thought that job-sharing would be possible, only 17% thought that working during school terms only (term-time working) was feasible (Stevens et al., 2004, pg. xviii), and worried about the impacts of adopting these practices on their careers. However, only in the case of working reduced hours did more
employees think that this would affect their career prospects negatively (51%) than those who did not think so (38%) (Stevens et al., 2004, pg. xix).

The second work-life balance study showed a rather extensive availability of particular forms of temporal flexible working arrangements. The two most common forms, available to around two thirds of employees, are part-time working and working reduced hours for a limited period of time (67% and 62% respectively). These are the only two measures which are available to a majority of employees. The least available practice was working annualised hours, which was available to only a fifth of employees (Stevens et al., 2004, pg. 48ff).

Comparing data from the first and second work-life balance study shows some interesting changes. Overall, the availability of temporal flexible working practices has increased considerably from 2000-2003, with an increase in the availability of all measures. The biggest absolute increases were in the availability of working reduced hours for a limited period of time (+21 percentage points), working part time (+17) and job sharing (+9), while the biggest relative increases took place in the availability of working annualised hours and reduced hours, which both increased by more than half (+54% and +52% respectively), and working part-time, the availability of which increased by a third.

Just below half of those employees who had access to flexible working patterns had taken up at least one of them. The two practices with the highest take-up are flexitime and working term-time only, which had been taken up by about half of employees who had access to this practice, while the lowest take-up was for working reduced hours for a limited period of time (20%) and job-sharing (15%) (Stevens et al., 2004, pgs. 56ff). The fact that flexitime is the practice with the highest take-up is not surprising, as it is also the practice which is requested the most.¹

A study by White et al. (2003), using data from two British surveys,¹ investigated the effect of participating in flexitime schemes on employees’ WLB. More specifically, they investigated the negative job-to-home spill over, i.e. the ‘effects of work on time for partner/family as well as time for family responsibilities’ (pg. 181).¹ They found that flexitime significantly reduces negative spill over for women (and thus improving WLB), while having no effect on men. They also studied the impact of flexitime schemes in which employees have discretion over the hours worked in 1992 and 2000. They found that this practice improves WLB for women in both years – but not for men. For men in 1992, participating in this practice actually worsened WLB, basically because ‘men used their discretion chiefly to impose more work demands on themselves’ (pg. 190). However, this was no longer the case by 2000: the relationship for men now is a positive one, signifying an important shift in the perspective of males.

Most of the flexible working arrangements discussed in this section are more likely to be found in larger workplaces, in the public sector and where unions are recognized (Kersley et al., 2005), so that there are significant differences in access in terms of size of organisation, sector and the availability of union representation.

FLEXIBILITY IN THE LOCATION OF WORK

Location flexibility is related to work-life integration because of its potential to widen opportunities for people to participate and remain in employment (Ruiz and Walling, 2005). It can take various forms; for example working at home; work combining home and office; or work ‘on the move’. The former Trade and Industry secretary Patricia Hewitt argued that teleworking can help parents to care for young children, and in theory working from home can give more control over working time and reduce or eliminate commuting (Bargaining Report, 2001).
DTI surveys show that 15 per cent of workplaces had used home-based work in the last 12 months (DTI 2003a), a slight increase from the previous survey. WERS 2004 found 28 per cent of workplaces offering work at home, compared to 16 per cent in 1998 (Kersley et al., 2005). Twenty per cent of employee’s perceived work at home as an available option, similar to previous results in a DTI survey (2004a). Evidence is mixed, but home based work appears to be increasing from a relatively low base.

More than three million people were home workers in 2005 compared to 2.3 million in 1997. Of those, 2.4 million were ICT teleworkers, and this category had doubled since 1997 to 8 per cent of the UK workforce. Non-ICT home based work appears to be in decline, whereas ICT teleworking has greatly increased (Ruiz and Walling, 2005).

Teleworkers are mainly men (Ruiz and Walling, 2005), and 90 per cent of them work in managerial, professional and technical roles. Employees who perceived work at home as an option tended to occupy higher income brackets (DTI, 2004a). However, home workers who work mainly in their own homes are predominantly women (Ruiz and Walling, 2005) and tend to be in lower status, lower paid occupations (Stanworth, 1996).

What is the evidence that working at home assists in work-life integration? The DTI employee survey found it allowed greater freedom to choose working hours (2004a), but employers restricted home based working to certain occupations for practical reasons (DTI, 2003a). Employers may allow some flexibility but are not designing home based work primarily to accommodate carers (Bargaining Report, 2001). Increases in teleworking could indicate wider reliance on available technology rather than workers’ needs to balance work and home life (Ruiz and Walling, 2005). Felstead et al. (2005) conclude that the crucial driver is not work-life integration but cost-saving. By eliminating idle time and lengthening working hours, work can be intensified. Major savings are made from selling office space. Employers’ needs tend to take priority, and the discourse of family-friendliness may often be used to legitimize change.

Teleworking (especially ICT based forms) differs from most forms of temporal flexibility because it is more closely associated with workplaces dominated by men, and also typically involves high status workers. It has the potential to assist employees in work-life integration, but it is not always clear what employers’ motives are. In the case of teleworking, Felstead et al. (2005) feel that cost-containment and work intensification are more likely to be the drivers than meeting employees’ needs.

**SUPPORT FOR CARE OF CHILDREN AND DEPENDENTS**

The third way in which work-family integration can be achieved is readily available childcare provision or care for other dependents, such as the elderly. The Government’s commitment to improved childcare arrangements, both quantity and quality, was manifested in the National Childcare Strategy (see HM Treasury, 2004). The aims were to improve the quality of childcare; to enable more families to afford childcare; and to expand the number of childcare places and improve information about what was available (Rolfe, 2006). While originally the emphasis was upon access to childcare, more recently it has shifted to issues of quality and training the childcare workforce. Childcare workers form a growing section of the workforce. New income tax exemptions were introduced in April 2005 to encourage employers to set up childcare voucher schemes for their workers (IDS, 2005, pg. 2). Currently there is no tax or National Insurance contributions payable on the use of workplace nurseries.

Employer support for childcare can be financial help in the shape of childcare vouchers, subsidies for childcare costs (either non-workplace nurseries or childminders) or subsidised workplace nurseries. Only around five per cent of employers currently provide workplace nurseries (Bestbear.co.uk, 2006). Research by Corby and Stanworth in the South East of
England found that only 13 per cent of employers offered help with childcare and of those, workplace nurseries and childcare vouchers were the most popular measures (Corby et al., 2005).

According to the Office for Standards in Education (OFSTED), there are around 1.3 million registered child care places for under-8 year olds in England (Ofsted, 2003). This includes both pre-school provision and out-of-school provision for under-8 year olds. Full day care (which includes day nurseries and children’s centres) accounts for 31 per cent of all places and sessional day care (defined as day care for less than a four hour period each day) accounts for 20 per cent. Creche day care (defined as facilities that provide occasional day care) accounts for a further 2.5 per cent. Private registered childminders account for 23 per cent of registered places and out-of-school care (before or after the school day or during holidays) accounts for 23 per cent. The Government has shifted provision of pre- and after-school provision away from the ‘social model’ of urban funding for play schemes and out-of-school care schemes towards pump priming for private and voluntary provision. As Scott (1998, pg. 23) comments, this ‘was an unusual initiative for UK childcare since it focused on very specifically on the needs of employed parents and their children, rather than the needs of the children themselves’. On the other hand, Government intervention was seen as essential if market solutions and partnerships between local councils, employers and the voluntary sector were to fill the childcare gap. Rolfe (2006) argues that increasingly childcare is seen as not merely a service to enable women to work but also an important part of preparing children to succeed in education and hence part of achieving greater equality in the labour market.

CONCLUSIONS

One assumption of much of the WLB debate is that it can be achieved without imposing significant costs on employers. In terms of evidence, most research seems to agree that employees work best when they can achieve a good balance between work and personal life. The main advantages include ‘happier staff, improved commitment and, in some instances, an increase in productivity’ (Belitz and Crossley-Holland, 2006, pg. 84).

Both the TUC and the EOC argue that more flexible working hours, together with stricter regulations on long hours,¹ increase the motivation and commitment of employees, and thus help to raise productivity (MacInnes, 2005). According to the TUC, ‘pay rises are designed to reward, motivate and retain existing staff and be part of the package that recruits new staff. (...) But organising working hours more flexibly or shortening hours - can be just as important and achieve similar results’ (2006b, pg. 1).

However, much of this research appears to lack rigour, and there is a problem of differentiating the strength of various explanatory factors in the situation. In terms of some of the other imputed benefits of providing WLB, such as a better pool of recruits and reduced absence, there is a clear need for further research. Smeaton and Marsh’s work appears to lend support to the thesis that better WLB policies and practices may lead to better retention and possibly reduced absence, in terms of fewer women changing employers after the birth of a child, and reporting fewer obstacles to fitting work around family life (2005).

Regarding the imputed benefits for parents, White et al emphasize that in some cases there may be WLB benefits for one sex but not the other (2003). Traditional gender roles – the male breadwinner, female homemaker – may have been weakened in the UK but have certainly not disappeared, and still manifest themselves in the different ways in which men and women utilize flexible work practices.

Recent research in the UK shows that provision has increased, though whether this is because of operational reasons or an increase in enlightened employers is open to question! The recent ‘right to ask’ for flexible work by parents of younger children has not generally
posed problems for employers, and there is a high level of awareness of this legislation amongst both employers and parents at work. On the other hand, the Working Families survey (2006) found that parents wanted the law strengthened in terms of a right to work flexibly, as well as further enhancements to maternity and paternity pay and leave.

Though there is evidence of wider take-up by parents of WLB practices and more generous State provision for maternity and paternity, it is significant that working parents are still concerned about the effects of working flexibly on careers and job prospects. In particular, part-time work in the UK is very prevalent, and has well-researched negative effects particularly on women’s careers. One of the reasons for high levels of part-time work amongst mothers is the paucity of childcare in the UK and its high cost. The UK government is stepping in with its ten-year plan to increase all types of provision. Another unsolved problem is the UK’s long hour’s culture, with parents feeling that pressure on them to work long hours was even greater than for other groups (Working Families, 2006).

As a recent report on work-family integration (Swan and Cooper, 2005) found, around half of parents feel that that they lack a satisfactory balance between work and home. This is largely an issue of workplace culture, not just making family friendly policies available. It is making them acceptable for employees to take them up. The research found that parents want greater availability of flexible working and the legal right to work flexibly, along with improvements to maternity and paternity leave. As the authors comment, ‘at the root of what working families want, is time’.

REFERENCES


Data taken from table 45: ‘Average usual weekly hours of work in main job, for all employment’ (i.e. including self-employed). The numbers for full-time employees (i.e. excluding self-employed) in the UK are slightly lower: 44.9 hours for males (EU average: 39.9), 40.6 hours for females (EU average: 38.2). This represents a slight increase compared to the 1999 European Labour Force Survey (Eurostat 1999, quoted in Davies 2004). Average weekly working hours in the UK then were 45.2 for males (EU average: 41.2) and 40.7 for women (EU average: 39.0). All EU data for EU12

1 For a critique of the long-hours argument, see MacInnes, 2005.

1 This number includes home-working, but all other measures included are measures providing temporal flexibility.

1 In fact, the levels of demand and take-up for each respective practice are more or less the same, apart from working reduced hours, where demand is much higher than take up (probably because of a low perceived feasibility), and working during school term time only, where take-up is higher than demand (perhaps because parents often don’t even consider it if it is not available, but like the idea once it is made available).

1 Employment in Britain 1992, and Working in Britain 2000

1 In other words, the term ‘negative spillover’ basically describes the negative impacts of a long hours culture on employees’ partners and family lives.

1 The latter is crucial, as research has shown (cf. supra) that increased flexibility in working hours without strict limits on the number of hours worked often leads to longer working hours.
A STUDY ON THE RELATIONSHIP OF TEACHERS’ PERCEPTIONS BETWEEN THE PRINCIPALS’ LEADERSHIP STYLE AND ORGANIZATIONAL CITIZENSHIP BEHAVIOURS OF THE VOCATIONAL HIGH SCHOOLS IN TAIWAN

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BACKGROUND AND MOTIVATION

Polytechnic education has played an extremely important role in Taiwan’s economic development. In the period from 1951 to 1986, Taiwan’s economic structure was highly labour-intensive and medium to low technology-intensive. During this period, the polytechnic system produced uncounted numbers of basic technical and management personnel, who made numerous contributions to the nation’s economy. As we enter the information economy of the 21st century, however, Taiwan’s economic structure and supply and demand for technical personnel are undergoing rapid changes due to globalisation, computerization, and industrial specialization.

According to statistics released by the ROC Ministry of Education (2005), both the number of senior vocational high schools and the number of students in these schools are declining year by year. In addition, 160 public and private schools have joined in the “combined vocational and senior high school program” so that the ratio of vocational senior high schools and regular senior high schools is now 5.5:4.5 or higher. Furthermore, as the birth-rate has also dropped over the years, the number of students entering the educational system has also decreased. With the number of schools still increasing, vocational high school enrolment faces a dilemma, and the schools’ development, even survival, will be severely tested.

Due to trends in globalization and liberalization, changes in the domestic environment, social development, industry’s needs, and individual student needs, in 2001 educational leaders in the government and polytechnic system policy makers advocated abandoning vocational high schools, and switching over completely to comprehensive high schools. The Ministry of Education convened scholars, experts, school representatives, and industry representatives, and after wide-ranging discussions reached a consensus on preserving the diversity of intermediate education in the future. Vocational high schools should improve students’ basic abilities and delay specialization; they should cultivate students’ professionalism and creative abilities; they should implement general education, strengthen professional morals, and shape a consensus and general principles of ethics.

C. H. Lin (2004) and Y. C. Tseng (2004) conducted an empirical study of teacher organizational commitment and school effectiveness and found that teacher organizational commitment has a clear direct relation to schools’ organizational effectiveness; it also has a predictive value for school effectiveness.

According to Organ (1988), organizational citizenship behaviour is an unconditional, natural, but informal role, yet it can improve actual organizational functions. Organizational citizenship behaviour is a non-role behaviour, which can stimulate more effective distribution of financial and human resources in an organization. Borman & Motowidlo (1993) note that although the theoretical value of organizational citizenship behaviour and other emotive factors to organizational effectiveness is not clear, these emotive factors will become even more important in the future. The research of Podsakoff & MacKenzie (1994) indicates that organizational citizenship behaviour does indeed have an important effect on achieving organizational goals. Podsakoff, Ahearne, & MacKenzie (1997) studied assembly line workers and discovered that organizational citizenship behaviour had a clear and direct relationship with the quality and quantity of work.

The main task of vocational high school principals today is to adapt to the changing domestic and foreign environment and times, to lead the students and teachers in effective change, to help the school transform and develop, to raise school effectiveness, and to achieve the educational goals of the vocational high school. However, faced with the complex, open school's of today, one must successfully play the part of a team pilot, in order to fulfil the mission of a principal. As the Chinese expression says, “a teacher passes on culture, imparts knowledge, and answers questions,” the teacher is responsible for the work of cultivating the individual whether the principal and teachers can establish a consensus in a harmonious atmosphere, build a vision, and organize an effective educational team depends entirely on the principal’s leadership abilities, thus principal leadership style, teacher commitment to the school and their voluntary citizenship behaviour in the school will all influence the results of school transformation and change.

Inadequacies of previous research

During preparation for this study, after collecting, reviewing, and analysing previous literature, the authors discovered that studies of principal leadership, and teacher organizational trust, teacher organizational commitment, teacher organizational citizenship behaviour, teacher empowerment, organizational atmosphere, school effectiveness, school atmosphere, school operation, and school-centred management, focused on public middle and elementary schools. Research on senior high schools was lacking, or limited to regular high schools or regional schools, or did not otherwise include public and private vocational high schools. The results of this research are hard to apply to all public and private vocational high schools in Taiwan. The scope of this study includes all public and private vocational high schools in Taiwan. The sample considers the numerical balance of public and private schools and the regional representativeness of the sample schools; it also strikes a balance between the different types of vocational high school. This study therefore should be able to collect relatively complete and accurate data, and obtain relatively objective results.

Suggestions

The authors of this study served for extended periods in vocational high schools, and noted that in public and private vocational high schools, principal leadership style, organizational atmosphere, teacher organizational commitment, teacher organizational citizenship behaviour, and school effectiveness often differed greatly. Although many factors influence school effectiveness, the principal’s leadership style, teacher organizational commitment, and teacher organizational citizenship behaviour are key. As vocational high schools now face the question of continuation, transformation, and change, the authors believe that only with a clear grasp of the current situation of vocational high schools can effective policy be
made. Using as a research population teachers in all public and private senior vocational high schools in Taiwan, the authors have attempted, on the basis of many years of service in vocational high schools, to conduct a questionnaire survey. The empirical analysis used multivariate statistical analysis to undertake quantitative data analysis, and after classifying and analysing the data, drawing research conclusions. Based on these conclusions and analysis of the literature, suggestions directed to educational policy-makers, principals, and teachers, are presented for improving the effectiveness of vocational high schools.

**RESEARCH OBJECTIVES**

Based on the background and motives presented above, the objectives of this research are:
1. To survey teacher perceptions of principal leadership style.
2. To survey teacher perceptions of organizational commitments.
3. To survey teacher perceptions of organizational citizenship behaviours.
4. To analyse divergences in perceptions of the principals’ leadership style, organizational commitments and organizational citizenship behaviours among teachers with differing backgrounds.
5. To explore the relationship between teachers perceptions of the principals’ leadership style, organizational commitments and organizational citizenship behaviours.
6. To explore the predictive validity of variations in teacher backgrounds and teacher perceptions of principal leadership style on organizational commitments and organizational citizenship behaviours.

**METHODOLOGY**

This study employed a questionnaire survey. Prior to creating the questionnaire, the authors collected data on principal leadership style, teacher organizational commitment and organizational citizenship behaviours, including domestic master’s theses, doctoral dissertations, periodicals, journals and recent MOE documents. From these the authors reconsidered theoretical bases and data; and also at the same time, after going through the analysis of different types of data, to make contents of research designs and questionnaire investigations accordingly. After obtaining data through questionnaire investigation, the analysis is categorized and synthesized, bringing up research discoveries, and finally, the conclusions and suggestions of this research are written.

**LITERATURE REVIEW AND ANALYSIS**

The contents of this chapter include: 1. leadership theory, leadership style, and related research; 2. organizational commitment theory and related research; 3. organizational citizenship behaviour theory and related research; 4. independent variables.

**I. The leadership theories and related researches**

The extent of leadership studies is very wide, because the researchers explore the concept of leadership from different viewpoints, such as trait theories, behavioural theories, contingency theories, transformational theories, transactional theories, laissez-faire theories, charismatic leadership theories and leader-member exchange theories, etc.

**II. The organizational commitment theories and related researches**

In order to obtain research methods and tools to study organizational commitment, the contents studied include: the origin of organizational commitment, the definition of organizational commitment, types of organizational commitment, the influence of organizational commitment, and research models for organizational commitment.
III. Organizational citizenship behaviour theories and related researches

Areas studied include: the concept of organizational citizenship behaviour, the origin of organizational citizenship behaviour, the definition of organizational citizenship behaviour, the research dimensions of organizational citizenship behaviour, and the influence of organizational citizenship behaviour.

IV. Background variables

Based on the research objectives, the following independent variables were chosen: the gender of teachers, the age of teachers, the teaching experience of teachers, the education level of teachers, the position of teachers, the attribution of schools, the scale of schools and related researches.

RESEARCH DESIGNS AND PROCEDURES

I. Research tools

This study used questionnaire surveys. The authors designed three surveys on the following subjects: 1. teachers' perceptions of the principals' leadership style; 2. teachers' organizational commitments; 3. teachers' organizational citizenship behaviours. The questionnaires were amended, under the guidance of 18 experts, before being used to collect the necessary data for the research.

The questionnaires include two parts: basic background data, including related background factors; and questions, investigating the relationship between teachers' perceptions of principals' leadership style, organizational commitments and organizational citizenship behaviours.

II. Test of reliability and validity

The reliability and validity of the questionnaires of this research were tested in two stages: 315 valid responses were obtained from a pre-test on 30 April, 2005; another 395 valid responses were obtained from a partial formal test on 14 May, 2005. After coding, the coefficients of reliability and validity of those two stages were carried out.

1. Reliability test

The internal consistency of the degree of the questionnaires of this research is according to the coefficient of the internal consistency of Cronbach and is used for testing. The total measurement table of the coefficient of the internal consistency of Cronbach α were collected as table 1. Through this we can see that the internal consistency of the degree of the questionnaires of this research is reliable. The coefficients of reliability of questionnaires are shown as table 1.

<table>
<thead>
<tr>
<th></th>
<th>Cronbach α of pretest</th>
<th>Cronbach α of Partial formal measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>.98</td>
<td>.97</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>.95</td>
<td>.93</td>
</tr>
<tr>
<td>Laissez-faire leadership</td>
<td>.79</td>
<td>.90</td>
</tr>
<tr>
<td>Teacher's organizational commitment</td>
<td>.96</td>
<td>.96</td>
</tr>
<tr>
<td>Teacher's organizational citizenship behaviour</td>
<td>.96</td>
<td>.94</td>
</tr>
<tr>
<td>Samples</td>
<td>315</td>
<td>395</td>
</tr>
<tr>
<td>Date</td>
<td>2005.04.30</td>
<td>2005.05.14</td>
</tr>
</tbody>
</table>
2. Validity test
The validity of the questionnaires of this research gives priority to test like the content validity and structure validity.

a. Content validity
Regarding content validity, the drafting of the questionnaires of this study is through the related literatures and essential researches, such as leadership theory, leadership style, leadership behaviour, organizational commitment, and organizational citizenship behaviour, and was based on analysis of data from the MOE, and other studies, including 8 doctoral dissertations and 3 master’s theses like S. J. Lin (1992), C. S. Chang (1996), R. C. Chang (1998), C.H. Tsai (2000), Y.J. Chen (2001), D.R. Hsu (2002), C.F. Mo (2002), C.W. Fun (2002), Y.S. Lin (2003), Y.H. Kuo (2003) and C.F. Tseng (2004), and the related opinions related to the questionnaires of principal’s leadership style, teacher’s organizational commitment and teacher’s organizational citizenship behaviour were completed after the arrangements of the generalizations. Finally, the questionnaires were finished under the guidance of 18 expert learners, so the content validity is effective.

b. Structure validity.
Regarding structure validity, the different factors of every pretested questionnaire weighted measurement reached 0.64 and above, the accumulative variance explained was above 71.39%; the different factors of every formal questionnaire weighted measurement reached 0.63 and above, the accumulative variance explained was above 72.88%. Hence, there should be effective degree of structure validity of the questionnaires of this research.

PROCEDURES
There are 15,283 teachers in 160 vocational high schools in the Taiwan area. A sample of 1,455 teachers was obtained from 42 schools located in different administration regions of our country. Finally, there were 1,230 valid responses from the survey of the target teachers shown as table 2. The data was mainly analysed through descriptive and inferential statistics, including one-way MANOVA, one-way ANOVA, Pearson product-moment correlation, and multiple regression analysis. After the data was analysed, the main findings can be classified in the research results of this research.

<table>
<thead>
<tr>
<th>Administration region</th>
<th>Taiwan provincial</th>
<th>Taipei city</th>
<th>Kaohsiung city</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samples</td>
<td>1,035</td>
<td>100</td>
<td>95</td>
<td>1,230</td>
</tr>
<tr>
<td>Sampled ratio</td>
<td>84.1%</td>
<td>8.1%</td>
<td>7.8%</td>
<td>100%</td>
</tr>
</tbody>
</table>

RESEARCH RESULTS
- The analysis of current situation
The current situation of the teacher’s perceptions of principals’ leadership style, organizational commitment, and organizational citizenship behaviour were analysed through t test. The analysis result was shown as table 3, table 4, and table 5.
Table 3: The means of the dimensions of principals' leadership style

<table>
<thead>
<tr>
<th>Principals' leadership style</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The dimensions of transformational leadership</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building shared vision</td>
<td>3.83</td>
<td>.73</td>
<td>1230</td>
</tr>
<tr>
<td>Idealized influence</td>
<td>3.92</td>
<td>.79</td>
<td>1230</td>
</tr>
<tr>
<td>Inspirational motivation</td>
<td>3.90</td>
<td>.71</td>
<td>1230</td>
</tr>
<tr>
<td>Intellectual stimulation</td>
<td>3.77</td>
<td>.79</td>
<td>1230</td>
</tr>
<tr>
<td>Individualized consideration</td>
<td>3.60</td>
<td>.82</td>
<td>1230</td>
</tr>
<tr>
<td><strong>subtotal</strong></td>
<td>3.80</td>
<td>.70</td>
<td>1230</td>
</tr>
<tr>
<td><strong>The dimensions of transactional leadership</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingent reward</td>
<td>3.73</td>
<td>.73</td>
<td>1230</td>
</tr>
<tr>
<td>Management by exception</td>
<td>3.72</td>
<td>.64</td>
<td>1230</td>
</tr>
<tr>
<td><strong>subtotal</strong></td>
<td>3.72</td>
<td>.63</td>
<td>1230</td>
</tr>
<tr>
<td><strong>The dimension of laissez-faire leadership</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laissez-faire</td>
<td>2.06</td>
<td>.74</td>
<td>1230</td>
</tr>
<tr>
<td><strong>subtotal</strong></td>
<td>2.06</td>
<td>.74</td>
<td>1230</td>
</tr>
</tbody>
</table>

Table 4: The means of the dimensions of teachers' organizational commitments

<table>
<thead>
<tr>
<th>The dimensions of teacher's organizational commitment</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value commitment</td>
<td>3.96</td>
<td>.72</td>
<td>1230</td>
</tr>
<tr>
<td>Effort commitment</td>
<td>4.14</td>
<td>.60</td>
<td>1230</td>
</tr>
<tr>
<td>Retention commitment</td>
<td>4.00</td>
<td>.73</td>
<td>1230</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.03</td>
<td>.62</td>
<td>1230</td>
</tr>
</tbody>
</table>

Table 5: The means of the dimensions of teachers' organizational citizenship behaviours

<table>
<thead>
<tr>
<th>The dimensions of teacher's organizational citizenship behaviour</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Samples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification with the school</td>
<td>3.90</td>
<td>.63</td>
<td>1230</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>4.26</td>
<td>.49</td>
<td>1230</td>
</tr>
<tr>
<td>Altruism toward colleagues</td>
<td>4.18</td>
<td>.51</td>
<td>1230</td>
</tr>
<tr>
<td>Organizational compliance</td>
<td>3.64</td>
<td>.83</td>
<td>1230</td>
</tr>
<tr>
<td>Self development</td>
<td>4.14</td>
<td>.55</td>
<td>1230</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4.03</td>
<td>.46</td>
<td>1230</td>
</tr>
</tbody>
</table>

- The analysis of variance
  There are seven independent variables in this study: 1. teacher gender; 2. teacher age; 3. teacher educational level; 4. teaching experience; 5. teacher position; 6. attribution of schools; 7. scales of schools. The variance within each independent variable was analysed through descriptive and inferential statistics, including t test, one-way MNOVA, or one-way ANOVA and Scheffé method. The data of analysis results were classified to some conclusions, and the conclusions were stated in the conclusions of this research.

- The analysis of relationship
  The relationship between principals' transformational leadership and teachers' organizational commitment were analysed through Pearson product-moment correlation. The analysis result was shown as table 6, table 7, and table 8.
Table 6: The relationship between the dimensions of principals' transformational leadership and teachers' organizational commitment

<table>
<thead>
<tr>
<th>Transformational leadership</th>
<th>Transactional leadership</th>
<th>Laissez-faire leadership</th>
<th>Organizational commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>1.000</td>
<td>.791</td>
<td>-.411</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>.791</td>
<td>1.000</td>
<td>-.437</td>
</tr>
<tr>
<td>Laissez-faire leadership</td>
<td>-.411</td>
<td>-.437</td>
<td>1.000</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>.648</td>
<td>.569</td>
<td>-.361</td>
</tr>
</tbody>
</table>

P<.01 (2-tailed); samples: 1230

Table 7: The relationship between the dimensions of principals' transformational leadership and teachers' organizational citizenship behaviour

<table>
<thead>
<tr>
<th>Transformational leadership</th>
<th>Transactional leadership</th>
<th>Laissez-faire leadership</th>
<th>Organizational citizenship behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformational leadership</td>
<td>1.000</td>
<td>.791</td>
<td>-.411</td>
</tr>
<tr>
<td>Transactional leadership</td>
<td>.791</td>
<td>1.000</td>
<td>-.437</td>
</tr>
<tr>
<td>Laissez-faire leadership</td>
<td>-.411</td>
<td>-.437</td>
<td>1.000</td>
</tr>
<tr>
<td>Organizational citizenship</td>
<td>.542</td>
<td>.542</td>
<td>-.458</td>
</tr>
</tbody>
</table>

P<.01 (2-tailed); samples: 1230

Table 8: The relationship between the dimensions of teachers' organizational commitment and organizational citizenship behaviour

<table>
<thead>
<tr>
<th>Organizational commitment</th>
<th>Organizational citizenship behaviour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.000</td>
<td>.728</td>
</tr>
<tr>
<td>.728</td>
<td>1.000</td>
</tr>
</tbody>
</table>

P<.01 (2-tailed); samples: 1230

• The analysis of prediction
In order to explore the prediction of the teachers’ perceptions of organizational commitment and organizational citizenship behaviour with the background factors and the dimensions of principals’ leadership style, the data was mainly analysed through stepwise multiple regression analysis. The analysis result was shown as table 9 and table 10.

Table 9: The summary of teachers’ organizational commitment by stepwise multiple regression analysis

<table>
<thead>
<tr>
<th>R</th>
<th>R²</th>
<th>ΔR²</th>
<th>F</th>
<th>ΔF</th>
<th>Raw coef</th>
<th>Std coef</th>
</tr>
</thead>
<tbody>
<tr>
<td>constant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.859</td>
<td></td>
</tr>
<tr>
<td>1. Transformational leadership</td>
<td>.648</td>
<td>.420</td>
<td>.420</td>
<td>889.469</td>
<td>889.469</td>
<td>.426**</td>
</tr>
</tbody>
</table>
### Table 10: The summary of teachers' organizational citizenship behaviour by stepwise multiple regression analysis

<table>
<thead>
<tr>
<th>R</th>
<th>R²</th>
<th>( \Delta R^2 )</th>
<th>F</th>
<th>( \Delta F )</th>
<th>Raw coef</th>
<th>Std coef</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Transformational leadership</td>
<td>.542</td>
<td>.293</td>
<td>.293</td>
<td>510.064</td>
<td>510.064</td>
<td>.155 **</td>
</tr>
<tr>
<td>2. Laissez-faire leadership</td>
<td>.600</td>
<td>.360</td>
<td>.067</td>
<td>345.130</td>
<td>127.607</td>
<td>-.157 **</td>
</tr>
<tr>
<td>3. Transactional leadership</td>
<td>.615</td>
<td>.379</td>
<td>.019</td>
<td>248.951</td>
<td>36.579</td>
<td>.164 **</td>
</tr>
<tr>
<td>4. Career experience</td>
<td>.625</td>
<td>.390</td>
<td>.011</td>
<td>195.833</td>
<td>23.049</td>
<td>.381 *</td>
</tr>
<tr>
<td>5. Scale of schools</td>
<td>.626</td>
<td>.392</td>
<td>.002</td>
<td>158.127</td>
<td>4.843</td>
<td>-.065 *</td>
</tr>
<tr>
<td>6. Teacher's age</td>
<td>.628</td>
<td>.395</td>
<td>.002</td>
<td>132.831</td>
<td>4.253</td>
<td>.258 *</td>
</tr>
</tbody>
</table>

* p<.01, * p<.05; samples: 1230

### CONCLUSIONS

Based on the research discovery and discussions, problems against research objectives and answers, this paragraph suggested the following conclusions.

1. Teachers' perceptions of principals' transformational leadership and principals' transactional leadership in vocational high school were above average.
2. Teachers' perceptions of principals' laissez-faire leadership style were below average.
3. Teachers' perceptions of organizational commitments in vocational high school were above average.
4. Teacher's perceptions of organizational citizenship behaviours in vocational high school were above average level.
5. The background variables of age, years of service, position of service, attribution of schools, and scales of schools resulted in significant differences in teacher perceptions of principals' transformational leadership and principals' transactional leadership, but no teachers' gender and educational background did not.
6. The background variable of position of service resulted in significant differences in teachers' perceptions of principals' laissez-faire leadership, but teachers' age, years of service, position of service, educational background, attribution of schools, and scales of schools did not.
7. The background variables of gender, age, years of service, position of service, attribution of schools, and scales of schools resulted in significant differences of
teachers’ perceptions of organizational commitments, but teachers’ educational background did not.

8. The background variables of age, years of service, position of service, and scales of schools resulted in significant differences of teachers’ perceptions of organizational citizenship behaviours, but teachers’ gender, educational background, and attribution of schools did not.

9. The relationship between principals’ transformational leadership and principals’ transactional leadership with teachers’ organizational commitments were both statistically significant positive. The relationship between the principals’ laissez-faire leadership with teachers’ organizational commitments were statistically significant but the correlation was negative.

10. The relationship between the principals’ transformational leadership and principals’ transactional leadership with teachers’ organizational citizenship behaviours were both statistically significant and the correlation was positive. The relationship between the principals’ laissez-faire leadership with teachers’ organizational citizenship behaviours were statistically significant, but the correlation negative.

11. The relationship between the teachers’ organizational commitments with citizenship behaviours were statistically significant.

12. The predicates (background variables and the principals’ leadership style) had significant predictive ability for teacher commitment.

13. The predicates (background variables and the principals’ leadership style) had significant predictive ability for teacher organizational citizenship behaviours.

SUGGESTIONS

Based on the literature review, research discoveries and conclusions, the authors offer the following suggestions:

I. Suggestions to educational policy-makers
   1. The performance of “the rule of appointment and examination of senior high school’s principal” is good, and should be executed conscientiously.
   2. More conferences or advanced studies on principal leadership should be held.
   3. The performance of “the evaluation of vocational high schools” is effective, and should be executed conscientiously.

II. Suggestions to vocational high school principals
   1. The style of transformational leadership and transactional leadership is beneficial.
   2. Laissez-faire leadership is an unsuitable leadership style for principals.
   3. Public vocational high schools principals should strengthen performance in areas of transformational leadership, such as “idealized influence”, “inspirational motivation”, “intellectual stimulation”, and “individualized consideration”.
   4. Principals of private vocational high schools should overcome difficulties, and continuously improve salary, reward, welfare, job guarantee, and the opportunities of advanced studies, to keep talented teachers.
   5. The principals should excite the young teachers’ motivation to promote the expression of organizational commitment and organizational citizenship behaviour.
   6. The principals should select excellent teachers give them a suitable position, and they will do their best.

III. Suggestions to vocational high school teachers
   1. Teachers should pursue lifelong learning, and participate in advanced studies to improve their professional ability.
   2. Teachers should attend administration meetings, and take the responsibility for advancing opinions.
REFERENCES


Political background

In recent years the foundations of the European welfare state are being persistently reconsidered. The solidarity is getting to be restricted to those who are unable to receive a sufficient income, and the adherents of the economically more competitive and socially more “hard” Anglo-Saxon model are becoming more influential. Employers wish to share the burdens of competition with employees, and politicians seek to shift the responsibility for employment from the state to individuals.

The general flexibilization of employment relations is already adopted by the European Union as a means to enhance economic performance and to support sustainable development. It has resulted in an increase of unemployment and in a disproportional growth of the number of atypically employed (like part-time, fixed-term) or self-employed (EUROSTAT 2005). The atypical employment is not only less secure but also provides fewer career prospects and training chances (OECD 2002b, p. 156–159). Besides, it often disqualifies workers from social benefits, since the eligibility of the atypically employed is substantially lower than that of permanently employed (OECD 2002b, p. 131).

The flexibilization of employment relations resulted in a new labour market situation. In case of low wages or part-time jobs the “net incomes gained [are often] smaller than the loss of out-of-work benefits” (OECD 2004, p. 14). In other words, the Anglo-Saxon model transferred to continental Europe turned out to discourage a significant fraction of labour force from active labour market participation.

To resolve this paradox, the policy “make work pay” has been launched (the Harz IV-reform is the German implementation of European policy “make work pay”). It is “characterized by a trade-off between income protection and maximizing the financial gain from work” (OECD 2004, p. 92). It is aimed at stimulating employment by different work incentives, in particular by reducing “the part of the in-work earning that is, upon entering employment, “taxed away” by the combined effect of higher taxes and lower benefits” (OECD 2004, p. 13). However, the efficiency of these measures remains questionable in the background of growing part-time, temporary, and low-paid employment.

The unambiguously consistent measure of the policy “make work pay” is penalizing low personal responsibility for being unemployed. Security benefits are reduced to those who do not participate in training programs and, generally, who are inactive in looking for a new job. The unemployed are thereby forced to accept unfavorable working conditions, which puts in question collective agreements on wages, working hours and other key issues of bargaining of trade unions and employers.

These policies put pressure on social security the generosity of which is an obstacle to make work pay. The generosity of the social security guarantees that the unemployed will not accept any job offer and become “strike breakers” in the long-running trade union struggle for labour rights. Therefore, an adequate evaluation of the generosity of social security is more than just an academic question but rather a political argument in negotiations of trade unions with national governments.
Measuring social security

In spite of a visible roll-back of European welfare from the level of the 1980s, most empirical studies fail to detect a substantial decline in public support (PETTERSEN 1995, TAYLOR-GOOPY 1998, ROLLER 1999, VAN OORSCHOT 1999, and MAU 2001). The illusion that social solidarity remains in force weakens the position of European welfarism, making an impression that minor improvements are sufficient to adjust social security to current needs. The focus made on governmental expenditures for social support (for references see ADEMA AND LADAIGUE 2005) is misleading because it does not take into account increasing living costs and flexibilization of employment relations with longer periods of unemployment and lower specific payoffs per capita/months.


This unifying approach paved the way for implementing national social security and taxation rules in the OECD Tax-Benefit Models, also available form the OECD web-page, which derives social security benefits, net incomes, and other parameters for 28 OECD countries. In particular, these models have been used to empirically estimate the efficiency of social security with regard to the statistics on household incomes in labour market transitions; see IMMERVOLL AND O’DONOGHUE (2003) and IMMERVOLL ET AL. (2005).

In continuation of these studies, the given paper suggests a (micro-)census-simulating model which combines both empirical and institutional (= rule-based) features. The idea is to use the OECD models to normatively derive individual answers of unemployed from their personal situations, which statistical distribution is empirically known (= demographic data in the terminology of Eurostat Labour Force Survey).

Micro-census-simulating model

The (micro-)census-simulating model is based on the following steps:

- The unemployed are divided into demographically homogeneous groups with equal eligibility to social security benefits and with equal tax liability. Namely, we consider 103950 groups of unemployed resulting from their cross-tabulation by:
  - 22 European countries
  - five age levels: 20±5, 30±5, 40±5, 50±5, 60±5 years
  - three types of family: single, one-earner couple, two-earner couple
  - different number of children: 0–4
  - six earnings levels: 40, 50, 67, 100, 150, and 200% of the national average production wage (the OECD reference)
  - nine unemployment duration levels: just become unemployed, <1 month, 1–2, 3–5, 6–11, 12–17, 18–23, 24–47, over 47 months (as in variable DURUNE of the Eurostat Labour Force Survey), see TANGIAN (2005b) for more details.

- The social benefits, equal for all members of the group, are calculated according to the actual national rules. It is made with the OECD Tax-Benefit Models which input the data on personal situation and output the normative net social benefits. In the context of our study, the OECD Models replace individual interviews. Since the groups are homogeneous, it suffices “to interview one single representative”, meaning that the results hold for the whole group. The social benefits taken into account by the OECD model include
  - unemployment insurance
  - unemployment assistance
  - social assistance
- housing benefits
- family benefits
- lone-parent benefits
- employment conditional benefits
- childcare benefits

The social security coverage of each group of unemployed is characterized by the net replacement rate (NRR) which is the previous-to-current net income ratio. The OECD model computes the net income by adding earnings and social benefits and by subtracting taxes, depending on earnings and family status. The national NRR is calculated as the weighted average of the NRRs of all the 103950 unemployment groups. Their sizes are given by the Eurostat cross-tabulation of the population. In other words, the Eurostat provides the statistics on individual interviews.

- The national average NRR is used as an indicator of social security. It shows the average degree with which social benefits compensate the loss of preceding earnings.

**Average production wage (APW)**

The *Average Production Wage* (APW) is a measurement unit in many Eurostat and OECD studies. It is calculated on yearly basis for manufacturing workers in full-time employment. A summary of the calculation procedure can be found in OECD (2004, p. 131); for details see OECD (2003).

The use of APW in a study on social security allows us to express social benefits in terms of national standards which considerably vary all over Europe. The APW suggests a “normal” wage as a reference for “normal” social security benefits which generosity can be hardly expressed in absolute figures. Therefore the APW is useful in situations where money values have relative meanings.

The dynamics of national APW’s is shown in Figure 1. As one can see, the last decade exhibited a sustainable growth of wages in Europe with a few exceptions in last two years in Switzerland, Norway, United Kingdom, and Poland with an approximately equal decline in absolute figures. It should be emphasized that for Poland the decline is about 24%APW, whereas for the other countries it is much less significant (6, 11, and 8%, respectively).

Referring to the APW as a unit of wage measurement, it should be taken into account that its decrease implies a relative increase of social benefits. This is the case of Poland with the 24% wage reduction in 2002–2004. It implies that the social benefits, having remained untouched, looked “more generous”. This is exactly the same effect as after a national currency has been devaluated, imported goods appear to be more expensive (see figure 1).
Net-income replacement rate (NRR)

The goal of social security is to compensate the loss of earnings and to provide means of existence for those who do not work. The first phase of unemployment is therefore strongly conditioned by the previous earnings, but the longer the unemployment, the more the social benefits approach some fixed level conditioned rather by the family situation (spouse, income of spouse, number of children, etc.).

The generosity of social security for unemployed is defined to be the previous-to-current net income ratio, expressed in percent of previous net earnings, called Net Replacement Rate (NRR). The NRR tends to decrease with the duration of unemployment, but in some countries, like Denmark, can increase due to transition from unemployment insurance to a...
(surprisingly) more generous social assistance.

The dynamics of NRR depends on previous earnings, age, working record, and family situation. The OECD reference case (one-earner couple with 2 children, 40 year-old earner, 22 years working record, earnings before unemployment 100% APW) for 2004 is depicted in Figure 2 computed with the OECD Tax-Benefit Models. This figure is the 2004-update of the 2002-Figure 3.1b in p. 101 (OECD 2004). These curves are normative, that is, rule-based and are derived from national eligibility conditions with no use of any empirical data. For instance, the black solid line for Germany exhibits a decrease after the first year of unemployment. It indicates a reduction of social benefits caused by transition from unemployment insurance to a less generous social assistance.

The last step made by the OECD in evaluating national social security systems is computing the un-weighted average NRR on four family types and on 60 month of unemployment, to characterize the average NRR-coverage during this period (OECD, 2004, Table 3.3a, p. 102):
"As in previous editions of this publication, NRR calculations for different family types, earning levels and unemployment durations are combined to derive an overall measure of the generosity of benefits relative to net earnings. The resulting measure is a simple average of the NRR’s with each family type and month of benefit receipt weighted equally. This global indicator does not intend to cover all existing salary levels and family types and is not meant to take into account the relative numbers of each of the family types considered. When using this measure for international comparisons, it is therefore important to keep in mind that population structures differ across countries"
Figure 3. European social security in 2004 shown by the census-simulated national Net Replacement Rate (NRR). Source: Author’s Census-Simulating Model with the EuroStat Labour Force Survey data and OECD Tax-Benefit Models

<table>
<thead>
<tr>
<th>Country</th>
<th>NRR in 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>86.3</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>85.7</td>
</tr>
<tr>
<td>Portugal</td>
<td>84.0</td>
</tr>
<tr>
<td>Ireland</td>
<td>81.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>81.5</td>
</tr>
<tr>
<td>France</td>
<td>81.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>79.6</td>
</tr>
<tr>
<td>Germany</td>
<td>79.3</td>
</tr>
<tr>
<td>Iceland</td>
<td>76.5</td>
</tr>
<tr>
<td>Austria</td>
<td>76.4</td>
</tr>
<tr>
<td>Finland</td>
<td>76.4</td>
</tr>
<tr>
<td>Norway</td>
<td>74.9</td>
</tr>
<tr>
<td>Denmark</td>
<td>70.5</td>
</tr>
<tr>
<td>Spain</td>
<td>68.0</td>
</tr>
<tr>
<td>Poland</td>
<td>67.6</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>67.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>64.7</td>
</tr>
<tr>
<td>Belgium</td>
<td>61.0</td>
</tr>
<tr>
<td>Greece</td>
<td>58.5</td>
</tr>
<tr>
<td>Hungary</td>
<td>51.7</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>46.0</td>
</tr>
<tr>
<td>Italy</td>
<td>40.2</td>
</tr>
</tbody>
</table>


Evaluating European social security

Thus, the OECD approach stops at this point. Our study undertakes the next step prompted in the above quotation. Namely, the NRR’s for particular personal situations are weighted on the size of relevant groups of unemployed. The intent is to find not the institutional, but the real national average of the NRR. For this purpose, the census-simulating model described in section 3 is applied. The census-simulating model outputs national weighted average NRR’s regarded as indices of generosity of social security. Recall that such indices show the average degree (in percent) with which social benefits replace preceding earnings of an unemployed. Figure 3 shows the state of the European social security systems in 2004.
The dynamics of national NRR-indicators is depicted in figure 4. The common property of the national curves is that they are, roughly speaking, cap-shaped loosely resembling inverted parabolas. Every curve contains some maximum during the period 1995-2003 and decreases by 2004, meaning “the good times are over”. The viewpoint is illustrated in figure 5, showing the change of the national NRR by 2004.
with respect to its maximum in some previous years. The bottom countries have the largest social security decline. The higher the country, the less the security decline.

Total decline of European social security in 2004

As one can see, all European countries except Poland exhibit a social security decline in 2004. However, the growth of Polish indicator by 0.8% is, as has been noted, accompanied by a devaluation of the APW by 24%. Without this APW-devaluation the Polish social system would decline by about 23%, so that the real position of Poland in Figure 5 should be at the bottom next to Slovak Republic.

High statistical significance of European social security decline-2004

Estimate the statistical significance of the null-hypothesis that such a decline for all the 22 countries is just a random coincidence. As usual, assume that the countries are independent, and every year can be the peak of a national curve with probability 1/7 (we consider seven years). The probability that none of 22 curves attains its peak in 2004 is quite low, meaning that such a coincidence is very unlikely to occur by chance alone:

\[
\text{Prob\{No country has peak in 2004\}} = \left(1 - \frac{1}{7}\right)^{22} = 0.0337 < 3.4%.
\]

Analysis of decline of European social security

What are the causes of the decline of European social security?

No decline of social security at the institutional level

In many countries the actual decline of social security occurs under institutional improvements: “Contrary to the decline in benefit amounts seen in earlier period, payment rates were made more generous in several countries” (OECD 2004, p. 116). Some countries considerably increased their benefits and some relaxed eligibility conditions. Indeed, as reported by ADEMA AND LADAIQUE (2005, p. 12) the social expenditure in the OECD countries grows with the GDP and in certain years even more rapidly.

For instance, the dynamic of German institutional development is shown in Figure 6. Its six plots correspond to six levels of previous earnings: 40, 50, 67, 100, 150, and 200% APW. Each plot is built from seven yearly curves, one of which (100% APW, year 2004) is shown by line "DE" in Figure 2. All the plots are computed with the OECD Tax-Benefit Models under the same rule-based approach with no statistical data. The abrupt increase in the plot relief in 2001 indicates that social security benefits became more generous for all the six earning levels. At the same time Germany exhibits a decline of social security by 4.1% in Figure 5.

A similar situation is inherent in many other countries; see similar plots for 22 European countries in (TANGIAN 2005B).

Structural change of labour markets as the only cause of decline

Our model operates both on institutional and empirical data on personal situations. Since no institutional decline is generally observed, the only cause of the decline is a change in personal situations. Recall that the personal situations are specified with family type (single, married couple with one earner, married couple with two earners, and number of children), age, and employment parameters like previous earnings and duration of unemployment. According to EUROSTAT (2005), the dynamics of family types is not much changing in the recent years. The earnings do, as follows from Figure 1, but together with the GDP and social expenditure (EUROSTAT 2005).

The only explanations of the decline of European social security are longer periods of unemployment and shorter periods of employment which disqualify employees from high social benefits. These phenomena follow from the flexibilization of employment relations.
Therefore, the flexibilization results not only in employment insecurity but also in social insecurity, reducing the NRR due to shorter employment periods.

**Possible solution: Basic income and flexinsurance**

At the beginning of the paper the following European policies have been mentioned:

**European welfare policy** which suggests certain living standards independently of employment. It assumes a stable labour market performance and is backed up by a strong social security system.

**Flexibilization of employment relations** which assumes “less state” but more personal responsibility. The compatibility with the European welfare tradition is imagined as a flexicurity trade-off between the relaxation of employment protection legislation and advances in social and employment security; see JEPSEN AND KLAMMER (2004).

**“Make work pay”** policy which is aimed at stimulating the unemployed to a more active labour market participation. Similarly to flexicurity, the “make work pay” policy is also a trade-off, but between the social protection and maximising the gain from moving to work. Contrary to flexicurity, the “make work pay” suggests a certain reduction of security benefits. As follows from the very ideas of trade-offs (compensation, that is, no possibility of simultaneous improvements), all three policies contradict each other. Since they interact through the social security system, their consistency means the consistency with the social security. Or, the social security should be made consistent with the three policies.
The social security system has been developed for many decades. It is overcomplicated, especially in interaction with the tax system and it is quite difficult to change one of its elements without affecting others. The unprecedented decline of European social security in the background of institutional improvements shows only a radical reform can make it actually efficient and resolve policy contradictions.

A possible solution could be the basic income model together with flexinsurance (TANGIAN 2005A). The basic income model assumes a flat income paid by the state to all citizens.
regardless of their earnings and property status. The traces of this model appear in some social security branches like child care allowances. For instance, *Kindergeld* in Germany is paid to all parents.

The flexinsurance assumes that the employer’s contribution to social security should be proportional to the flexibility of the contract. Thereby a higher risk of atypical employees to become unemployed will be compensated. On the other hand, such progressive contributions will stimulate employers to hire employees more favorably, but without rigidly restricting the labour market flexibility. Thereby flexinsurance can be an instrument for "regulating the labour market deregulation" which ongoing adjustments do not need legislation changes.

The basic income model in combination with the flexinsurance is consistent with the three European policies mentioned and thereby resolves their contradiction:

- **Development of the welfare policy.** The basic income model meets the concept of welfare state since it guarantees some unconditional living standards and discharges the social tension. The additional budget expenditures come from flexinsurance and higher taxes of high-earners (to subtract the flat income) and by the funds released from reducing the number of civil servants currently working in social security.

- **Compensation of flexibilization by better social security according to the flexicurity concept.** The basic income model would mean a progress in social security and therefore meets the idea of the flexicurity trade-off “more flexibilization and more security” At the same time, flexinsurance will—"softly"—regulate flexibilization.

- **Contribution to the “make work pay” policy.** The basic income is not reduced while moving to work. Therefore, there can be no situations when moving to work is little attractive due to losing out-of-work benefits, since every work immediately improves the net income.

**Summary**

Thus the paper suggests:

- (Methodology) a model of *(micro-*)census simulation combining empirical data on the population with individual answers computed with a normative rule-based model,

- (Indicator) an integral quantitative evaluation of social security in Europe, which reveals its total decline by 2004 contrary to institutional improvements,

- (Analysis) an explanation of the decline by a structural change of European labour markets with rapidly growing ‘atypical’ employment groups,

- (Policy implications) a possible resolution of European policy contradictions by the basic income model with flexinsurance.

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HOW WOULD EMPLOYEES ‘CONSTRUCT’ A BALANCE BETWEEN WORK AND NON-WORK LIFE?
WORK-LIFE BALANCE IN THE CONSTRUCTION INDUSTRY

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Introduction

In recent years there has been a groundswell of interest and academic research investigating working time arrangements (including long working hours) and work life or work family balance problems and initiatives. Viewed in total, the evidence overwhelmingly suggests that extended working hours and the difficulty of balancing home and work are problematic for many employees (Clark 2001; Dawson, McCulloch et al. 2001; Pocock 2001, 2003; Brett and Stroh 2003, Townsend, Russell et al. 2003). This paper adds to this literature through an investigation of work-life balance with a primary focus on the time-based demands of jobs in the construction industry in Australia.

The construction industry in Australia is characterised as exhibiting a long work hour’s culture and operates according to an extended working week as the industry standard. Typically, employees working six days a week and thirteen day fortnights is not unusual. The construction sector is a male-dominated industry and many companies adopt a project management approach to large construction projects. Adding to the difficulties in managing time demands in the construction industry is the location of projects in remote sites or in areas that take time away from families due to travel. Further, the projects tend to be large, complex projects that face deadlines or delays in completion. This paper draws from two construction industry case studies that have experimented with restructuring working time arrangements in order to unpack the notion of time demands involved in completing large project-based construction assignments.

Achieving satisfactory work-life balance is a multi-faceted problem and employee voice is a critical component of understanding the issues that may affect employee well-being and productivity. There are, however, limitations in focusing solely on employee voice to elucidate the concerns, characteristics and conditions of working time arrangements that impact work-life balance. It is argued, moreover, that many employees recognise the complexity of this issue and because of their organisational position at the interface of the workface and managerial authority they are well positioned to provide potential solutions. Kochan et al’s (1986) framework offers the possibility of exploring work-life balance at the individual, workplace and structural levels from the standpoint of the employee.

The findings of this study indicate that the employees’ suggestions to resolving the work life balance issues may be organised according to three themes. These themes are 1) the
structural or contractual arrangements as the specification of contracts in large projects may need to consider work-life issues up-front; 2) formal and informal arrangements as there is a need for both formalised company policies (including flexible arrangements) that are accessible in practice together with informal arrangements at the worksite; and 3) individual preferences need to be considered so that individuals can take some control over their working time habits while still meeting organisational imperatives. We posit this analysis of employee voice may be situated within Kochan, Katz and McKersie's Strategic Choice (SC) framework (1986) as it features the workplace and organisational levels of engagement as places of critical exchange relations.

Strategic Choice Theory is based on the notion that employer choices can be divided into three realms of activity: the top tier of strategic or long term planning; the middle tier or functional level of organisational policies; and the bottom tier of workplace level of individual/manager relationships (Kochan et al 1986). Employee’s views of change required within the construction industry can be understood within a strategic choice framework, as the structural and contract decisions fit into the top tier; and organisational and workplace levels relate to organisational policies and individual choices respectively.

While the majority of employee views are covered within these themes, there is also evidence of differences between the issues confronting blue and white collar employees. Interestingly, while there are differences in the issues these two groups face, there is substantial convergence in the solutions offered by the two groups of employees.

The remainder of this paper is divided into three main sections. The first section provides an analysis of working time and work-life balance arrangements in Australia and within the construction industry. The second part introduces the case studies, explains their working time experiments and provides an explanation of the data collection process. Finally, this paper analyses employee voice as it relates to working time arrangements within the industry and within the case study sites. The paper concludes that employee voice presents as an important resource for managers and policy-makers in determining WLB policies for industry, workplaces and individual employees.

Work Life Balance in the Construction Industry
According to Greenhaus and Beutell (1985) both time-based and strain-based job demands can interfere with employees’ lives outside work. The time-based demands represent role-related time commitments, i.e. the amount of one’s time that is spent involved in work. Because time is a limited resource, the demands of work have a direct impact upon one’s work-life balance (Parasuraman, Purohit, Godshalk & Beutell, 1996). While Australia led the world in reducing working hours throughout the last 150 years, the last fifteen years has seen a reversal in this trend (Campbell, 2005).

In the late nineteenth century the union movement realised the benefits of having a balanced life with their 8-hour day campaign. Eight hours of work, eight hours of sleep and eight hours of leisure was seen to be a reasonable expectation for workers in a developed country. Time spent at work inevitably reduces the time that can be spent in other activities, such as spending time with family, involvement in sporting and community activities or socializing with friends. Long work hours have been consistently linked to difficulties in balancing work and personal life (Guerts et al 1999; Moen and Yu, 2000; Batt and Valcour, 2003). The relationship between work hours and work-life balance is reported to be strong and direct. For example, Tausig and Fenwick (2001) report that as work hours per week increased, employees’ work-life balance declined sharply.

In the construction industry, long hours have been identified as a significant problem for work-life balance and employee well-being. Most construction sites operate on a six day week basis, with skilled and unskilled labour, professionals and managers working excessive hours. The nature of work is also stressful, with tight deadlines and severe financial penalties.
if targets are not met (Francis & Lingard, 2004). A preliminary investigation of work-life balance among the employees of one large Australian contracting organisation undertaken by Lingard and Francis (2001) found that more weekly work hours was strongly correlated with employees’ perceptions that work interfered with their non-work life in a negative way. This was a particular problem for the organisation’s site-based employees who reported working longer, more irregular hours and enjoying less schedule flexibility than their counterparts in head office or regional offices. The average number of hours worked each week was 62.5 among site-based respondents in direct construction activity, 56.1 among respondents who work mostly in a site office and 49.0 among respondents in the head or regional office (Lingard and Francis, 2001). Perhaps, unsurprisingly, site-based employees in the same pilot study reported significantly higher levels of negative ‘spillover’ from their work to non-work lives and also indicated significantly higher levels of burnout (Lingard and Francis, 2004).

Lingard and Francis’ study (2004) points to the importance of construction industry employees’ subjective experience of work-life balance. Their results indicate that employee’ perceptions that work interferes with family life acts as an important intervening variable between job schedule demands and emotional exhaustion. The authors suggest that one implication of these findings is that the reduction of work-family conflict, for example through the implementation of work-life balance initiatives, may be one way of protecting the well-being of employees in the construction industry.

The research discussed above supports the notion that working hours are strongly related to perceptions of balance between work and non-work aspects. It has further shown that this particularly important for construction employees as their industry is characterised by long work hours. The next section will discuss two case studies where we examined work hours and work life balance in the construction industry.

**The Case Studies and Methodology**

The data for this research project was collected from two alliance projects formed to construct infrastructure within the greater Brisbane region. Alliance projects require more than one organisation to cooperate in developing a tender, winning a contract and collaborating to ensure that the project is completed on time and within budget. This style of project management has a range of benefits over the more traditional ‘hard dollar’ contracts won by single organisations. Flexibility, innovation and collaboration between organisations with different skills are just some of the benefits commonly associated with alliance projects (Walker and Hampson, 2003).

The first of the alliance projects studied here and referred to as Case 1 began operations with an industry standard 6-day working week. The primary working time experiment in Case 1 was a shift to a 5-day working week. The waged employees at this site changed from a 10.5 hour day to an 11.5 hour day to compensate for the loss of income with no Saturday work. Salaried staff (engineers, site manager) did not have a formalised change in daily working hours, but did shift to the 5-day working week.

The second of the alliance projects studied here and referred to as Case 2 began operations with a 5-day working week. However, after four months the management group reverted to the industry standard 6-day working week. The reasons for the working time change included: pressure from the waged staff who were unable to make up the Saturday hours through the week and therefore were earning less money; labour market pressure when another construction site (6-day week) opened nearby and the waged staff shifted to this new site in order to increase their income; and project timeframe pressures. Obviously, these reasons are interlinked, and indicate that site and industry pressures may work against easily generalisable solutions to improving work-life balance.

Data was collected from employees at all levels of both case organisations through interviews. The interviews were one-on-one with an employee and researcher, and covered
a range of work and non-work issues. Most interviews took between 20 and 40 mins to complete. In this paper we aggregate the comments from the two groups of workers (2 case organisations) within the construction industry. We believe it is appropriate to aggregate their responses as both groups have worked on a site operating on a 5-day week and a 6-day week. However, we report which case organisation the employee belongs to. The views employees offer as a means to resolve work life balance problems within the industry are recorded and analysed.

**Different Pressures for Wage and Salary Staff**

Employees within the construction industry can be segmented in a variety of ways; however, the most appropriate segmentation for this paper is between the salary and wage earning employees. Salary employees are more likely to be university educated professionals (such as engineers) and have long term associations with their employer. In comparison, waged employees can be skilled tradespeople or unskilled labourers and are often employed on a job-to-job basis. As such, loyalty for the wage earning employees can often be through their pay packets and working conditions, rather than the organisation.

Salaried staff appear to face two different working time experiences. If they are working in the head office, they will commonly work around ten hours a day, five days each week. However, once ‘on-site’ the hours are more closely aligned to that of the operational site hours, therefore their working hours extend to between 10 and 12 hour days and six days a week (or more). The take-home pay of these employees does not change regardless of the hours worked. In contrast, wage earners in the construction industry are covered by enterprise bargaining agreements which include penalty rates for overtime and weekend work. As such, two hours overtime each day (at time and a half) and six hours overtime on Saturdays can drastically increase (around 60 percent) the take home pay of wage earners.

It is obvious that the two different groups within a construction site would have different interests when it comes to control over working hours. While all employees face pressure to complete tasks, it could be argued that the pressure for the salary staff is greater due to their ‘longer term’ employee status (or aspirations) within their organisation. Interestingly, both salary and wage employees argue that there needs to be change within the industry. Understandably, each group has different interests in arguing for a better work life balance approach to construction industry jobs. The next section of this paper will focus on employee views of the top tier of change. That is, change that is required at the structural level of decision-making over tenders, contracts and legislative regulations.

**The Tender/Contract Level of Control**

There is a realisation by employees that if their company does not tender competitively, then quite simply, they will not have available work. This tendering process leads to workplace pressure that is not limited to private enterprise, although many employees suggest through their experience that government jobs face less of this pressure. The site manager at Case 1 case explains the current industry standard:

> If you are tendering for a job, if it is a hard dollar which is opposite to alliancing, then unless the client tells you that you will not work Saturdays and Sundays, then every contractor is going to allow in their price to work Saturdays – such that they can come in, and be more competitive in the fact that their overheads, their infrastructure, isn’t tied up for that period of time.

A foreperson stated in relation to the highly competitive tendering and specification process:

> ‘… They sit down and draw up a program. Every time they can shave a little bit more and a little bit more off it, it is more money, more profit. … you feel obliged to push as hard as you can … by meeting deadlines …then next job they push even more … compromise safety … quality I think gets compromised a little bit.’ (Foreman, Case 1).
As such, employees understand that the issue of six-day working weeks is one for the industry to resolve, not just for their organisation. According to employees, there are alternative routes to change at the tender or contract level of control. One route suggested by some employees is that these issues could be resolved through state regulation. Legislation that demands construction industry contracts to be offered on the basis of a five-day working week is put forward as a possible solution by some employees. However, Australia has a particularly low level of state regulation of working hours (Peetz, Townsend et al, 2003). Furthermore, state regulation is unlikely, particularly with the current Australian industrial relations transformation to a more flexible and individualistic approach and the Australian government’s policy and legislative shift of decision-making and control to the workplace level. Some employees recognise the fact that this industry change would require legislation as there is unlikely to be agreement between construction industry companies when large competitive projects are proposed.

Another approach suggested by employees is that the construction organisation and the client must accept the importance of ‘people rather than just dollars’. Part of this approach would require the clients to understand that ‘sometimes the job might simply take a little longer’ (Interview 4, Case 2). In addition, the construction organisation would be required to develop their tenders to ensure that the five-day week is to be adhered to regardless of time pressures.

Indeed, some employees refer to working on projects that had restrictions on working hours in place as part of the contract agreement. On balance, those employees who have experienced worksites that initiate WLB programs speak of the positive impacts of these initiatives on their lives and on the workplace.

**The Workplace Level of Control**

Research has also demonstrated that in order for employees to experience satisfactory work-life balance, in addition to formal work-life balance policies, there is a need to ensure that support exists in the work environment (Thompson, Beauvais & Lyness, 1999; Allen 2001; O’Driscoll, Poelmans, Kalliath, Allen, Cooper & Sanchez, 2003). Lingard and Francis (in press) suggest that when practical support is lacking, construction industry employees experiencing conflict between their work and family lives are more prone to burnout than when practical work-life balance assistance is available. This finding indicates the importance of supporting co-workers and subordinates to better balance work and non-work lives in practical ways. In the two case studies presented here, employees support the view that it is the site manager’s approach that determines the nature of control over working hours at a construction site. The following comments from employees reflect the role of management in setting a ‘work life friendlier’ workplace.

*They (managers) set the standards first up, everyone knows where they stand…you’ve got to be able to plan your family life, it’s more important than your job.* (Interview 2, Case 2)

*Give the site manager a bit of a wrap. The fact that he’s gone, ‘alright, a five day week’ – that’s really good* (Interview 4, Case 1)

In addition, flexibility in working time arrangements and a flexible management approach was considered to promote better work life balance.

*I think a lot comes down to the project manager. How flexible he is…* (Interview 5, Case 1)

*This is the most flexible project I have worked on, by far. And it is the best I have worked on. Like I said, they are pretty flexible, don’t stop you from doing something.* (Interview 6, Case 1).
The organisational level of decision-making is focussed upon the policies and practices in each particular workplace. These policies and practices are largely driven by managerial decisions. However, this level introduces the notion of employee decision-making which becomes more salient in the following section; the individual level of control.

**The Individual Level of Control**

There is no shortage of literature that examines peer pressure within workplaces in relation to working hours, work effort or a range of other factors (Barker, 1993; Townsend, Russell et al 2003). Employees within these two cases report substantial levels of peer pressure within the industry in relation to working hours. Employees report pressure to be at work on Saturdays, even if there’s nothing to do except read the paper. However, some employees tell of ways that this pressure is circumvented or ignored.

…there’s always pressure in construction, you always had the foreman saying ‘come on, you’ve got to get this done before you go home’ … and in some circumstances they (the workers) would get really rebellious and say, ‘no, knock off time is four o’clock, if you don’t like it, sack me’. (Interview 6 Case 2)

However, many individuals recognise the role they can play in taking greater control of their working hours, and consequently, their WLB. For example:

…it’s up to the individual, to make the most of it. You have to make sure you make the effort to go and see your kids play piano or football … or whatever … you have to make the effort, otherwise they are growing up and you miss them. They come back and say ‘where were you when I was doing this?’ Take a few hours off and balance your life. (Interview 1, Case 2)

Individual negotiation of time to undertake family responsibilities is a key component of work life balance. The formal and informal arrangements available to work site employees are critical to this endeavour as outlined in the following response:

I’ve never had a problem here at all (with work time flexibility)…I just let them know I’ve got to do such and such this afternoon, I’ll be back tomorrow morning. (Interview 2, Case 2)

Long working hours has become so ingrained in some sectors of Australian life that employees who are working upwards of 55 hours a week will say things like ‘I would still like it to be five days and shorter hours…but that would be asking too much.’ (Interview 6, Case 1). The weight of evidence demonstrates the negative affect long working hours has on individuals, families, organisations and communities. In what can be described as potential good news for employees within this industry, many interviewees refer to a ‘groundswell’ of peer pressure to reduce working hours.

Discussion

Strategic Choice Theory is based on the notion that employers may be involved in and make strategic choices at three levels of activity: the strategic or long term planning level; the functional level of organisational policies; and the workplace level of individual/manager relationships. Each organisation is obliged to make choices about their approach at each of these levels and indeed, decisions made at one level will impact upon, or constrain the choices available at another level (Kochan, Katz and McKersie, 1986). The employee views fit into a framework that reflects the different levels of choice for strategic actions.

Table 1 presents the three levels of control over WLB in the construction industry. Included in this table are examples of the actions that employees suggest are required at each level to allow employees to balance their work and non-work life more effectively.
Table 1: Construction Employees’ Three Levels of WLB Control

<table>
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<th>Level of Control</th>
<th>Action Required</th>
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| Top Tier (strategic decision making) | Tender/Contract  
  • State regulation of contracts  
  • Greater industry wide commitment to employee WLB |
| Second Tier (functional workplace level) | Workplace Management  
  • Provide WLB initiatives for waged and salaried employees.  
  • Ensure EBA provide for wages that retain employees if there is no Saturday work.  
  • Ensure flexible working arrangements are available to the employees. |
| Third Tier (individual relationships) | Employee  
  • Utilise WLB initiatives when they are offered  
  • Work according to the employees WLB needs rather than maintaining the workload of peers. |

The issue of work life balance is a complex and multi-faceted issue. However, the views of employees provide a way of understanding the diverse and challenging issues in relation to supporting work life balance in such a demanding industry as construction. There is no doubt that attempting to gain industry-wide support in such a competitive market is extremely difficult. However, alliance projects appear to provide for more freedom to initiate and experiment with alternative working arrangements. As such, the increasing use of alliances may be a positive way forward for WLB initiatives.

Some workplaces are already committed to improving the WLB of the employees. Research suggests that those workplaces are also reaping a range of positive rewards, such as increased labour productivity, increased employee commitment, decreased OH&S concerns and lost time (Bradley et al, 2006; Townsend et al, 2003). The research found that WLB is a complex issue that should be addressed on multiple levels. It is not enough to rely on organisational policies to deliver work life balance initiatives. In the construction industry, the project-based structure works against a consistent working week, deadlines and delays cause project timelines to be tight and work schedules need to be highly flexible causing non-work time to be erratic and squeezed.

CONCLUSION

While employees are in total agreement that there are work life balance problems within the industry, these employees see a range of possible factors that contribute to this situation and offered insights into alternative policy and process choices to resolve the problem. These solutions fit well into Kochan, Katz and McKersie’s (1986) strategic choice theory framework of decision-making.

When viewed in total, employees suggest that there needs to reform on three levels. First, reforms must occur at the structural level of working time regulations and contract/tender decisions. This needs to happen at an industry level, as well as at the organisational level. Standards need to be developed that mean that contracting and tendering decisions are made within a framework that does not allow work hours to be excessively long. Second, organisations within the industry must make decisions that are more seriously focussed on the needs of their employees when it comes to work-life balance policies. These decisions should include providing flexibility for staff around working hours – at least in terms of some flexibility to have time away from the organisation when it is needed. Further, structured work-life balance initiatives need to be included in the day-to-day life and activities of the organisation. Third, at the workplace, reforms must allow individuals the capacity to take
greater control over their own work-life balance. Giving employees greater control of when and how they conduct their work will add significantly to their perceptions of greater work-life balance.

Future research could explore in more detail the different preferences and requirements of the white and blue collar workers to WLB arrangements. While maintaining wages is a key choice for the blue collar workers, there needs to be an in-depth study of the tolerance of the wage-time trade-off. The number of hours and starting and finishing time preferences may then be better matched to the life cycle of the site and give some certainty for workers in terms of wages and working time.

For white collar employees, the ability to manage work and non-work time is a more salient issue than hours/pay. Further research could be directed to understanding how the project nature of the construction industry impacts on the ways that WLB initiatives may be instituted. Research could uncover the ways that WLB may be translated from one site to another, such as whether these employees demand different conditions as they move across sites or whether there are site-specific arrangements that remain resistant to change. This research has found that employees recognise that there is no ‘easy’ solution to the issue and that there are many dimensions to the problem of balancing work and non-work life.

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INTRODUCTION

The 2005 amendments to the Workplace Relations Act represent a substantial redesign of the Australian industrial relations system. One direct implication of the new Australian industrial relations legislation is that the powers of intervention of trade unions are significantly amended. The role of trade unions under the new system is now more that of an agent than as a principal. Union industrial activity previously permissible may now give rise to a penalty. It is now relatively easy for a trade union to be deregistered. This paper overviews several aspects of the new legislative framework for trade unions.

While the practical significance of this legislation will depend on decisions to be made by employers, the courts and the Commonwealth Government, the new legislation represents a repositioning of trade unions within the Australian industrial relations regulatory system. While the previous systems of industrial relations held trade unions to be one of three essential institutions, the new system leaves trade unions as merely one way employee interests may be represented. The displacement of trade unions can be seen in three ways. First, the longstanding structural role of trade unions, as a principal able to intervene into industrial matters, has been largely, but not completely, replaced with a system requiring a trade union to act as an agent on behalf of it's members. Secondly, the new legislation places limits on the scope of trade union activity, through the prohibition on industrial disputes, the definition of 'prohibited content', and new, difficult rules constrain trade union activities. Thirdly, the new legislation provides for new and broader offences; a different system of enforcing breaches and a simplified mechanism for union deregistration. Under the new system, trade unions have a more limited role; face significantly increased difficulty in carrying out industrial activities previously usual, and the risk of greater penalties.

This paper will give an overview of some aspects of the implications of the new legislation for the trade union movement. The first section briefly sketches the role of trade unions under the previous systems of employment regulation. The second section points to several ways in which trade unions are displaced and required to act as more of an agent for its membership. The third section outlines three ways in which trade union activity is made more difficult, looking at the new definition of 'industrial action', the new 'prohibited content' mechanism, the prohibition on 'pattern bargaining' and the new, more difficult rules for trade union officials to obtain access to workplaces. Section four outlines the new offences created under the legislation, the implications of the increased use of civil remedies and the relative ease of union deregistration.

1. THE ROLE OF TRADE UNIONS IN INDUSTRIAL RELATIONS PRIOR TO THE 2005 LEGISLATION.

Prior to the 2005 amendments, trade unions were a central feature of the framework of Australian industrial relations, as part of a trinity of the tribunal, the employer (and the employer's association) and the trade union. The early system revolved around the provision of a state-sanctioned and enforced framework for the resolution of workplace, business-level, industry and national level disputes over the terms and conditions of collective and individual employment.
The actual system of industrial relations has varied considerably since the enactment of the Commonwealth Conciliation and Arbitration Act in 1904. The founders of the 1904 Act sought to ensure a system of collective bargaining, between state-sanctioned industrial parties representing employers and employees; supplemented by compulsory conciliation and arbitration should collective bargaining fail (Mitchell & Stern, 1989). In practice, however, throughout most of the twentieth century, the practices and policies of the arbitration system dominated industrial relations, with collective bargaining occasionally supplementing a centralised wage fixation and dispute resolution system in specific industries (Dabscheck, 1994).

From the late-1980s, however, the centralised system enabled by the mechanisms of arbitration increasingly gave way to collective bargaining arrangements, enabled and enforced through the institutions of the arbitration system. Throughout this period, trade unions were an indispensable element in this system: representing the interests of its present and future membership, as a respondent to industrial instruments and as an incorporated body able to act in its own capacity (Briggs, 2001; Burgess & MacDonald, 2003).

Throughout this period of regulatory evolution, trade unions were central to the system (Howard, 1977; Scherer, 1985). In theory, individual trade unions possessed exclusive rights to represent categories of employees, were able to create and maintain enforceable awards with employers, and had access to a relatively low cost mechanism of creating new industrial entitlements, enforcing existing entitlements as well as dispute resolution – at the level of the member, workplace, employer, industry and nation-wide. Until the 1993 Industrial Relations Reform Act introduced the rarely used and impractical Enterprise Flexibility Agreement provisions, enforceable collective agreements in the federal system required a trade union as a party.

The high point of this system was in the early years of the Accord. Trade unions were part of a notionally tripartite (but effectively bipartite) decision making process that dominated wage fixation, industrial relations and industry policy at a national level (Singleton, 1995; Stilwell, 1986). Here trade unions had an additional role: trade unions, organised by the Australian Council of Trade Unions, played a central and legitimate part in the policy formulation and implementation process during the early years of the Hawke-Keating government’s financial deregulation and micro-economic reform (ACTU-TDC, 1987; Ewer et al., 1991).

The new legislation reflects a fundamentally different view about the way that industrial relations should and could operate, and how trade unions should operate. Under the new system, collective industrial relations, with and without unions, with and without the role of the arbitration processes, is now only one possibility to be chosen by the relevant industrial parties. Under the new provisions, an employer may employ people in several distinct ways, with different mechanisms of negotiation, approval and enforcement:

- through a common law contract between the employer and the individual employee, supplemented by an Award;
- through an Australian Workplace Agreement, that specifies the formal relationship between the employer and the individual employee;
- through a collective agreement with a trade union
- through a collective agreement with a collectivity of employees.

In the new system, trade unions are to have a more defined and constrained role, specifically related to the ‘employee-employer’ relationship; with the social, educational and political functions of trade unions increasingly regulated or prohibited.

The reduced role of trade unions in the new system can be seen by comparing the Principal Objects of the Workplace Relations Act, as at 1996 and after the 2005 amendments. While
several new Objects are added to the list of Objects of the legislation, when compared with the 1996 legislation, the only provisions deleted relate to the role of industrial organisations:

(e) providing a framework of rights and responsibilities for employers and employees, and their organisations, which supports fair and effective agreement-making and ensures that they abide by awards and agreements applying to them.

(g) ensuring that employee and employer organisations registered under this Act are representative of and accountable to their members, and are able to operative effectively (Section 3 of the 1996 legislation).

While the new sub-section 3(f) of the Objects acknowledges the existence of industrial associations, this reference is in a specific and limited context:

(f) ensuring compliance with minimum standards, industrial instruments and bargaining processes by providing effective means for the investigation and enforcement of:

(i) employee entitlements; and

(ii) the rights and obligations of employers and employees, and their organisations (Section 3(f), WRA 2005);

The regulation of trade unions, constituted as ‘industrial organisations’, as are employer associations, is moved out of the body of the legislation and into Schedule 1 of the Act. Section 5 of this Schedule acknowledges the role of trade unions, inter alia, to ‘enhance relations’ between employers and employees and to ‘reduce the adverse effects of industrial disputation,’ and that trade unions are necessary to ‘promote and protect [member] economic and social interests.’ In keeping with earlier legislation, this Schedule provides for the registration of industrial organisations, which are incorporated, possess a measure of legal personality, have perpetual succession and some rights of exclusive coverage over specific employment and occupational classifications in exchange for adherence to the aims, objectives and procedural imperatives of the primary legislation.

The revised legislation, however, has a significantly different emphasis, and trade unions have a smaller and more prescribed role within this framework. The new structural limitations on trade union involvement is demonstrated in the restriction of the capacity of the trade union to act in defence of it’s own interests and the interests of it’s future members; in the new rules for union participation in workplace industrial relations; and the reduced scope of trade unions to initiate government-based intervention into workplace disputes.

Following the ruling in the Burwood Cinema case of 1925, it has been a settled principle within Australian labour law that not only could a trade union sue and be sued, but as a consequence of possessing legal personality and perpetual succession, could act to further it’s own interests within the scope of it’s rules but without a specific mandate from the membership (Brooks, 1986; Creighton & Stewart, 1994). This enabled two types of trade union activities. First, a union could act to further the broader interests of the organisation, in anticipation of its future interests or on behalf of future members. Secondly, and importantly for this paper, a union could act without formal approval of its members in the furtherance of its perceived interests.

Under the new legislation, trade unions have a much more constrained ability to intervene in routine industrial relations activities. This can be seen in two main ways. First, whereas a union once had the capacity to intervene into disputes where it had membership coverage, under the 2005 amendments, a union may only intervene into a dispute or participate in a dispute resolution process following the specific request of a member. This can be seen in Section 747 (1), which only permits a union official access to a workplace if there is a suspicion that a breach has occurred in relation to the working environment or conditions faced by a union’s members. Section 747(2) takes this further. A union official may only get access to a workplace to investigate a suspected breach of an AWA after a written request
by the employee. Although all awards and agreements are required to contain a dispute resolution provision based on the Part 13 dispute resolution procedures, there is no clear formal recognition of the role of a trade union having a role in dispute resolution. Another example can be seen in the enforcement of breaches of the legislation in Section 405. Whereas prior legislation would have enabled a union to act in any legal way necessary to ensure compliance with the terms of an award or agreement where it was a respondent, under this section, a union can only initiate proceedings on behalf of an aggrieved member if, inter alia, the union has been requested by the member concerned (S405 (3) (a)) and has at least one member in the workplace (s405 (3) (b)).

Secondly, the capacity for trade unions to intervene is increasingly likely to require membership approval – this can be seen most clearly, in the provisions for a secret ballot prior to taking industrial action during a bargaining period. In this case, trade union leaderships need to undertake a lengthy, costly voting process involving the Australian Electoral Commission in order to formally obtain endorsement from the members, a matter previously resolved through membership meetings.

These provisions have the effect of making a trade union more of an agent of its members, than a principal party, able to act and intervene according to its own internal processes and priorities.

2. REDUCING THE SCOPE OF TRADE UNION ACTIVITY.
In addition to the restrictions on the automatic role of trade unions in agreement-making, dispute resolution and the emergence of a new role of the trade union as agent for its membership, the new legislation places limits on the scope of trade union activity through the prohibition on industrial disputes, the definition of ‘prohibited content’, and new, difficult rules effectively frustrating trade union campaigning. All of these developments are likely to minimise the effectiveness of trade unions in campaigning around membership-relevant issues, and to reduce the perception of union relevance to potential members in the workplace.

The new definition of ‘industrial action’.
Under Section 494 the new legislation expressly prohibits ‘industrial action’ during the nominal life of an agreement or workplace determination, or unless the industrial action is covered by the ‘protected action’ provisions of the Act.

How is ‘industrial action’ defined? The amended Act provides a broader definition of what activities constitute ‘industrial action’, and simultaneously lowers and makes more ambiguous the threshold for what constitutes ‘industrial action.’ As can be seen in Table 1, the new provision is very broad and increases the range of activities that may lead to industrial disputation – itself more regulated – and thus expands the range of activities where a trade unionist or their organisation may contravene the legislation.

Whereas the previous legislation, under Section 4, saw ‘industrial action’ to be in relation to either an award, agreement or order of the Commission or related tribunal, the new provision merely looks to see if there is a reduced level of performance, in order to ascertain whether ‘industrial action’ has occurred (Table 1). This new provision will create a new area of liability for trade unions and union activists, both in law and in the practical politics of workplace negotiation. The new provision, however, may also create a new complexity for the Courts. Will it be possible to establish clear, non-arduous guidelines for clarifying the circumstances when diminished performance does or does not meet the definitional requirements of ‘industrial action’?
Table 1: the 2005 definition of Industrial Action.

420 Meaning of industrial action

For the purposes of this Act, industrial action means any action of the following kinds:

(a) the performance of work by an employee in a manner different from that in which it is customarily performed, or the adoption of a practice in relation to work by an employee, the result of which is a restriction or limitation on, or a delay in, the performance of the work;

(b) a ban, limitation or restriction on the performance of work by an employee or on the acceptance of or offering for work of an employee;

(c) a failure or refusal by employees to attend for work or a failure or refusal to perform any work at all by employees who attend for work;

(d) the lockout of employees from their employment by the employer of the employees.

The second significant difference relates to whether ‘industrial action’ needs to be associated with an ‘industrial dispute.’ Under the previous legislation, sub-clause 3(c) held that a ‘ban, limitation or restriction’ could constitute ‘industrial action’ if it occurred as a consequence of a broader ‘industrial dispute.’ Under the new provisions, any ‘failure or refusal’ to ‘attend for work or a failure or refusal to perform any work at all by employees who attend for work’ now constitutes industrial action. The challenge will be for the Courts to decide on a workable set of principles for determining when non-performance have occurred. As will be discussed later, the significance of this new broad definition is the increased vulnerability of trade unions to Federal court proceedings for damages, real, imagined or anticipated, arising out of the usual workplace organising activities carried out by union officials and activities.

‘Prohibited content’

Created in the shadow of the Electrolux decision and the subsequent Workplace Relations Amendment (Agreement Validation) Act 2004, the legislation enables Parliament to readily and quickly set the limits of what may be included in a workplace agreement by setting regulations against ‘Prohibited Content.’ Terms of a workplace agreement or award are void to the extent that it contains ‘prohibited content’ (s358). No agreement may contain such ‘prohibited content’, and the Employment Advocate is empowered to remove such content from agreements (Sections 359-364).

The definition of ‘prohibited content’ is to be set by regulation, with the first set of regulations issued on March 17, 2006. Under Section 8.5 of the Regulations, establishing and discussing clauses relevant to trade union activity are specifically prohibited, such as:

- Union membership deductions;
- Trade union-provided training leave;
- Rights of access to the workplace by union officials;
- Information about agreement coverage to a trade union.

In addition, the March regulations remove the capacity of the negotiating parties to discuss or regulate the use of independent contractors or labour hire workers. While the Section 8.5 prohibitions offer substantial infrastructural challenge to trade unions, requiring more effort in winning and maintaining the automatic payment of membership fees, the convenient training of union activists as well as access to the workplace to union organisers, Section 8.7, however, offers a potentially greater challenge to trade unions.

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This section prohibits provisions in agreements and awards that do not directly relate to ‘the employment relationship’ that exists between the employee and the employer. This follows the Electrolux case of 2004, where the High Court re-interpreted the century old case law on this question, and outlined a very narrow definition of the scope of the ‘employment relationship.’ In that case, the Court held that a compulsory bargaining fee payable by non-union members to the union that had negotiated the industrial instruments covering that workplace was not within the scope of the ‘employee-employer’ relationship. Consequently that provision could not be enforced, leaving certified agreements with clauses potentially unenforceable. The legislation has given clear indications of what matters do not come within that relationship.

These provisions have several implications for trade unions. First, winning provisions in core areas of trade union activity, setting limits on managerial prerogative in the interests of the workforce, and achieving a larger return for the wage-work bargain, are now much more difficult, and as will be seen in the next section, potentially illegal. Secondly, as trade unions are increasingly limited in their capacity to influence the management of the workplace, the conditions of work and constrained in their capacity to take legal industrial activity, it will be harder for trade unions to catch and hold members and potential members. While trade unions will not struggle to hold members with an ideological preference for unionism, the new provisions will make it difficult to appeal to existing and potential members who view trade unions instrumentally.

The prohibition on pattern bargaining
The new legislation has a specific provision against ‘pattern bargaining.’ Section 431 specifies that the Federal Court must suspend or terminate a bargaining period if one of the negotiating parties is engaged in ‘pattern bargaining.’ ‘[E]ngaging in or organising’ industrial action in support of collective agreements negotiated in a manner that may be deemed as ‘pattern bargaining’ will result in the termination of protected action (Section 439); and the AIRC may not grant an application for a ballot order if the applicant is involved in ‘pattern bargaining’ (Section 461). The general definition of pattern bargaining under Section 421(1) is:

(1) For the purposes of this Part, a course of conduct by a person is pattern bargaining if:

(a) the person is a negotiating party to 2 or more proposed collective agreements; and

(b) the course of conduct involves seeking common wages or conditions of employment for 2 or more of those proposed collective agreements; and

(c) The course of conduct extends beyond a single business.

The Australian practice of pattern bargaining has been most prevalent within the manufacturing and construction industries, where a union would identify a key employer, and then enter into negotiations around a set of claims. Once the union had achieved a suitable settlement, it would then approach a nearby employer or an employer competing in the same market for contracts or labour, and then negotiate over a similar set of claims as achieved at the first employer. Such a strategy can be defended on two grounds. First, such an approach acts to create a common rule within for wages and conditions, a principle that operated within Australian industrial relations throughout most of the twentieth century, and secondly, that such a bargaining strategy would minimise unproductive separate negotiations on multi-employer worksites, as in the construction industry.

The new provisions, however, go beyond prohibiting the capacity of a union to campaign to establish a common rule in an industry: it provides a mechanism to frustrate union negotiating strategies. This could occur in two ways. First, given that most employers are unlikely to want to pay better wages and conditions than their closer rivals ceteris paribus, the prohibition against pattern bargaining may impose a burden on a union but has no real
effect on wage outcomes within an industry. What appears to be ‘pattern bargaining’ may in fact only be the presentation of an ambit claim by the same union official who had delivered the same ambit claim elsewhere. It cannot be assumed that an employer will concede to the terms established by a union. If the employer does concede to the union claims, and this agreement is reached without duress, because the agreement reflects the commercial needs of the employer, this should be considered to be a reasonable outcome. To establish a prohibition on pattern bargaining would be to set limits on a trade union’s behaviour in order to prevent an employer from exercising freedom of choice in the conduct of their negotiations.

Secondly, a union-led negotiation could be thwarted by the use of this prohibition, due to resource constraints within the union. That is, the negotiations could be stymied if a union official appears at two negotiations with similar ambit claims. Thus a union would need to either generate separate claims, or have multiple officials deliver a similar claim to different employers. If the industry is likely to establish a common rule as a result of the various agreements being negotiated, then the pattern bargaining prohibition is a burden on the trade unions which does not result in improved bargaining outcomes in terms of wage and condition dispersion.

Trade union access to workplaces
Sections 736 through to 777 substantially revise the rules for the right of entry in a workplace. These revisions place greater restrictions on those eligible to carry a right of entry permit, make it easier for a permit holder to be disqualified, as well as restricting the effectiveness of permit holders in carrying out their responsibilities as representatives of their organisations.

The latter point is most significant. Under the new system, a representative of a union is required to specify the details of the suspected breach of the award, agreement, AWA or Act necessitating the visit. This will typically require the permit holder identify the name of the person affected by the suspected breach, who has initiated the union visit. Further, the permit holder is only able to access records relating to union members, or relating to an AWA unless the employee respondent to the AWA specifically authorises the union official. This will act to discourage employees inviting union involvement in their disputes, for fear that the employer may respond adversely given the new difficulties in mounting unfair dismissal claims. The employer has a wide range of powers in specifying the location within the premises where the union official conducts their business. The rules, however, are less onerous for entry where there is a suspected OHS breach. Far less onerous rules apply to the Inspectors attached to the recently established Office of Workplace Services, who are able to inspect workplaces and employer records without prior notice.¹

NEW OFFENCES UNDER THE 2005 LEGISLATION
The new legislation introduces a range of new or amended offences that have direct implications for people involved with negotiating industrial agreements. These offences can be committed by ‘persons’, which includes ‘organisations’¹ and a trade union may be held responsible for actions carried out by its members in some circumstances.¹

Penalties surrounding ‘prohibited content’.
Sections 365 and 366 present a new challenge to trade unions, in addition to the new ‘prohibited content’ rules. The Section 365 provision constrains the range of items available for unions to put onto the negotiating agenda, or even to use as a recruiting and membership strategy, making it an offence to merely seek to include a ‘prohibited content’ term onto the bargaining agenda. Section 366 places further limits. Under this provision, in addition to having proposed a term that may have constituted ‘prohibited content,’ a proponent for an specific provision may be found to have made ‘misrepresentations’ about whether a provision was ‘prohibited content’ and thus may be liable under the Act.

These provisions raise several new sets of challenges for trade unions. First, a trade union that seeks to develop an alternative and member-driven agenda for the content of workplace
agreements may face proceedings, justifiably or not, in response by an employer. If employers and unions take further steps towards unregistered common law agreements, outside the framework of the Workplace Relations Act, then a third party may be able to take action against either of the contracting parties for discussing ‘prohibited content.’ Secondly, trade unions seeking to find forms of work to avoid the prohibition on content, through drafting, which may also be construed as ‘reckless.’

Section 400 Coercion and Duress
The new provision Section 400 consolidates several clauses of the previous legislation: any interference by a ‘person’ that aims to ‘coerce’ another person in relation to the making of an agreement – collective or AWA – can give rise to an offence. Trade unions face an increasingly limited authority to intervene into workplace negotiations and may easily find themselves interpreted as undertaking ‘coercive activity,’ if participating in industrial activity considered to be typical prior to 1996 such as recruiting members and seeking to organise meetings of employees.

Setting aside the specific case where an employer and a potential employee are discussing whether a position will be regulated by an AWA, which is regulated by a specific provision,1 how will ‘coercion’ be interpreted? The few decisions on the meaning of a predecessor clause, Section 170NC, suggests that ‘coercion’ would not be deemed to occur when one of the industrial parties has undertaken actions that are not ‘unlawful, unlawful, illegitimate or unconscionable’, and are in accordance with the relevant legislation.1 The new legislation, with its broader definition on industrial action for example, could present a basic problem for trade unions in carrying out routine industrial work involving workplace discussion with members and potential members, as well as negotiation with employers.

s401 False and Misleading statements
Whereas the provisions of the earlier legislation prohibited false and misleading statements only in relation to the making of AWAs (Section 170WG), the new legislation extends the prohibition to the making (or not making) of all forms of negotiated workplace agreements.

The clause is activated if the false or misleading statement satisfies two tests: that the person is acting in a ‘reckless’ manner, and the statement also prompts another party to alter their behaviour in a way that would not have occurred without the intervention of the reckless false and misleading statement.

This provision may present two very practical problems for union officials and activists. First, who decides if a negotiating position used to win membership or employee support is misleading? If management was to decide on a certain course and set of industrial objectives, and union activists were to commence a campaign within a workplace where the facts and issues are in contention between management and the workforce, then the union officials may – potentially – face prosecution proceedings on the grounds of ‘false’ and ‘misleading’ statements, in raising alternative interpretations. With the adoption of a civil remedy process, will the employer construct the case for whether a statement was misleading, or will the maker of the ‘false’ and ‘misleading’ statement be required to prove that the statement was not false or misleading? What if the facts are then in dispute? In such cases, the grievance dispute procedures required to be inserted into an agreement or award are not likely to be able to resolve such a matter; any trip to the federal Court may require substantial resources.

The second point follows from the first. This new provision broadens the opportunity for determined employers to coerce and manipulate unions and their organisers by making or threatening Federal Court proceedings under this provision. Even of the matter does not proceed to a full hearing or is withdrawn, the tactical use of Court proceedings may weaken trade union, workplace delegate committee enthusiasm for workplace campaigning.
NEW MECHANISMS FOR REMEDYING BREACHES

The new legislation introduces the use of the Federal Magistrates Court for more routine industrial matters, in addition to the Federal Court, for hearing matters relating to the operation of the legislation.

A more significant development, however, is the broader use of civil remedies for offences committed under the legislation. Whereas the previous system would impose a penalty or order imprisonment for a breach of the provisions of the legislation, the new legislation enables an aggrieved party to initiate proceedings for the remedy of the breach. Although the test for a civil breach is lower, looking at the ‘balance of probabilities’ rather than requiring proof ‘beyond reasonable doubt’ needed for a criminal matter, this development is significant in three ways. First, the increased use of civil proceedings reflects the increased emphasis on contractual relations between the industrial parties, rather than the maintenance of a state-sanctioned regulatory system for the management of industrial relations. Such a shift will necessarily erode trade unions, whose role now is increasingly that of an agent of its members, rather than as a principal in its own right.

Secondly, the increased use of civil remedy provisions is likely to become part of the practical politics and economics of industrial negotiation. Initiating and responding to such proceedings will have a cost within the workplace. Part of this cost is economic. Raising and defending matters in the Federal Court could be expensive and lengthy. Here, the relative financial capacity of the industrial parties can determine their ability to raise, defend and continue legal proceedings. Another cost created is political. The new provisions offer the possibility of a sufficiently motivated party to initiate proceedings designed to stymie the negotiating strategy of another party. For example, in the lead up to the negotiation of a replacement industrial agreement, an employer may initiate proceedings against a union developing membership support for a log of claims, claiming that the union campaign was false or misleading, contained ‘prohibited content’ or represented ‘pattern bargaining.’ This would be sufficient to halt that negotiation. While these matters are being heard, a court may grant an injunction or the suspension of a bargaining period, effectively removing the capacity of the union to continue its organising work, irrespective of the merit of the employer claims.

Thirdly, accompanying the increased use of civil remedy provisions in the legislation is the increased provisions for penalties or damages against the offending party. The majority of offences have a maximum penalty, and this is in keeping with the approach taken in prior legislation. However, the new legislation makes it possible for a party to apply for damages caused by the actions of another. This can be seen in Section 413, where the Court may order compensation where an employee has suffered some loss due to the breach, and elsewhere, where damages may be claimed if the employer sought to register unapproved agreements and documents, unfairly dismissed an employee in specific circumstances, as well as Section 400 coercion and Section 401 misrepresentation. Under this provision, it is possible for an interested party to seek damages for a breach of the Act, if an employee has been materially harmed by the breach. Schedule 1, Chapters 9 and 10 simplify the mechanisms through which a union member can take action, including seeking damages against their union for actual or perceived breaches of the organisation’s rules and financial accountability requirement.

Simplified mechanism for union deregistration.

Finally, the regulatory system has made it easier for a trade union to be deregistered, by broadening the range of activities that can trigger a registration cancellation as well as reducing the threshold justifying cancellation. An application for cancellation can come from ‘an organisation or person interested, or the Minister’, or in the case of financial irregularities within the union, from the Industrial Registrar, under Section 28 of Schedule 1.
As noted earlier in this paper, the legislation has established a clearer set of goals for the industrial relations system, around a very broad definition of industrial action, and which does not specifically recognise the role of trade unions as a central feature of the system. A range of offences now exist that are created by violation of the legislation's objectives. Under Section 28 of Schedule 1 of the legislation, the Court is obliged to cancel the registration of a organisation if the organisation or a substantial number of it’s members has:

- frustrated the ‘achievement of Parliament’s intention’ for the Workplace Relations Act
- engaged in industrial action that has ‘prevented, hindered or interfered’ with the activities of an employer;
- ‘…or have been, or is or are, engaged in industrial action that has had, is having or is likely to have a substantial adverse effect on the safety, health and welfare of the community or a part of the community (Section 28(c)); or
- has failed to obey several specified types of orders made by the Courts and the Commission;
- breached of the provisions relating to union financial management;

This provision makes the deregistration process straightforward. Prima facie, a union that has engaged in industrial action, with the broadened definition under Section 420, may have met the requirements for cancellation.

This paper has provided an outline of the new environment faced by trade unions, their members and officials. The new legislation presents trade unions, their members and officials with new and difficulty organisational and administrative challenges. Displaced as a central institution, trade unions now face prohibitions in carrying out the activities previously commonplace, and face new penalties.

REFERENCES

INTRODUCTION

How do employers and employees find each other? This question is not only of theoretical interest to labour economists, economic sociologists, and political economists but it is of immediate and practical interest to employers and governments. Employers are increasingly struggling to find sufficient supplies of suitable labour. Changing demographics, with an aging workforce, dwindling numbers of new entrants into the labour market, coupled with skill shortages in occupational groups experiencing rapidly expanding employer demand, and the growing demand for cleverness and insight (talent) in businesses competing in a global marketplace for innovation (Florida, 2005), are presenting employers with a fundamental and urgent problem: how to find and maintain suitable employees? Governments, concerned about the social and political implications of rising structural unemployment (Barrett, 2004) will have a great interest in understanding the key determinants in successful job search and matching.

The onset of labour, skill and talent shortage will refocus attention on the possible supplies of suitable labour, as well as the mechanisms through which potential employees become aware of employment opportunities. Anecdotally, it is often said that 80% of filled positions are not advertised or filled through a formal recruitment and selection process, and that jobs are typically not filled on the basis of ‘what you know’, but ‘who you know.’ This paper is concerned with ascertaining the veracity of this claim, determining the extent of successful informal job search, and the mechanisms through which job search occurs. Using a specific analytical framework, the ‘strength of weak’ ties (‘SWT’) approach introduced by Granovetter (1973, 1974), we will explore how successful applicants found their jobs, using a particular job type: part-time, non-career, relatively low skilled and temporary jobs typically held by undergraduate students.

This paper investigates a distinct type of employment category and population. From the perspective of undergraduate students as potential employees, a desirable job will be one that provides a sufficient return for hours spent employed, with hours sufficiently flexible to accommodate a study program. Typically, there is no real expectation of the position contributing anything towards the development of career-related knowledge and skills. These positions would be considered to be low ‘quality’ jobs, chosen instrumentally by students to assist with the costs of undergraduate life. From the perspective of the employer, these positions are typically low skilled, subject to high turnover and without any need or scope for career development. Although these positions are important for the operation of the business, the nature of the work carried out and the likelihood of high turnover make it unlikely that these positions will be filled through a rigorous selection process.

The SWT literature makes a series of observations about the manner in which such people will be recruited, and makes several predictions about the manner in which this employment is found. This investigation will be structured into several parts. The first section will outline
the SWT theory and literature. Several hypotheses will be outlined in the second section, prior to an outline of the method of data collection and analysis contained in the third section. The fourth section of the paper will outline the findings of this study, while section five will outline a discussion of the implications of these findings.

**The role of weak and strong ties**

While labour economists and economic sociologists agree on the centrality of information about (the availability and quality of an employment opportunity to effective job search, they differ in their understanding of how such information can be obtained. Although both accept that job seekers are likely to possess incomplete information, labour economists are more inclined to see the incompleteness of this knowledge as readily remedied given enough time, resources, and flexibilities of the parties to amend their expectations about wage rates and conditions (Van Ours & Ridder, 1992, pp. 138-140). Further, as organisations become larger and society more complex, these writers contend that formal institutions of job matching are likely to proliferate – as a means of reducing the average search cost in an expanding search marketplace. The logical policy response of their approach to job search is to establish better mechanisms for the distribution of information about positions – job agencies, internet advertising and other similar formal mechanisms, in addition to seeking further labour market flexibility (Holzer, 1992, pp. 1-3).

The economic sociologists have a less Panglossian view about the possibility of possessing complete and efficient knowledge about the availability and quality of job opportunities (Bian, 1997; Bridges & Villedrez, 1986; A. Green, Shuttleworth, & Lavery, 2005; G. Green, Tigges, & Diaz, 1999; Korpi, 2001; Mau & Kopischke, 2001; Tziner, Vered, & Ophir, 2004). This information, they contend, is distributed unequally across society and labour markets, and mediated and moderated by social structures and processes. For the economic sociologists, news about some positions may be quickly distributed to some people within society, but may never be received by some other people. The question posed by the economic sociologists is: how are these distribution networks structured and how is information passed through these networks? If information networks are central to a substantial proportion of new hires, then an interventionist response to job search would be to encourage network building activities, such as the participation in community, professional and work-related activities.

Granovetter’s insight is that this information is often distributed through informal means, through ad hoc social networks made up of family, friends, acquaintances and colleagues, and that the usefulness and quality of knowledge passed along these networks varies according to the network. This approach explicitly distinguishes between formal and informal mechanisms of job search and recruitment. Formal mechanisms, such as newspaper advertising, noticeboard, job centre advertising and more recently, through internet-based advertising, are the most immediately apparent mechanisms through which jobs are allocated. Informal mechanisms, as a direct consequence of their ad hoc nature, are less apparent but play a significantly larger role in placing individuals into positions. Informal mechanisms include the direct application to an employer, the recommendation of an applicant by a friend of the employer, or the provision of information by a second or third party to a potential applicant, who then makes an application. Prior to the actual application is the transmission about the availability and quality of a job, distributed through some form of network. In the case of job vacancies, these networks, made up of individuals with connections based on family, occupation, schooling and education, religion, sporting and other affiliations, are understood to pass on information about the existence and quality of employment opportunities.

The information distributed by the network plays several roles. It can alert potential job applicants of the existence of a position which may be advertised, or is soon to be advertised. It may provide information about the desirability or otherwise of a job, of the implicit requirements of a position, or of the political factors within the organisation. The information
conveyed may also relate to recommendations made by influential people in favour of specific candidates. Such information may also work in reverse: it may provide employers with a simple, low cost and low risk way of recruiting, screening and selecting suitable employees (Simon & Warner, 1992).

In the earliest writing within this literature, Granovetter (1973, 1974, 1983, 1985, 1995a,b) distinguished between two types of connection into information networks. These two connections had different outcomes in terms of job quality. In Granovetter’s initial study carried out in the early 1970s, it was found that while less than 20% of all respondents drawn from a largely white, middle class town in Massachusetts found new jobs through formal means, almost 20% found employment through direct application, and over 55% of the sample found employment through the use of informal networks.

Of this 55%, two types of network connection could be seen operating. The first type of network was based on family connections – parents, siblings, cousins, brothers-in-law, etc. Because of the relative closeness of the connection, these ties were considered to be ‘strong.’ The second type, that of ‘weak ties’, assumes that a weak tie exists between two people who are not related but are acquaintances, may know each other socially, through sporting or religious involvement, or any other connection. In the majority of studies relying on this distinction, weak ties are generally found to have resulted in better employment outcomes (or at least no worse) than those provided through ‘strong’ ties.

Why is this? Networks made up of people connected by strong ties are more likely to have some sort of essential commonality such as social class, education, race, friendship networks, or geography. The information contained within these networks is, relatively at least, of a similar sort to that acquired by other people within the network. Consequently, while a ‘strong’ tie network may result in employment, the types of employment that people within the network may be aware of, may not be substantially different in quality or opportunity to that of any other person already within reach of the strong tie network. This finding emerged in the initial studies by Granovetter, and also repeatedly in studies that looked at how members of migrant communities, where strong ties predominated, found work (Sanders, Nee, & Sernau, 2002). Similar conclusions were found when examining how people from disadvantaged communities found employment (G. Green, Tigges, & Diaz, 1999), the differences between male and female job search (Mau & Kopischke, 2001; Rankin, 2003) and in variety of different national settings, such as Russia and in northern Europe. Interestingly, China seemed to be the major exception. Here the literature suggests a reverse finding: close, family-related networks are more likely to provide a higher-quality job outcome than those found through weak ties (Bian, 1997; Blair, Culkin, & Randle, 2003; De Graaf & Derk Flap, 1988; Korpi, 2001; Yakubovich, 2005; Zang, 2003).

A ‘weak’ tie gives an individual access to not only the network comprised of their friends and acquaintances, drawn from the individual’s work, occupational, religious, political, educational, sporting, hobbies and professional involvements, but also, indirectly, to the networks of their immediate friends and networks. A ‘weak’ tie gives access to the ‘strong-tie’ networks of their ‘weak-tie’ contacts. Each of their friends and acquaintances, particularly those from different areas, are likely to have their own set of networks, all with different members and the potential for additional and different types of employment related information. Consequently, the type of positions and opportunities signalled are likely to be more varied amongst ‘weak’ tied networks, than that of ‘strong’ tied networks. The ‘weak’ tie acts as a bridge between one’s own networks and the networks of others. The more weak ties one has, the greater the number of other networks one has indirect access to, leading to more information of a varied nature. As a consequence, a job seeker can find out about more diverse and potentially superior positions. The literature has generally found that that reliance on weak ties was found to result in superior quality jobs. Lin, in a variety of papers, advanced this literature by suggesting that the key issue for information transmission was the existence of ‘social resources’ constituted by the various types of networks (Lin, 1999; Lin, Ensel, &
Vaughn, 1981). From this perspective, the quality of the job is reliant on the status of the intermediary providing information about the position. Viewed by a job seeker, an intermediary who possessed higher status was more likely to have access to other people of higher status, and more likely to possess knowledge of better jobs than someone of equivalent social standing to the job seeker.

**The relationship between social network presence, job–search strategy and job outcomes.**

An implication of the network-based approach to job search is that job search is relatively easier for those with extensive networks. Those with greater networks are more likely to be able to identify employment opportunities through informal means than those who have less developed networks.

In the case of this data sample, we are able to test between two distinct groups: students who have grown up in Adelaide, and have thus accumulated a wide range of locally-specific networks; and those from outside the Adelaide metropolitan area, who have had less opportunity to develop extensive social networks, including international students seeking employment. It is hypothesised that recent arrivals to Adelaide have less developed social networks, and are more likely to have obtained employment through formal means.

*Proposition 1a:* Respondents with more extensive social networks are more likely to have found employment through informal means.

*Proposition 1b:* Respondents who have grown up in Adelaide are more likely to have found employment through informal means than ‘migrants’.

*Proposition 2:* The higher the quality of a job, the more likely the position was found through formal means.

The role of social resources in obtaining employment

Although not unambiguous, the literature suggests that there is a relationship between the ‘quality’ of a job, variously measured in terms of income, prestige or career-enhancing features, and the job-search strategy employed. In several studies, it appears that the greater the ‘quality’ of the job, the more likely the position was found through a formal job recruitment process. Here, we will see if there is a correlation between the perceived quality of a job and the method through which the position was obtained. It is hypothesised that the higher the quality of a position, the more likely it was that the position was found through a formal network. More broadly, the literature suggests that job information passed through ‘weak’ ties was more likely to result in higher quality jobs, than through ‘strong’ ties. However, subsequent research which investigated the correlation between the various types of ties and the various components of a ‘quality’ job has proven inconclusive.

*Proposition 3a:* ‘Low’ quality jobs are more likely to be allocated through ‘strong ties.’

*Proposition 3b:* ‘Higher’ quality jobs are more likely to be allocated through ‘weak ties.’

The ‘social resource’ literature sparked by Lin et. al., continues the longstanding theme within the broader sociological literature that social outcomes are significantly influenced by one’s status within society and by the resources to which one has access. These resources may be capital in the traditional sense such as wealth and income or ‘cultural’ and ‘social’ capital – intangible resources that give the bearer a superior position to those not bearing such resources. Social resources could include, the range of influential contacts one knows personally or only through parents; the prestige attached to having won a Rhodes Scholarship or attended a particular school and the ensuing opportunities; or one’s reputation as an authority or otherwise. These social resources (and the more one possesses the better) have two particular benefits to the bearers. Firstly, the higher the level of social resources the more likely one is to know others of similar levels of social resources, and thus have access to networks bearing superior information. Secondly, the possession of social resources can act to reassure employers of the suitability of potential applicants; here the importance lies in the information conveyed to the employer about the quality of the candidate. This can occur
through the halo effect of membership of a certain prestigious or like-minded social group or having attended a particular school with one's niece. Here we will look at whether various components of social and cultural capital, such as the type of school attended, parental occupational and employment status is correlated with job search type.

Proposition 4a: Different pre-university education will have a different effect on the means of finding employment.
Proposition 4b: The higher the level of education within the student's family, the higher the 'quality' of job found and the higher likelihood of 'weak ties' being utilised.
Proposition 4c: Employment status within the student's family will be correlated with the 'quality' of job found and the higher likelihood of 'weak ties' being utilised.

Lin et al and subsequent writers drew attention to the role played by the provider of information about employment opportunities, emphasising the role of the contact person. Not only does this person provide information about the availability of a position, this person can also play a qualitative role: providing information about the quality of the position to the potential applicant and about the suitability of the potential applicant to the recruiting employer. A contact person, the 'social resources' literature suggests, is better able to provide useful information about quality positions if this person possesses equal or superior social resources to the job seeker. Why is this? A person of superior standing is more likely to have a broader, more diverse range of acquaintances of people at an equivalent level of social resources; by acquiring contacts of equal or superior social resources, one is able to gain access to additional networks, as well as the decision-makers within those networks.

Proposition 5: The higher the status of the contact, the more likely 'weak' ties were used and the higher the job quality.

Relationship between organisation size and ownership and method of recruitment
The literature has suggested a clear relationship between size of the organisation, the nature of employer ownership, and the method of employee recruitment. Studies have suggested that the larger the organisation, the more likely the organisation is to use a more structured approach to recruitment and selection, although Griece (1987, pp. 1-2) has found otherwise in relation to kinship-related recruiting networks. Similarly, it can be expected that organisation type, family ownership, for example, is correlated with greater use of informal and strong tie job search.

Proposition 6a: People employed by larger organisations are less likely to be employed through informal means.
Proposition 6b: People employed by family owned businesses are more likely to be employed through informal means.
It will be assumed that these positions are not career-relevant positions; instead they typically require minimal skills, emphasise on-the-job learning, and are easily filled.

Method
The survey instrument and sample
This paper reports on data collected during the piloting of a survey instrument developed to capture evidence about the factors influencing graduates' entry into the occupational labour market. Aside from issues of convenience, the type of work sampled (temporary and part-time) and the sample population (undergraduate students, mostly between 19 and 23) provide very useful evidence about the nature of job search in two respects. Firstly, this data collection will provide evidence about the mechanisms used to find 'low quality' jobs – as a specific subsection of the workforce. They are taken by students seeking an income while studying towards a qualification used to gain entry into better paid, professional, career-related positions after graduation. Because the positions are generally low-skilled and easily filled, typically occupied by young, transitory workers (Hartman & Yrie, 1996), employers are less likely to use structured recruitment processes aimed at recruiting longer-term staff.
Secondly, a later study will investigate the job search strategies of similar people, but taken after they graduate. Accordingly, this data sample will act to provide a benchmark for subsequent studies of people with a university education.

The data was collected in early March 2006 by physically handing out the survey instrument to two tutorial classes of Human Resource Management students enrolled in a compulsory third year course. A response rate of 86% of students, 37 students, enrolled as internal students within that course, was achieved. Data was entered and analysed using SPSS family software.

This sample is also very useful given the broader research project: it represents a benchmark for the patterns of student job search, which can be compared against the patterns employed by students looking for career-making positions.

**Key variables.**

**Job quality:** We have constructed a measure of Job Quality by averaging the scores of the ordinal measures of perceived job ranking and two variables assessing the contribution of the job to the respondent’s future employment prospects. Consequently our measure conflates current and subjective measures of job enjoyment, with assessments about the future utility of the contribution of job activities to future work, and is not a strong indicator of job quality. Nevertheless, in the absence of a better measure, we use this data in Table 1 to representative the various aspects of perceived job quality.

**Table 1. Job quality, as perceived by respondents (%)**

<table>
<thead>
<tr>
<th></th>
<th>n.</th>
<th>Bes</th>
<th>Better</th>
<th>Average</th>
<th>Worse</th>
<th>Wors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>t</td>
<td>than</td>
<td>than</td>
<td>t</td>
<td>e</td>
</tr>
<tr>
<td></td>
<td></td>
<td>averag</td>
<td>averag</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ranking of job</td>
<td>33</td>
<td>0</td>
<td>30.3</td>
<td>42.4</td>
<td>24.2</td>
<td>3</td>
</tr>
<tr>
<td>Develops useful skill and</td>
<td>34</td>
<td>17.</td>
<td>29.4</td>
<td>23.5</td>
<td>17.6</td>
<td>11.8</td>
</tr>
<tr>
<td>knowledge</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Useful for CV</td>
<td>32</td>
<td>43.</td>
<td>15.6</td>
<td>15.6</td>
<td>18.8</td>
<td>6.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aggregated measure</td>
<td>31</td>
<td>9.7</td>
<td>45.2</td>
<td>22.6</td>
<td>22.6</td>
<td>0</td>
</tr>
</tbody>
</table>

Contrary to our expectations, a bare majority of respondents rank their current employment positively. However, as can be seen in the listing of job titles contained in Table 2, it is unlikely that the student cohort would see these positions as being ‘quality’ jobs compared to their graduate employment. The vast majority of students indicated that they would vacate these positions after they graduate, or when a better job becomes available before they graduate.
Table 2. Job titles (classified)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>administrative assistant/administrator</td>
<td>7</td>
</tr>
<tr>
<td>animal attendant</td>
<td>1</td>
</tr>
<tr>
<td>business manager</td>
<td>1</td>
</tr>
<tr>
<td>business services support officer/customer service operator/call centre</td>
<td>7</td>
</tr>
<tr>
<td>Checkout operator</td>
<td>4</td>
</tr>
<tr>
<td>Co-ordinator/supervisor of retail sales</td>
<td>4</td>
</tr>
<tr>
<td>Retail sales</td>
<td>5</td>
</tr>
<tr>
<td>Chinese language tutor</td>
<td>1</td>
</tr>
<tr>
<td>kindergarten teacher</td>
<td>1</td>
</tr>
<tr>
<td>Manual labourer</td>
<td>1</td>
</tr>
<tr>
<td>Warehouse related</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35</td>
</tr>
</tbody>
</table>

Social Networks: The extent of social networks was calculated using the same approach as for ‘job quality’, and is summarised in Table 3. It appears that the strongest networks are family-related, followed by work-related, school-related and then study-related.

Table 3. Extent of social networks: How many people known in each social domain (%)

<table>
<thead>
<tr>
<th>Social Domain</th>
<th>n.</th>
<th>Many 1</th>
<th>Many 2</th>
<th>Many 3</th>
<th>Many 4</th>
<th>Many 5</th>
<th>Almost 1</th>
<th>Almost 2</th>
<th>Almost 3</th>
<th>Almost 4</th>
<th>Almost 5</th>
<th>N/A 1</th>
<th>N/A 2</th>
<th>N/A 3</th>
<th>N/A 4</th>
<th>N/A 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>School</td>
<td>37</td>
<td>35.1</td>
<td>24.3</td>
<td>18.9</td>
<td>13.5</td>
<td>0</td>
<td>8.1</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Study-related</td>
<td>37</td>
<td>10.8</td>
<td>37.8</td>
<td>32.4</td>
<td>16.2</td>
<td>2.7</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sporting related</td>
<td>37</td>
<td>16.2</td>
<td>16.2</td>
<td>8.1</td>
<td>27</td>
<td>5.4</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Church, etc.</td>
<td>36</td>
<td>8.3</td>
<td>0</td>
<td>8.3</td>
<td>22.2</td>
<td>19.4</td>
<td>41.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work related</td>
<td>37</td>
<td>24.3</td>
<td>40.5</td>
<td>10.8</td>
<td>8.1</td>
<td>2.7</td>
<td>13.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionally related</td>
<td>37</td>
<td>5.4</td>
<td>13.5</td>
<td>32.4</td>
<td>8.1</td>
<td>8.1</td>
<td>32.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friends of family</td>
<td>37</td>
<td>37.8</td>
<td>29.7</td>
<td>10.8</td>
<td>10.8</td>
<td>8.1</td>
<td>2.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childcare-related</td>
<td>37</td>
<td>2.7</td>
<td>0</td>
<td>10.8</td>
<td>8.1</td>
<td>29.7</td>
<td>48.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>34</td>
<td>5.9</td>
<td>14.7</td>
<td>26.5</td>
<td>0</td>
<td>2.9</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Average network size</strong></td>
<td>33</td>
<td>0</td>
<td>27.3</td>
<td>42.4</td>
<td>21.2</td>
<td>9.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strong/ weak ties: In this paper we define ‘strong ties’ as being constituted by family members, family friends and personal friends. Weak ties include study, work, religion, sport and professionally related relationships.

Demographic characteristics of the sample
The sample reflected the sex distribution of the HRM program: 75% of the sample was female. International students were over-represented in the sample, with 37% of the sample being from abroad. Consequently, this study provides useful information on a comparator sample group - students with more limited Adelaide-specific networks. Over 90% of the sample had worked either in the past or currently, with just over 50% working between 15 and 25 hours a week, with preponderance in the retail sector. Remarkably, very few were employed by family businesses, or small business (Tables 4 and 5).

<table>
<thead>
<tr>
<th>Table 4. Business Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>n.</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Family owned</td>
</tr>
<tr>
<td>Owned by another family</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 5. People employed by business</th>
</tr>
</thead>
<tbody>
<tr>
<td>n.</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>1-3</td>
</tr>
<tr>
<td>4-10</td>
</tr>
<tr>
<td>11-20</td>
</tr>
<tr>
<td>21-50</td>
</tr>
<tr>
<td>51+</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

RESULTS

The overwhelming majority of people obtained employment through informal means (Table 7), with the most significant source of advice about employment possibilities coming from a relative (usually a mother or sister), or from a friend, either a personal friend or a friend of the family. Family-related and personal friends provided leads in over 50% of current jobs.
Table 6. How found out about job (categorised by formal/ informal methods)

<table>
<thead>
<tr>
<th></th>
<th>n.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal means</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>advertised in newspaper</td>
<td>2</td>
<td>6.9</td>
</tr>
<tr>
<td>advertised on the web</td>
<td>1</td>
<td>3.4</td>
</tr>
<tr>
<td>advertised on a noticeboard</td>
<td>1</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Total formal means</strong></td>
<td>4</td>
<td>13.7</td>
</tr>
<tr>
<td><strong>Informal means</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mentioned by friend</td>
<td>5</td>
<td>17.2</td>
</tr>
<tr>
<td>mentioned by relative</td>
<td>6</td>
<td>20.7</td>
</tr>
<tr>
<td>mentioned by co-worker</td>
<td>1</td>
<td>3.4</td>
</tr>
<tr>
<td>mentioned by class-mate</td>
<td>2</td>
<td>6.9</td>
</tr>
<tr>
<td>Mentioned by family friend</td>
<td>4</td>
<td>13.8</td>
</tr>
<tr>
<td>direct application</td>
<td>3</td>
<td>10.3</td>
</tr>
<tr>
<td>referral following direct application</td>
<td>2</td>
<td>6.9</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Total informal means</strong></td>
<td>25</td>
<td>86.3</td>
</tr>
</tbody>
</table>

Is there a relationship between social network presence, job–search strategy and job outcomes?

Our attempts to test Proposition 1a and 1b were hampered because of the small size of the sample. Nevertheless, there is an apparent advantage to those with larger social networks in obtaining employment. Those who had resided in Adelaide before commencing study were more likely to find jobs through informal means (Table 7). Students with extensive social networks were more likely than those with smaller networks to find employment through informal means (Table 7.)
Table 7: Job search type by prior location and total network size.

<table>
<thead>
<tr>
<th>Location prior to commencing</th>
<th>Formal</th>
<th>Informal</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Adelaide</td>
<td>8.7%</td>
<td>91.3%</td>
<td>23</td>
</tr>
<tr>
<td>Interstate</td>
<td>0.0%</td>
<td>100.0%</td>
<td>1</td>
</tr>
<tr>
<td>Overseas</td>
<td>66.7%</td>
<td>33.3%</td>
<td>3</td>
</tr>
</tbody>
</table>

Social network size

<table>
<thead>
<tr>
<th>Social network size</th>
<th>Formal</th>
<th>Informal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large total network</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Large total network</td>
<td>14.3%</td>
<td>85.7%</td>
</tr>
<tr>
<td>Medium total network</td>
<td>9.1%</td>
<td>90.9%</td>
</tr>
<tr>
<td>Small total network</td>
<td>25.0%</td>
<td>75.0%</td>
</tr>
<tr>
<td>Very small total network</td>
<td>100%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

There is weak evidence for Proposition 2, that the higher the quality of a job, the more likely the position was found through a formal search method. However, this conclusion may just be a consequence of the small numbers involved. As can be seen in Table 8, as the ‘quality’ of the position declines, the more likely the job was allocated through an informal method.

Table 8. Job search mechanism (categorised) by Job Quality

<table>
<thead>
<tr>
<th>Job Quality</th>
<th>Formal</th>
<th>Informal</th>
<th>n.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Job</td>
<td>50.0%</td>
<td>50.0%</td>
<td>2</td>
</tr>
<tr>
<td>Better than average</td>
<td>18.2%</td>
<td>81.8%</td>
<td>11</td>
</tr>
<tr>
<td>Average</td>
<td>14.3%</td>
<td>85.7%</td>
<td>7</td>
</tr>
<tr>
<td>Worse than average</td>
<td>0.0%</td>
<td>100.0%</td>
<td>6</td>
</tr>
<tr>
<td>Worst Job</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>15.4%</td>
<td>84.6%</td>
<td>26</td>
</tr>
</tbody>
</table>

Do ‘weak ties’ lead to higher quality jobs?
Proposition 3a and 3b were concerned with which type of ties lead to the higher quality job. This requires a clear definition of not only ‘job quality’ but which job approaches are typified by ‘weak’ and ‘strong’ ties. For the purposes of this exercise we define ‘strong ties’ as ties that are related to the family but not those of family friends, and related to personal friendships. Using the informal network data of Table 3, we can recast informal job search methods into three categories (Table 9): ‘strong’, ‘weak’ and ‘other.’ Strong ties appear to be more significant than ‘weak ties’ as a form of informal recruitment. Within strong tie related job search, mothers and sisters are remarkably important in the identification of job opportunities, particularly in organisations they already work for.
Table 9. Role of ties in informal job search.

<table>
<thead>
<tr>
<th></th>
<th>n.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong ties</td>
<td>11</td>
<td>37.9</td>
</tr>
<tr>
<td>Weak ties</td>
<td>9</td>
<td>31.0</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>17.2</td>
</tr>
<tr>
<td>Total responses</td>
<td>25</td>
<td>86.3</td>
</tr>
</tbody>
</table>

There is weak evidence supporting propositions 3a and 3b. Unfortunately the data does not provide statistically significant evidence about the relationship of ‘strong’ and ‘weak’ ties with job quality, due to the small size of the respective samples (Table 10). However, given that weakness, it appears that ‘weak ties’ are more likely to be associated with the higher quality positions, while the lower quality jobs seem to be found more through ‘strong ties.’

Table 10. Job search mechanism (categorised) by Tie type.

<table>
<thead>
<tr>
<th></th>
<th>Strong</th>
<th>Weak</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Job</td>
<td>0.0%</td>
<td>100.0%</td>
<td>1</td>
</tr>
<tr>
<td>Better than average</td>
<td>44.4%</td>
<td>55.6%</td>
<td>9</td>
</tr>
<tr>
<td>Average</td>
<td>60.0%</td>
<td>40.0%</td>
<td>5</td>
</tr>
<tr>
<td>Worse than average</td>
<td>75.0%</td>
<td>25.0%</td>
<td>4</td>
</tr>
<tr>
<td>Worst Job</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Total responses</td>
<td>10</td>
<td>9</td>
<td>19</td>
</tr>
</tbody>
</table>

Do social resources make a difference in obtaining employment?

Although the data is affected by the small numbers, there are several unexpected results that suggest there may be an association between school attended and successful job search strategy. As can be seen in Table 11, those who attended Catholic schools appear to be three times more likely to use ‘weak’ ties to obtain information about job opportunities than those attending a public school. Public school alumni are almost four times as likely to use other forms of informal job search, such as direct applications to employers, as are alumni of Catholic schools. Unfortunately, we have insufficient data about the job search strategies of former students of private schools, or of alumni of religious-based, non-Catholic schools.
There is some evidence that students from families with a higher educational background are less likely to use strong ties in obtaining employment, and lower levels of formal education are associated with the less frequent use of weak ties (Table 12). Similarly, there is weak evidence that family education background is associated with the ‘quality’ of job found: although not unambiguous, students whose parents had a trade or secondary school education were more likely to rank their jobs more lowly. Families in full-time employment are more likely to use ‘weak’ ties than self-employed employers, and are more likely to rank their part-time jobs more highly, than the self-employed, who are more likely to use ‘strong ties’ and rank their jobs more lowly.

Table 12. Parental employment status by job search type and job quality.

<table>
<thead>
<tr>
<th>Job Search type</th>
<th>Self-employed</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Retired</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>strong</td>
<td>50.0%</td>
<td>23.5%</td>
<td>100.0%</td>
<td>50.0%</td>
<td>37.9%</td>
</tr>
<tr>
<td>weak</td>
<td>25.0%</td>
<td>35.3%</td>
<td>0.0%</td>
<td>50.0%</td>
<td>31.0%</td>
</tr>
<tr>
<td>other informal</td>
<td>25.0%</td>
<td>17.6%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>17.2%</td>
</tr>
<tr>
<td>formal</td>
<td>0.0%</td>
<td>23.5%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>17</td>
<td>2</td>
<td>2</td>
<td>29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Job Quality</th>
<th>Best Job</th>
<th>Better than average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.0%</td>
<td>25.0%</td>
</tr>
<tr>
<td></td>
<td>15.8%</td>
<td>52.6%</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td></td>
<td>0.0%</td>
<td>50.0%</td>
</tr>
<tr>
<td></td>
<td>9.7%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>
Do organisational characteristics make a difference?
As noted above, the literature has generally suggested that the larger the organisation, the more likely the organisation is to use formal mechanisms of recruitment; the smaller the organisation, the more likely the organisation is to recruit through weak ties, and in the smallest organisations, through strong ties. Similarly, ownership structure is considered to be related to the level of formality of recruitment and the type of tie employed: family owned business is expected to be more likely to recruit through informal means, and through strong rather than weak ties. Table 13 supports Proposition 5a, suggesting that the smaller the organisation, the more likely the organisation is to use informal recruitment; as well as supporting Proposition 5b, with family owned businesses preferring to recruit through informal means.

Table 13. Job search type by Ownership type and business size

<table>
<thead>
<tr>
<th>Ownership type</th>
<th>strong</th>
<th>weak</th>
<th>informal</th>
<th>formal</th>
<th>n.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family owned</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1</td>
</tr>
<tr>
<td>Owned by another family</td>
<td>75.0%</td>
<td>0.0%</td>
<td>25.0%</td>
<td>0.0%</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>29.2%</td>
<td>37.5%</td>
<td>16.7%</td>
<td>16.7%</td>
<td>24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business size</th>
<th>strong</th>
<th>33.3%</th>
<th>0.0%</th>
<th>0.0%</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-10</td>
<td>60.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>5</td>
</tr>
<tr>
<td>11-20</td>
<td>50.0%</td>
<td>0.0%</td>
<td>50.0%</td>
<td>0.0%</td>
<td>2</td>
</tr>
<tr>
<td>21-50</td>
<td>100.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1</td>
</tr>
<tr>
<td>51+</td>
<td>22.2%</td>
<td>33.3%</td>
<td>22.2%</td>
<td>22.2%</td>
<td>18</td>
</tr>
</tbody>
</table>

Propositions 5a and 5b are weakly supported by the data. Ownership type seems to be related to the level of recruitment formality: family owned business are more likely to use strong ties, non-family owned business use a wider range of recruitment techniques. Similarly, organisational size seems necessarily correlated with recruitment approach. Smaller organisations are more likely to use strong ties, and as the organisation increases in employment size, so does the diversity of recruitment approaches (Table 13).
Discussion. Limitations of the study and conclusion.

This preliminary study generally supports the conclusions of the strong/weak ties literature. Informal job search seems to be the dominant approach to finding employment. Those with more extensive social networks, of whatever sort, are more likely to use informal job search approaches. Social resources, such as school type and parental employment factors, appear to be a moderating factor in job search approach.

The use of informal job search is associated with lower job quality; more highly ranked jobs are more likely to have been found through formal mechanisms of recruitment. Within the sample who found employment through informal means, the lowest ranked jobs were typically found through ‘strong ties,’ in keeping with the broader literature. Smaller employers and family-owned businesses appear more likely to acquire employees through strong tie recruitment approaches; larger, more formally structured organisations are more likely to adopt more distant forms of recruitment – weak ties or formal approaches.

The conclusions of this study, however, cannot be assumed to be of broader generality. Firstly, the sample draws on a particular cohort of students, studying towards a particular qualification. The motivational and attitudinal characteristics of this cohort may be significantly different to those of students of other discipline groups, at other universities within South Australia or in a different state. Secondly, the smallness of the sample – particularly the small number of people finding work through ‘formal’ job search may provide inaccurate evidence about the processes of these groups of students. Thirdly, this initial survey was undertaken as a pilot for one being devised to collect data from a larger sample. Subsequent surveys will utilise more effective measures of job quality, social networks, employee family socio-demographics, job satisfaction measures and recruitment processes.

REFERENCES

GAZING OVER ROUGH TERRAIN: A REVIEW OF AUSTRALIA’S NEW INDUSTRIAL RELATIONS LANDSCAPE

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INTRODUCTION

Australia’s industrial relations system, like the New Zealand system, for much of the twentieth century has been operating under the ‘arbitral’ model, that is the arbitration institution “played a central role in determining outcomes where the parties were unable to determine them themselves or where the outcomes determined by the parties would be against the public interest” (Peetz 2005b). This system is in contrary to the ‘bargaining’ system employed by most other industrialised nations (Peetz 2005b). In the 1990s, with increasing demands and pressures for Australia to maintain its competitive advantage on the global scale, it was deemed necessary to readapt the industrial relations systems and deregulate the labour market. These changes were considered necessary if Australia was to shift and develop into a more ‘flexible’ and productive nation. This new movement of industrial relations reforms came initially in 1996, with the Workplace Relations Act 1996 (WR Act). The WR Act involved some compromise between the Coalition government and the Democrats. It introduced registered individual contracts in the forms of Australian Workplace Agreements (AWAs). These AWAs were to be subjected to the ‘no disadvantage’ test (NDT) which was to be applied by the new statutory authority known as Office of the Employment Advocate (OEA). The intention of the NDT was to ensure that AWAs leave employees no worse off than what they would be under their current relevant award.

The changes were designed to alter the balance of power in employer/employee relations through individualisation of employment relations – from the pluralist to a unitarist system of organisational management (Roan, Bramble and Lafferty 2001). Previous experiences in New Zealand, Victoria and Western Australia however all indicate that the path of market deregulation and individual contracting is not so favourable for employees at the lower end of the labour market. What is more, it indicates that market deregulation and individual contracting will increase inequalities in wages, result in a lack of ‘choice’ and ‘flexibility’ in individual contracts and be of detriment to the union movement (McLaughlin 2000; Plowman and Preston 2005; Rasmussen, McLaughlin and Boxall 2000; Watson 2001).

Initially, AWAs were forecast to cover up to six to seven per cent of the Australian Workforce (IRM 1998). However, data from the Australian Bureau of Statistics (ABS) in 2001 showed a different picture, with only 2.4 per cent of the Australian Workforce actually being covered. The ABS data does not take into consideration factors such as turnovers, company liquidations and the renewal of AWAs. The movement forecast by the Coalition government never actually transpired. By 2005 following another re-election victory and this time also with the Senate majority, the Howard government was able to push for further radical changes to the WR Act, this came in the form of Workplace Relations Amendment (WorkChoices) Act 2005. According to Prime Minister and the Minister of Employment, WorkChoices will ‘drive the productivity improvements necessary for creating more jobs and increasing the standard of living for all Australian workers’ (Howard and Andrews 2005). Nevertheless, it seems WorkChoices is basically a renewed version of Jobsback (The schema of John Howard, the opposition spokesperson on industrial relations).
The key elements of *WorkChoices* are: “unifying labour law; limiting the reach and influence of labour and the award system by encouraging commercial contract, ‘corporatising’ labour law and constructing exit routes for businesses to become award-free; transforming the Australian Industrial Relations Commission (AIRC) from a Dispute-Settling body to an institution which enforces labour law on unions; and centralising IR authority from the AIRC to the Executive and Parliament” (Briggs 2005). The government have suggested that AWAs enhance the “flexibility” and “choice” of employees, allowing them the freedom to meet their specific needs. It also claims that employers who use AWAs will promote Total Quality Management (TQM) and strive for strategic Human Resource Management (HRM) philosophies of the ‘soft’ perspective – that is encouraging ‘high trust’, ‘common purpose’ and the path to pluralistic organisational management (Waring 1999). However, the majority of researches clearly paint a very different picture, that is, organisations tend to exploit AWAs as a method of minimising labour costs, encouraging numerical flexibilities, intensifying managerial control and profit-maximisation. These are all characteristics of the ‘hard’ perspectives of strategic HRM - is typified by managerial prerogative, ‘bottom line’ success and employees as passive factors of production (Roan et al. 2001). This paper explores the new industrial relations landscape with particular relevance given to the implications of the roughed terrain ahead for both employers and employees. This is achieved by examining previous empirical and analytical research in the field of IR within Australia and New Zealand.

**BACKGROUND OF THE AUSTRALIAN INDUSTRIAL RELATIONS SYSTEM**

The Australian and New Zealand, industrial relations systems for much of the twentieth century had operated under an ‘arbitral model’, that is the arbitration institution “played a central role in determining outcomes where the parties were unable to determine them themselves or where the outcomes determined by the parties would be against the public interest” (Peetz 2005b). Most other industrialised nations have been operating under a ‘bargaining model’ of industrial relations, in which industrial relations outcomes were bargained between the parties subject to various procedural requirements and minimum standards set by state institutions (Peetz 2005b).

During the 1990s, the Australian and New Zealand government introduced changes which shifted the industrial relations systems towards the bargaining model, to diminish the role of the arbitral institution and with the emphasis placed on the parties handling their own industrial relations, thus reducing state interference and therefore aiming at increasing productivity and hence national welfare. The objective of this movement from an arbitral to a bargaining model was also to change the balance of power in employer/employee relations through individualisation of employment relations and Australian Workplace Agreements (AWAs) (Peetz 2005b). In 1996, following the federal election victory the Coalition government under John Howard immediately introduced the *Workplace Relations Act 1996* (WR Act), though some amendments were compromised to satisfy the Democrats to enable the passing of the legislation through the Senate.

Under the WR Act, registered individual contracts came through Australian Workplace Agreements (AWAs). AWAs were to be subjected to the ‘no disadvantage’ test (NDT) by the new statutory authority known as Office of the Employment Advocate (OEA), which restricted the awards to twenty allowable matters. The NDT was supposed to ensure that under the terms and conditions of AWAs, employees were no worse off than under the awards. The WR Act also “narrowed the circumstances in which industrial action was legal, introduced stern sanctions for unions breaching restrictions on industrial action, abolished the limited ‘good faith’ bargaining provisions that existed, prohibited compulsory unionism and union preference, and encouraged non-union certified agreements by restricting potential union involvement in certification hearings”(Peetz 2005b). According to the Coalition government, Australia required change if it was to be competitive and increase economic prosperity in the global context.
By 2004, the federal government was the only conservative government left in all of Australia, hence no further amendments to the WR Act were allowed in the 1997-2004 periods for fear it could endanger future re-election. When the Howard government faced the polls in October 2004 the election took a dramatic turn. Not only was the Government successfully re-elected for a fourth term, but it also, gained a Senate majority. This was an historic victory as only Malcolm Fraser in the mid 1970’s and before him Sir Robert Menzies in the 1950’s had ever controlled both houses of parliament (National Archives of Australia, 2002).

Having a majority in both houses simplified the process for further radical extensions to the WR Act – in the form of Workplace Relations Amendment (Work Choices) Bill 2005. These sweeping changes reflected some of the failed 1992 policy agenda, “Jobsback” or as it was less affectionately know Jobsack! The Jobsback policy was developed by John Howard as the Opposition spokesman on industrial relations for the 1993 federal election and was basically an amendment of the Kennett Government’s Employee Relations Act 1992 policy of Victoria. The new amendments also seek to take over forcibly the state jurisdiction – however, this aspect of the legislation still remains unclear, due to the fact that, the states are challenging this in the High Court in May 2006 (Peetz 2005b).

According to the government, WorkChoices, is supposed to ‘drive the productivity improvements necessary for creating more jobs and increasing the standard of living for all Australian workers’ (Howard and Andrews 2005). The key dimensions of changes are: “unifying labour law; limiting the reach and influence of labour and the award system by encouraging commercial contract, ‘corporatising’ labour law and constructing exit routes for businesses to become award-free; tilting labour law in favour of employers by regulating unions and deregulating employers; transforming the AIRC [Australian Industrial Relations Commission] from a Dispute-Settling body to an institution which enforces labour law on unions; and centralising IR authority from the AIRC to the Executive and Parliament.” (Briggs 2005). Contrary to what the government are suggesting, previous experiences such as Victoria, Western Australia and New Zealand have all opposed the projected outcome. In fact the evidence points out that, by dismantling the award safety nets in favour of agreement-making contracts it will result in agreements which focus narrowly on wages and working hours flexibility; the widespread loss of penalty/overtime rates and the growth of low-pay jobs and wage inequality, especially for women, young people and low-skilled employees. Internationally, nations with deregulated labour markets such as the United States and the United Kingdom are also characterised by a large low-wage sector and wage inequality (Briggs 2005).

**PREVIOUS EXPERIENCES**

New Zealand, Victoria and Western Australia are three jurisdictions which anticipated the Australian government’s industrial relations reforms. The evidence from these previous scenarios demonstrate the path Australia’s industrial relations system will follow. In 1991, under the conservative New Zealand government, the Employment Contract Act (ECA) was brought in to bring about industrial reforms. The ECA abolished industrial awards, ended official recognition of unions, prohibited compulsory unionism, and installed a system for the creation and enforcement of ‘individual contracts’ and ‘collective contracts’ (Peetz 2005b). The ramifications of these reforms are best summarised by Rasmussen and Deeks (1997: 294):

‘rapid acceleration of the move to individual employment contract, marked by the growth of individual employment contracts (IECs) and the reduction in collective employment contracts (CECs); the reduced role for union in bargaining, particularly in the private sector; the decline in union membership and in union density; and the greater use of legal remedies in employment disputes and grievance resolution’ (Rasmussen and Deeks 1997)
Rasmussen and Deeks (1997) also highlighted cuts in penalty rates and overtime rates amongst those in low-wage areas. Colm McLaughlin (2000) reported the impacts ECA on retail workers as:

“retail employees had very little ‘freedom of choice’, and flexibility primarily suits the needs of employer...In relation to flexible hours of work, most respondents were required to work flexible hours and days but unable to exercise much influence over those hours and days of work...[and] the absence of overtime rates, weekend rates, and allowances was widespread...respondents reported having no choice but to accept the contract offered by their employer” (McLaughlin 2000)

McLaughlin proposed labour market protection to ensure equitable bargaining procedures and outcomes for low-paid employees (McLaughlin 2000). McLaughlin also joined with Rasmussen and Boxall (2000) in research which analysed the areas of contract structure, bargaining process, conditions of employment and employee opinions of the ECA. The results from this inquiry were:

“bargaining structures are predominantly decided by employers...employees characterised by part-time or casual employment, in low-skill occupations and on low incomes often have bargaining structures and employment conditions decided without their input. A significant proportion of workers in the secondary labour market find their income level inadequate. While needing the benefits of union representation, including improved awareness and advocacy of their rights, they are less likely to have access to it” (Rasmussen et al. 2000)

As mentioned previously the current WorkChoices legislation is a reflection of Jobsback, the industrial relations policy campaigned for in 1993 by John Howard, which is equivalent to the Kennett Government’s Employment Relations Act 1992 (ERA) of Victoria. The ERA was the death of the Victorian awards in 1993, and for employees who continued with the same employer, conditions were just rolled over onto the new legislation. The ERA “established a set of minimum terms and conditions of employment in its Schedule 1” (Watson 2001). However, “in late 1996 the Kennett Government referred various industrial law matters to the Commonwealth Government”(Watson 2001). This referral saw the Schedule 1 provisions incorporated into the Commonwealth Government’s own WRA 1996 as “Schedule 1A”. Watson (2001) claims that “Schedule 1A employees comes closest to the goal pursued by deregulationists: a workforce largely subject to managerial prerogative in which ‘external interference’ surfaces only in the form of a minimalist legislative safety net” (Watson 2001) – the fundamental ideas of WorkChoices. The consequences of the industrial relations changes in Victoria were a “dual system of protective regulation, in which one group of workers experiences only minimal prescription concerning their earnings and employment conditions, while another group of workers experienced a more comprehensive range of protections” (Watson 2001). The dilemma manifested in the two-tiered workforce, that is, wages and conditions among Schedule 1A workers were systematically inferior to those workers with Federal coverage (Watson 2001). Watson’s (2001) working paper which compared earnings and employment conditions of Schedule 1A workers with those who came under Federal jurisdiction. The adverse effects of ‘deregulating’ an industrial relations system were revealed:

“Schedule 1A workers in vulnerable industries like agriculture and hospitality, in vulnerable locations such as non-metropolitan Victoria, or in vulnerable demographic groups fared very badly in comparison with their Federal counterparts ...workers located in the deregulated sector faced significantly greater earnings inequalities than those in the more protected sector...[and] For those who are already well positioned in the labour market, this process enhances their circumstances...[and ultimately]labour market deregulation poses a serious threat to a society’s long term future. In this sense, ‘social protection’ is also shorthand for the protection of society itself” (Watson 2001).
Western Australia, under the Court Liberal government in 1993, also proceeded in the same direction with *Workplace Agreements Act 1993* (WAA), registered ‘Work Place Agreements’ (WPAs) which could be ‘collective’ or individual. However, following the demise of this legislation in 2003, workers formerly on WPAs progressed onto AWAs, one of the reasons for the overstated statistical growth of AWAs in 2004. However, Western Australia provides the ideal “litmus test for what might happen to employment conditions for the vulnerable under *WorkChoices*” (Plowman and Preston 2005). Prior to the *Workplace Agreements Act*, the WA industrial relations system had the Western Australian Industrial Relations Commission (WAIMC) in charge of conciliation and arbitration powers. Under the Act, “workplace agreements could be negotiated between employers and their employees. Both parties could be assisted by bargaining agents who could be an individual, a union or some other body. Once signed by the parties, the agreements could be registered by the commissioner for Workplace agreements. Limited tests applied to the registration of workplace agreements. Once registered, agreements displaced any awards and the jurisdiction of the WAIRC.” (Plowman and Preston 2005). Plowman and Preston (2005) stated that a:

“*large number of IWAs [Individual Workplace Agreements] did not provide for any wage increases during their currency, a period that could extend beyond five years ...IWAs provided for ordinary hours to operate between Monday to Sunday, in effect removing Sunday penalty rates...Most agreements provided for working time arrangements to be determined on the basis of management discretion*”(Plowman and Preston 2005)

The article concluded by confirming the lack of safeguards in the WA experience demonstrated that relative earnings of the lowly paid will sharply decline as employers exploit market conditions to decrease labour costs. In fact, this will not create greater employment but rather initiate a new form of labour pool characterised by low paid, low skill and high turnover (Plowman and Preston 2005).

Plainly, New Zealand, Victoria and Western Australia, have all shown that the path of market deregulations and individual contracting will have dire effects for the young, the low-skilled, and the low paid. In New Zealand, the ECA resulted in a large growth of individual contracting; a decline in unionism in the private sectors and the secondary labour market was exploited by employers to reduce labour cost to increase productivity. The ‘freedom of choice’ advocated by the government in terms of individual contract negotiations was merely rhetorical. In reality, employers initiated individual contracts without the workers’ knowledge, and thus workers are forced into the ‘take it or leave’ scenario without any real negotiation. In Victoria, Schedule 1A employees in industries like agriculture and hospitality faced deteriorating wages compared to employees under the federal system, creating a growing wage gap. Western Australia, which offers the closest representation of the model for the current *WorkChoices*, demonstrates that IWAs provisions of ordinary hours are misused by employers to abolish penalty and overtime rates. The significant trend to individual contracts and market deregulation favours managerial prerogatives.

**POSSIBLE IMPLICATIONS OF WORKCHOICES**

The implications of *WorkChoices* can be categorised into three different areas. Firstly, a shift to a low-wage sector strategy is apparent. There will be increases in the number of AWAs. Secondly, there are uncertainties for employers with new risks, complexities and costs – i.e. with unlawful dismissal, discrimination and breach of contract cases - fewer claims but those that proceed will be lengthier and more costly. Lastly there are social implications for the overall community including the individualisation of Australian society (Briggs 2005).

First there is the abolition of the ‘no disadvantage’ test (NDT) with a “fair pay and conditions standard” (Peetz 2005a). Under this new scheme, AWAs are only required to satisfy just six
statutory minimum standards to be legally valid: the minimum award wage, four leave entitlements (personal/carers, unpaid parental, compassionate and annual leave) and ordinary hours (Briggs 2005). Additionally, AWAs takes effect from the time of lodgement rather than waiting for OEA approval. Similarly, certified agreements must be lodged with the OEA instead of the AIRC commencing upon lodgement (Briggs 2005). According to David Peetz (2005) the major consequences of the abolition of the NDT for AWAs will be cutting of overtime rates and/or penalty rates, widening the spread of ‘standard’ hours or replacing wages with ‘annualised salaries’ (Cole, Callus and van Barneveld 2001). On top of this, under the new ‘fair’ standards, there will be no need for increases in base wage rates, thus an overall decrease in real earnings for employees over time. This will effectively leave a widening distribution in average real wage, with expected growth for strong unionized sectors and managerial/professional employees, despite the declining position of AWA employees.

The other dire effect of the abolition of the NDT will be the expected increase in the numbers of registered individual agreement-making with the simplicity of the new requirements and process for employers to undercut award conditions on payments for working time and even make the award irrelevant. Indeed, AWAs are predicted to be just one or two pages in the future, with sample templates downloadable via the OEA website (Peetz 2005b). Lastly, the move of wage fixing from the AIRC to the Australian Fair Pay Commission (AFPC) could mean nominal minimum wages may virtually freeze (i.e., reduce real minimum wages) in an ostensible attempt to increase employment amongst the low paid. What is even more disconcerting is that, no assurances have been made about minimum wages rises (Peetz 2005b) – only that they ‘will not fall below the level set after inclusion of any increase determined by the 2005 Safety Net Review’ (Howard 2005a). The fact that AFPC will be appointed with individuals who are associated with HR Nicholls Society and other pro-corporate think tanks clearly indicates the position and direction of the government about the minimum award wages – that is, stagnant or even declining minimum award wages to increase organisational productivity and lower unemployment.

Furthermore, the removal of Unfair Dismissal Protection provision will create new risks, complexities and costs for employers. Even though there will probably be fewer claims, “those claims will be lengthier, more costly and proceed under legal rules where the onus of proof is placed on the employer” (Briggs 2005). The intention of these changes is to allow employers the confidence, flexibility and power to employ people without the insecurity of having to face Unfair Dismissal claims every time they remove someone, thus increasing the growth in the overall national level of employment (Peetz 2005b). With the new provision, larger organisations could divide themselves into smaller companies with fewer than one hundred workers to avoid claims of Unfair Dismissal. In fact this will oppose the envisage growth of employment predicted by the government. Conversely, the Unlawful Dismissal provision will create complexities and risks for employers, since “the onus of proof is reversed so employers have to prove they did not dismiss an employee for an unlawful reason… the process will be longer, legal costs will be higher and where employers are found to have unlawfully dismissed an employee, the penalties and compensation will be greater” (Briggs 2005). In addition to this, employers are exposed to dismissal based on unlawful discrimination – these cases tend to bring damaging negative publicity as well as the risk of a financial penalty.

Last of all, the new WorkChoices laws will have adverse social consequences for work-life balance, loss of quality family time, and individualisation of Australian society. The move to more flexible working time will result in “lengthening hours for full-timers, less standard and more irregular hours and increased work at ‘family unfriendly’ hours” (Briggs 2005) which will in effect damages “the quality of family, parenting, relationships and health – …because of … ‘work-life collision’” (Pocock 2003). This is evident in the New Zealand experience with the “average full-time worker is now employed for ‘five and a half’ days per week” (Rasmussen et al. 2000) – that is an average of 44.8 hours per week. Unsurprisingly, the manifestations of longer working hours are increased stress, negative impacts on family time and quality of life.
It involves the erosion of the traditional weekend and is harmful for family life (Rasmussen et al. 2000). As Buchanan & Thornthwaite (2001: 12) note: “in the international comparative literature we did not find any references that …delivered superior outcomes in terms of the general choices for workers or the quality of care for children” (Buchanan and Thornwaite 2001). The Australian perspective will inevitably be no different. According to the ex-Director of the Australian Institute of Family Studies, Don Edgar (2005), the “proposed new industrial relations laws are likely to damage the fabric of family life and make it even more difficult for Australia’s parents to raise their children to become competent, confident citizen’s in a globalising future” (Edgar 2005). The evidence implies dire social consequences resulting from these reforms.

Therefore, it is not unreasonable to suggest that the new WorkChoices regime will lead to a low-paid and disadvantaged sector. This is the direct ramification of labour market deregulation. The move from unfair dismissal to unlawful dismissal for organisations with fewer than one hundred employees will heighten confusion amongst employers, with new complexities and risks confronting them. Though there will be fewer cases of unfair dismissal, the cases for unlawful dismissal will be more costly and will result in bad publicity for the organisation. Finally, the decline of unions will foster individualism in the workplace and Australian communities as well as having social implications around work-life balance and family time.

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INTRODUCTION

We begin our analysis of the AFPCS by placing its introduction in the historical context of the gradual weakening of protective regulation since decentralised bargaining was introduced. Our argument is that the AFPCS is the latest reduction in the steady decline over the last thirteen years of regulation formerly designed to protect wages and conditions from falling. Although the steady decline of this regulation has been claimed to stimulate more bargaining by simplifying ‘agreement making procedures’, it has had adverse implications for procedural and substantive fairness. The AFPCS continues this trend of weakening protective regulation which will only exacerbate existing inequities, especially for the most vulnerable. The impact of the AFPCS must be evaluated in the context of the other introduced reforms, especially the unfair dismissal law exemption. Moreover, when it comes to reconciling work family (WF) balance, the AFPC packages some existing legislative entitlements into the standard. Moreover, several of these entitlements are conditional and or exclude various categories of employees. Far from promoting WL balance the AFPCS has the potential to make it more difficult to realise such balance.

In the article we outline the ongoing erosion of conditions associated with a decentralised bargaining regime and emphasise the difficulties of using decentralised bargaining to achieve WL balance. We then examine the AFPCS and in particular, we examine its WF balance potential. Finally, we highlight the general problems of using flimsy standards and decentralised bargaining to bring about WL balance.

DECENTRALISED BARGAINING, EQUITY AND WORK FAMILY BALANCE

The introduction of the Australian Fair Pay and Conditions Standard (AFPCS) is the latest development in the withering away of legislative restrictions on downward wage flexibility in decentralised bargaining which began in the early 1990s. When the Australian Industrial Relations Commission (AIRC) finally gave way to calls to introduce decentralised bargaining in October 1991, it did so only with the strong proviso that collective agreements would only be approved where they were both consistent with the Commission’s wage setting principles and were considered to be in the public interest. Collective agreements were considered not to be in the public interest if they provided pay and conditions that were inferior to relevant awards or contained provisions that derogated from community standards. The federal Labor government, however, was anxious to stimulate enterprise bargaining and introduced a new ‘no disadvantage test’ in the Industrial Relations Amendment Act 1992 (Cth). This new test allowed the AIRC to certify collective agreements so long as none of the terms and conditions of the proposed agreement proved to be less advantageous than any of the conditions contained in the relevant award or law (see Waring and Lewer, 2001; Mitchell et al, 2005).
In 1993, the test was further weakened by the *Industrial Relations Reform Act 1993 (Cth)*. While the test remained, the way in which it was calculated was altered so that conditions could be traded-off only if employees’ wages and conditions as a whole were not reduced. Furthermore, the Keating Government’s reforms also clarified that the benchmark for the purpose of applying the NDT would be the relevant award rather than a previous certified agreement. This was a subtle but important point of clarification because it meant that, over time, new agreements which offered less wages and conditions than in previous agreements could still pass the NDT. Thus the test was considered a global test which considered proposed agreements against the totality of a relevant award. In theory then, wages and conditions under proposed agreements could only fall to levels contained within relevant awards (Waring, de Ruyter and Burgess 2005).

When the Coalition won the 1996 March election, its original policy was for all agreements to be certified so long as they met just seven minimum conditions. However, in subsequent negotiations with the Australian Democrats the NDT was retained as part of the compromise which became the *Workplace Relations and Other Legislation Act 1996*. Other elements of the *Workplace Relations Act 1996* also operated indirectly to erode the protection offered by the NDT. The process of award simplification (reducing award provisions to just twenty core matters) in particular had the effect of reducing the benchmark against which agreements would be measured.

Aside from the effects of award simplification, the designation of awards as the minimum ‘safety net’ meant that growing disparities between awards and agreements further weakened the NDT. The effects of the gradual weakening of the NDT have been compounded by the procedural complexities involved in its application. Waring and Lewer (2001) and Mitchell *et al* (2005) have noted the practical difficulties associating with valuing non-monetary conditions and the subjectivity involved in judging whether, on balance, a proposed agreement is better than or equal to a relevant award.

A recent study by Mitchell *et al* (2005) which closely examined 36 certified agreements and AWAs in comparison to relevant awards, concluded that ‘the NDT as it is presently constructed and applied is failing to adequately protect employees in certain defined respects from a deterioration in relation to their terms and conditions of employment’ (p423). In a study of the content of AWAs in the hospitality industry, van Barneveld (2005) found that that the AWAs diluted the terms and conditions of employment, relative to awards, and generated gains to employers largely at the expense of employee entitlements. This demonstrable failure might have been cause for policy makers (concerned that employees not be disadvantaged) to revisit and repair the NDT. Instead, the government is replacing it by an even weaker standard – the AFPCS.

Moving down the road of decentralised agreement making has not seen any observable improvement in terms of the spread, depth and access of the workforce to WF programs. Despite the claims to the contrary, the outcomes are very different. Typically, the government has suggested that numerical flexibility arrangements that favour employers (such as part-time, fixed term and casual work) are manifestations of WF balance at the workplace (see OECD, 2002). In terms of collective and individual agreement making and their propensity to facilitate WL balance the story is emphatic – examining the content of collective and individual agreements reveals that standard WL balance arrangements (e.g. paid maternity leave; paid carers leave) and innovative arrangements (e.g. job share; home-working; employer provided/supported child care facilities) are largely absent from collective and individual agreements (Charlesworth *et al*, 2002). There is a caveat on this observation, namely that professional and managerial workers on individual agreements have access to a wide range of WF balance programs. Those with bargaining power, a small minority of the workforce, can utilise individual agreement making to facilitate WL balance. However, here we need to qualify this finding, since other research reveals that even though WF support
programs may be in place it may be difficult to access them with the two biggest obstacles being staff shortages and managerial opposition (Charlesworth et al 2002).

THE AFPCS

The AFPCS is justified on the grounds that the NDT was unduly complex and that it hindered agreement making (Howard, 2005). The pretence of no worker being worse off as a result of the changes seems to have disappeared. These legislative changes will disadvantage many employees. With the removal of the NDT it will be much easier to supplant awards with agreements, and to supplant collective agreements with individual agreements. Through reference to its corporation’s powers, the Federal government wishes to supplant the States’ based award system with a Federal agreements system and to effectively marginalise the Australian Industrial Relations Commission.

The AFPCS is the latest and most drastic weakening of protective regulation in Australian decentralised bargaining. It will incorporate just five minimum conditions of employment into legislation, including parental leave, maximum ordinary hours of work, annual and carer’s leave, and various wage provisions. These minimum conditions, together with the minimum wage and minimum award wages as adjusted by the Australian Fair Pay Commission, will form the AFPCS. This standard will replace the ‘no disadvantage test’ as the standard by which collective agreements and Australian Workplace Agreements are to meet.

The detail of how the AFPCS will operate is contained in the Workplace Relations Amendment (Work Choices) Act 2005 no. 153 (Cth). The new exemption from unfair dismissal law for businesses employing 100 employees or less, along with the privileging of individual contracts over other industrial instruments, are likely to be particularly significant in this context. We judge that they will allow wages and conditions to fall, potentially below award remuneration.

Superficially the AFPCS appears to provide for conditions that support WF balance. However, the standard is not universal, it does not represent additional conditions, it has the potential to erode existing conditions and the operational details are far from certain. For example, the Work Choices legislation indicates that the AFPCS will enshrine a maximum ordinary hours of work of 38. However, these hours may be averaged over a twelve month period. While this at first instance seems reasonable, Work Choices goes on to clarify that hours above the maximum will be subject to awards and agreements and that penalty rates associated with hours worked above 38 may be changed, or indeed removed, by express provisions in agreements and contracts. This means that hours of work can easily exceed the 38 figure contained within the AFPCS, subject to a ‘reasonable additional hours’ provision that reflects the criteria laid down by the AIRC in its test case on reasonable working hours. Moreover, overtime and penalty rates can be removed on any hours, effectively making all hours ‘ordinary’. Some collective agreements and AWAs already provide an annualised rate for all hours worked in which penalty rates are rolled into a single wage but these were made in the context of a ‘no disadvantage test’. Hence, employees had to be appropriately compensated to ensure that they were no worse off. New agreements will be subject to the lesser standard – the AFPCS – so that penalty rates can be rolled into a single hourly rate which may be less than what employees might receive under the relevant award.

Under the ‘no disadvantage test’, employees could expect that proposed agreements would be compared with the totality of award pay and conditions. Under the AFPCS, agreements will be measured only against a minimum wage rate and a few leave provisions. This creates the real possibility that new agreements will be registered even when they push total earnings for employees below award levels. Reference to existing award where low paid and women workers predominate, such as retailing, demonstrate that not only pay, but conditions can be eroded through the AFPC with conditions that support normal and sociable working arrangements.
The leave arrangements under the AFPCS are also not as WF balance friendly as they first appear. Some existing statutory conditions (eg parental leave) are bundled into the standard. Some conditions (eg parental leave) are either contingent on employer agreement (that is, it is not a right) or dependent upon qualifying conditions such as employment arrangements. For example, leave arrangements (eg sick and holiday leave) do not apply to casual workers who constitute around 30 per cent of employees. Also, the up to two weeks of annual leave can be cashed out by mutual consent. It is likely that new AWAs may bundle these arrangements into a contract that offers 2 weeks annual leave to new employees. Finally, some of the arrangements are not new or additional leave arrangements, but offer the possibility of transforming existing leave arrangements into another form of leave (eg carers leave).

Employees might not wish to agree to such a bad bargain, but they might not have a choice. If they are working in a business with 100 employees or less, they will not have access to a remedy for unfair dismissal. This gives their employer a free hand to dismiss employees for any or no particular reason. This ‘employment at will’ context clearly creates a new bargaining dynamic in which employees will be reluctant to oppose new agreements that involve degrees of disadvantage for fear of being dismissed (Waring et al, 2005).

In circumstances where employment is offered contingent on the acceptance of an AWA, the prospective employee’s choices are extremely limited. He/she can accept an AWA that may provide only the minimum award rate or minimum wage (without any penalty rates or bonuses or loadings) or reject employment. The privileging of AWAs over collective agreements and awards will also mean that it will be quite possible for new employees to be working for far less pay then his colleagues performing the same work. Over time, an employer may decide to dismiss workers under collective agreements and re-hire new employees on AWAs providing less pay.

The detail of the WorkChoices bill identifies an additional application of the AFPCS. Under the proposed s.103K and s. 103R, an employer may unilaterally terminate an expired certified agreement or AWA after giving requisite notice and transfer its workforce on to the AFPCS. This would immediately result in a significant reduction in earnings but also significantly shifts bargaining power in favour of employers.

The impact of the AFPCS must be measured by examining the new standard in the context of a bargaining environment where there is no or reduced access to unfair dismissal remedies, where there is a right for employers to unilaterally replace agreements with the AFPCS after the former has expired and where AWAs can prevail over collective agreements and awards. In this context wages are likely to fall subject to the condition of labour markets in various industries, the morality of employers and their willingness to incur turnover costs. In industries and workplaces where labour is plentiful and turnover costs negligible, it is likely that wages and conditions will fall below award standards. In effect the safety net is being watered down. Through the process of accretion, standards and conditions will be gradually diminished, more workers will migrate from awards to agreements – from collective to individual arrangements – and along the way the conditions of employment will be eroded. While the safety net minimum wage is to be maintained through the auspices of the Australian Fair Pay Commission, the AFPCS will ensure that many workers will be worse off under the reformed Workplace Relations Act (1996) Cth.

THE RETAILING SECTOR, THE AFPCS AND WF BALANCE

The Australian retail sector remains one of the most consistent contributors to net jobs in the economy and remains one of the sectors with the highest proportion of contingent employment arrangements, low earnings and limited employment benefit access (Burgess et al 2005). The retail sector is the largest sector of employment in Australia and accounts for
around 15 per cent of total employment. It is the largest sector of women’s employment (many with family responsibilities) and ranks second for men’s employment. It is by far the largest source of employment for youth (15-24 years), accounting for 35 per cent of employment.

The sector is largely award dependent, but it also accounts for the largest number of Australian Workplace Agreements. Research on the WF balance content of retailing AWAs (Burgess et al, 2005) found that, as with research for other industries (Mitchell et al, 2005), that AWAs largely provided very little in the way of WF balance arrangements.

In its submission to the Senate inquiry into Work Choices, the union representing retail workers, the Shop and Distributive Allied Employees Association (SDA) suggested that the new legislation would dilute pay and conditions in the sector; not deliver WF balance arrangements (in fact erode existing conditions such as penalty rates for unsociable working hours, reducing leave and providing for fewer rostered days off) (SDA, 2005). The SDA argued that pay and conditions will be driven down in the retail industry by the AFPCS and the ability of employers to offer AWAs to new employees, at Greenfield sites and replace certified agreements and awards with AWAs.

The SDA identified the following specific issues were identified the following (among others) as being at risk as a result of the legislation: the end of the standard 5 day working week; the absence of a rostering provision will mean that there is no maximum hours of work per day; the absence of the annual leave loading; and the absence of penalty rates and shift loadings for unsociable hours all have the potential to erode WL balance (SDA, 2005).

What this translates into is that the Federal award will contain fewer provisions that do current state awards. Some clauses will be deleted on the basis of being prohibited and others will be regarded as being “non essential” and best left to AWAs or certified agreements. The “choice” component of Work Choices is very constrained in terms of agreement making! New agreements can contain fewer conditions as long as their exclusion is specifically mentioned in the agreement. All agreements must satisfy the AFPCS and wages should be no less than the minimum award wage.

CONCLUSIONS

In industries and workplaces where labour is plentiful and turnover costs negligible, it is likely that wages and conditions will fall below present award standards (Waring et al, 2005). This appears to be the case with retailing. In effect the minimum standards for the industry are being watered down. Through the process of accretion, standards and conditions will be gradually diminished, new workers will be offered AWAs, as agreements terminate there will be a shift towards non union agreements and AWAs, and competitive pressures will place pressure on the SDA to negotiate away conditions in union agreements that are renegotiated. More workers will migrate from awards to agreements – from collective to individual arrangements – and along the way the conditions of employment will be eroded. At the Senate inquiry the SDA suggested the impact will filter first into the non union sector and then by virtue of competitive pressures into collective agreements, and there will be inexorable pressure towards a continuous undercutting of conditions and pay.

In this article we have demonstrated that the introduction of the AFPCS is the latest weakening of regulation formerly designed to ensure that workers are not worse off under certified agreements and individual contracts. While we have pointed to the considerable failings of earlier formulations of the ‘no disadvantage test’, at least that test attempted to vouchsafe the totality of award remuneration. The AFPCS, in contrast, creates the very real possibility of wages falling below award earnings. The new standard will comprise just four basic conditions and a minimum wage, which means that new individual contracts and certified agreements can eliminate penalty and overtime rates and a range of various
allowances that are currently provisioned in awards. The result is likely to be reduced total remuneration.

The AFPCS provides for a collection of conditions that appear to offer support for workers who are balancing work and family care. However, these conditions in the main are already present for most permanent workers and in many cases represent a retreat from conditions contained within awards. Within the AFPCs there are arrangements, for example the averaging of working hours, that could be potentially incompatible with reconciling work and care. The evidence from the examination of the content of AWAs together with the supporting conditions associated with the AFPCS (such as the end of the no disadvantage test, the limited application of unfair dismissal and the ability to shift workers onto AWAs) suggests that the AFPCS is more about facilitating arrangements that are employer friendly, not family friendly.

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HOW “JAPANESE” ARE EUROPEAN MANAGERS?  
A STUDY ON THE TRANSFERABILITY OF TOYOTA’S MANAGERIAL PRACTICES  
TO ITS EUROPEAN NON-MANUFACTURING SUBSIDIARIES:  
A COMPARISON BETWEEN BELGIUM, FRANCE AND BRITAIN

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INTRODUCTION

This paper explores whether managerial practices can be transferred from Japan to other countries. More specifically, it investigates the extent to which Toyota is able to transfer its managerial practices and principles from Japan to its overseas operations in three European countries (Belgium, France and Britain). Transferring these practices is potentially difficult as companies in different nations are subjected to different socio-economic institutions, such as employment and educational systems (Pil and Macduffie, 1999), which shape management behaviour (Kogut, 1991; Hannan and Freeman, 1989; Thompson, 1967).

The ‘Japanese model’ has received much scholarly attention. The MIT study ‘The Machine That Changed the World’ (Womack et. al., 1990) sparked a massive interest in Japanese practices. According to the authors, the introduction of ‘lean production’ leads to dramatic improvements in productivity while enhancing the quality of working life. In another influential study, ‘Beyond Mass Production’ (Kenney and Florida, 1993), it is argued that Japan was at the centre of an epoch-making new model of work and production that is now being transferred to the U.S. and elsewhere. These universalistic claims are based on the studies of Japanese transplants in North America, which claim that it is possible to apply these practices successfully outside their Japanese socio-economic context.

These claims have caused much controversy. It is argued that they are one-sided and simplistic. More recent research on Japanese transplants is more pessimistic about the possibility of the transfer of Japanese practices to other economies (Elger and Smith, 1998; Danford, 1998). This research shows rising worker resentment against Japanese management methods (Rinehart et. al., 1997; Delbridge, 1998; Beggren, 1993), which have lead, in some instances, to strikes (Drache, 1996). Given that there has been massive interest in the Japanese model, there is surprisingly little research regarding the transfer of Japanese managerial practices for white-collar workers. Most of the literature on this topic has focused on the impact of implementing Japanese practices on the shop floor, and on how this has affected blue-collar workers. However, the differences between blue and white-collar workers might have implications for the ability to transfer Japanese managerial practices. This paper, therefore, focuses on white-collar workers and managers.

The main question of this paper is to which degree Toyota can transfer its managerial practices to its (non-manufacturing) foreign subsidiaries in three countries – Britain, France and Belgium. Furthermore, this paper aims to establish which factors affect the transferability of Toyota’s management practices in the three countries, and how these differ between them.

Our research is based on three cases: Toyota Motor Marketing Europe (TMME) in Belgium, Toyota France (TFR), and Toyota Great Britain (TGB). These three subsidiaries are ‘white collar subsidiaries’, which deal with sales and marketing (including functions such as finance and after-sales). The actual manufacturing is carried out by separate subsidiaries, which are not part of this study.
The paper is structured as follows: The following section reviews the literature, section three explains the methodological approach taken, and section four describes Japanese managerial practices in general, and Toyota’s in particular. Sections 5-7 present the findings country-by-country (Belgium, France and Britain). The penultimate section discusses the empirical data, and section nine concludes that institutional and environmental contexts affect the transferability of Japanese managerial practices and principles, implying that these practices are not ‘off-the-shelf’ packages that can be easily copied and transferred.

Methodological Issues
This research is based on semi-structured interviews with managers from Toyota’s non-manufacturing subsidiaries in Britain, France and Belgium. Because of limited resources and time constraints, the number of interviews remained relatively small. In total, interviews with 20 managers were conducted, at least four per country. In each country, a human resource manager and a Japanese ‘coordinator’, who had been transferred by Toyota Motor Corporation (TMC) Japan, were interviewed. Out of the 20 interviewees, 10 hold senior executive positions, four of them are divisional or departmental general managers, three are directors, two are chairmen, and one is general secretary. Interviews were conducted in English, lasted about 45 minutes to 1 hour, and were taped and fully transcribed. All interviews are listed in appendix one. Quotes from these interviews are cross-referenced with that list.¹

The Transfer of Japanese Management Practices
Japanese multinationals (MNEs), like other MNEs, are seeking advantages in different nations for market and cost reasons, and selectively adjust their working regimes to local market requirements and labour relations conditions (Elger and Smith, 1994). Although Japanese MNEs are convinced about the superiority of their practices, applying these techniques overseas is a ‘contested process’ of selective adaptation to local circumstances (Broad, 1994). There are a number of approaches explaining the varied extent to which Japanese management practices and have been transferred to other countries.

International Management Perspectives
Rosenzweig and Singh (1991), and Schuler et. al. (1999) propose that subsidiaries of MNEs face dual pressures: they are pulled to achieve isomorphism (Dimaggio and Powell, 1983) with the local institutional environment (host-country effect), and they face an imperative for organisational consistency (country-of-origin effect). There are numerous factors affecting MNEs’ abilities to transfer their practices to their overseas subsidiaries (also cf. Barlett and Goshal, 1989; Prahalad and Doz, 1987):

Firstly, Doz et. al. (1981) identified numerous legal pressures imposed by national governments on MNEs, such as employment legislation. Thus, our first hypothesis is:

\( \textbf{(H1)} \) The similarity of managerial practices in Toyota’s Japanese and foreign operations is negatively correlated to the presence of labour regulations in the host-country which are different from those in Japan.

Secondly, MNEs may choose to employ labour from the local labour market or to staff its foreign operations with expatriates from the home country. One key reason for using ‘expats’ is that they facilitate the transfer of organisational practices to the host country (Rosenzweig and Singh, 1991; Schuler et. al., 1999; Nelson and Winter, 1982). Therefore, our second hypothesis is:

\( \textbf{(H2)} \) The similarity of managerial practices in Toyota’s Japanese and foreign operations is positively correlated to the proportion of Japanese expatriates.

Thirdly, The ownership structure of a MNE’s foreign subsidiary affects the transferability of its practices. A parent company is more likely to be able to impose managerial practices to its foreign subsidiary if it fully owns the subsidiary, while it would be more difficult to implement
its practices into an existing management system that is determined by another owner. Hence, our third hypothesis is:

\( (H3) \) The similarity of managerial practices in Toyota’s Japanese and foreign operations is negatively correlated with the presence of a management system that is determined by another owner.

**Culturalist Perspective**

The culturalist perspective suggests that it is difficult to transfer Japanese managerial practices to other countries because of cultural differences. As argued earlier, culturalist explanations are rather simplistic, as they can rely on stereotypes and fail to acknowledge variations within a given ‘culture’, as Dore (1973: 296) acknowledges. However, Dore (1973) also recognises the importance of culture:

“Some of the differences between British and Japanese firms find their consistency in the preferences they have for some values and patterns of social relations (Dore, 1973: 296).”

Dore (1997) prefers the term ‘behavioural dispositions’ to focus on the interconnection between cultural values and socio-economic institutions in fostering Japanese principles such as ‘consensus decision-making’. According to this¹, culture or behavioural dispositions do have some explanatory power.¹ This leads to our fourth hypothesis:

\( (H4) \) The similarity of managerial practices in Toyota’s Japanese and foreign operations is negatively correlated to the presence of ‘behavioural dispositions’ in the host country that are conflicting to those in Japan.

**Institutional Perspectives**

The literature on the transferability of the Japanese model stresses the importance of socio-economic institutions in influencing organisational practices (Broad, 1994; Inagami, 1983; Whittaker, 1990; Oliver and Wilkinson, 1992; Maurice et. al., 1980; Lam, 2000; Berger, 1996; Sorge, 1991; Whitley, 1990).¹

The education system, as an institutional factor, can exert considerable influence on managerial practices, shaping the skills and knowledge of the workforce, who in turn, shape vocational training systems, as a result of their career aspirations and requirements for training (Hosking and Anderson, 1992).

In Japan, the educational system bears practically the whole burden of occupational allocation (Horsley and Buckley, 1990; Masatoshi, 1994), a function which, in other countries, is usually shared between the educational system, apprenticeship schemes, and the mid-career labour market. This is because large firms in Japan recruit university graduates at the beginning of an occupational career. Large companies place more emphasis on formal educational qualifications because Japan was an industrial late-developer (Dore, 1973). Late-developers facing a large technological gap depend much more on academically-learned knowledge than a slowly developing early developer where work experience is more important.¹

Because of lifetime employment, a graduate’s first job has a much greater determining effect on the whole of his subsequent career than it does in the West. In return for lifetime employment, employees accept that the company decides their career path. Employees undergo intensive on-the-job training, which stresses the accumulation of company-specific ‘know-how’ and ‘intellectual skills’ (Koike, 1984) through experiencing different tasks (‘job rotation’). Employees thus have no incentive to change companies. Large organisations are prepared to provide intensive training because they are not threatened by the possibility of ‘poaching’ by other firms. Koike (1988) found that the motivation for staying with one
company from a worker’s late twenties to mid-fifties sprang not from loyalty, but because this way was judged to bring benefits to employees, reflected in the seniority-wage curve. The discussion above shows that strong links exist between lifetime employment, education, intensive in-company training and seniority wage, which is called ‘institutional interlock’ (Shimada, 1980). This suggests that if only one element of the Japanese model is transferred in isolation, it may not have the desired effect. For example, adopting consultative teams in Britain is unlikely to work if there is no simultaneous increase in skills needed for the functioning of such practices. Also, if the British company’s policies are ‘short-termist’, management is unlikely to invest in training, in the fear of other firms poaching their trained staff. The ‘tightness of fit’ argument (Berger, 1996) stresses that all elements of a model are complementary.

**Explanatory Framework**

Dore (1989) identifies two ideal types of companies, ‘organisation-oriented’ firms, which are typical in Japan, and ‘market orientated’ firms, which are found in Britain. This corresponds with Hall and Soskice’s (2001) distinction between ‘coordinated market economies’ (among them Japan) and Anglo-Saxon ‘liberal market economies’ (among them Britain). Hall and Soskice (2001) highlight the implications of a firm’s source of finance on employment practices. Firms relying on equity capital (which are typically found in liberal market economies) tend to behave ‘short-termist’, as shareholders are concerned with maximising (short-term) returns. Firms that do not perform well are vulnerable to takeovers. Fearing this, managers’ focus on making short-term profits, who adopt, at times, ‘hire-and-fire’ practices to achieve this. This gives rise to a fluid labour market, in which firms are reluctant to invest in training, as workers will eventually move elsewhere. Firms relying more on bank capital (which are usually found in coordinated market economies such as in Japan and Germany) tend to have a long-term focus, as their financiers are more interested in the success of the business and their ability to survive in the long-term. They are willing to invest more in training and offer long-term employment. The characteristics of these two ideal types are summarised as follows:

**Table 1: The Organisation-oriented and Market-oriented Ideal Types**

<table>
<thead>
<tr>
<th>Market-oriented</th>
<th>Organisation-oriented</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Characteristics</strong></td>
<td><strong>Characteristics</strong></td>
</tr>
<tr>
<td>High labour turnover</td>
<td>Low turnover; permanent workers differentiated from temporary workers</td>
</tr>
<tr>
<td>Wages based on going market rate</td>
<td>No going rate, stress on age, seniority and merit</td>
</tr>
<tr>
<td>Entry to firms at all levels</td>
<td>Fixed lower entry points</td>
</tr>
<tr>
<td>Motivation based on individual interest, with allocation of responsibility to individuals and with strong interpersonal competition.</td>
<td>Shared interest in firm’s prosperity; responsibility given to groups; rarity of demotion promotes loyalty; interpersonal competition restricted</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Bases and Facilitating Conditions</strong></th>
<th><strong>Bases and Facilitating Conditions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm as property of shareholders, with a strong market in company acquisitions</td>
<td>Firms as a community of people, with no hostile takeovers</td>
</tr>
<tr>
<td>Managers relate to worker’s at arm’s length</td>
<td>Managers are senior members of the community, with strong trust relations</td>
</tr>
<tr>
<td>Short-term profit the dominant objective</td>
<td>Long-term growth and market share the main goal</td>
</tr>
<tr>
<td>Reliance on equity capital, plus a finance-oriented culture</td>
<td>Use of bank capital; financiers focus on growth, not immediate returns; culture is production-oriented</td>
</tr>
</tbody>
</table>

*Source: abbreviated from Dore (1989: 427-9)*
We would suggest that if the socio-economic institutions in host-countries gave rise to characteristics which reflect the ‘market-oriented’ system, it would be less likely that Toyota was able to transfer its management practices to that country. These characteristics do not directly affect Toyota’s managerial strategies, as Toyota’s subsidiaries in the three studied countries (and other countries) remain bank-financed. These characteristics (of a market-oriented system) do, however, affect the transferability of Japanese managerial practices indirectly, as these economic and social institutions affect labour market conditions and the pool of potential employees available to Toyota. This leads to our final hypothesis:

\( \text{(H5)} \) The similarity of managerial practices in Toyota’s Japanese and foreign operations is negatively correlated to the presence of labour market conditions and HRM practices that are different from those in Japan.

For example, the presence of a fluid labour market in Britain would make it very difficult for Toyota to offer stable employment and an internal labour market.

Toyota’s HRM Practices and the ‘Toyoko Way’.

Although what precisely constitutes Japanese management is open to some debate, researchers (Dore, 1973; Koike, 1984; Ouchi, 1981) have generally included practices of job rotation, internal training, a competitive appraisal system, consultative decision-making, seniority-plus-merit pay (nen-ko), implicit performance evaluation, hiring of fresh graduates who are given extensive employee training and socialisation, and long-term employment.

**Toyota’s HRM Practices**

Toyota’s human resource management (HRM) practices are largely coherent with this description (Clark, 1979, Oliver and Wilkinson, 1992; Ouchi, 1981; Whitehill, 1991).\(^1\) Toyota’s managerial practices are based on eight principles, which are\(^1\):

1. **Consensus or consultative decision-making and teamwork**

   The process of decision-making at Toyota involves getting full consensus from everyone involved, including lower level employees and other departments or divisions. This makes the implementation of any decisions smooth and effective. The use of cross-functional teams facilitates this process of consensus decision-making.

2. **Long-term orientation**

   A distinct feature is that Toyota’s strategies are long-term oriented. One interviewee stated:
   
   “The Japanese management style tends to be long-term oriented rather than short-term oriented to put more values in continuous and gradual growth of the business (19).”

3. **Recruitment of new graduates and internal labour market**

   All permanent core employees are recruited at the lowest level of the company’s hierarchy.

4. **Lifetime employment and internal labour market**

   Employment in TMC is, in principle, for life:
   
   “In Japan, it is true that when you graduate, you are destined (sic.) to find your job for life. This is something integrated in our DNA. We will never quit in that society. We are married to Toyota company until retirement … we die with the company (9).”

   Employees are promoted from within the company. Someone who enters the company mid-level, from another company is seen as a ‘gaigin’ (alien) (Interview 20).

5. **Job rotation and career progression**

   Recruitment into Toyota is for a general range of positions, rather than a specific job position. For all permanent employees there is a reasonably clear career progression. Toyota determines where individuals will be placed functionally.
   
   “In case of Japan, you don’t apply for a division, you apply for the company
and the division which you work is controlled by company not by us, so that’s the difference … the person has to experience the different divisions, so you will accumulate the knowledge and you have to know how to deal with issues (6).”

Job rotation is a typical characteristic of human resource development in Japan as it allows the accumulation of a wide range of company-specific knowledge and skills.1

6. **Internal training and extensive socialisation**

In TMC Japan, there are standard induction programmes and organised training programmes at each level of the company.1 Every employee that enters the company has to go through six months intensive training before being assigned to a division or a role. Employees have to learn about every division of the company, know the company inside out, and experience working on the assembly lines, as well as selling cars at dealerships.

In addition to organised (off-the-job) training, all six Japanese interviewees stressed the importance of on-the-job training (interviews 6, 9, 10, 14, 19, 20).

Employees are also extensively socialised. According to Inagami (1983), employee involvement is an integral aspect of Japanese management. Each Toyota employee is encouraged to become, like the company founder, ‘an inventor and seeker of solutions, yet to absorb company values and maxims’ (Shirouzu and Moffett, 2004). Toyota’s aim is to ‘grow managers from within’ (Liker, 2004), who thoroughly understand the work, the ‘Toyota Way’, and teach it to others.

7. **Implicit performance evaluation and competitive appraisal system**

Performance evaluation at TMC is not closely linked to salary scales. The items of evaluation include more ‘subjective’ aspects such as individuals’ ability to fit into the company ‘culture’ and the collective attitudes of individuals. The appraisal system is, however, competitive in that excellent performers are usually candidates for rapid promotion.

8. **Seniority-Plus-Merit (Nenko) Pay**

Pay is determined by length of service, age, gender, and merit, as rated by managers.1

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**The ‘Toyota Way’**

When asked about what they perceive as constituting Toyota’s managerial practices, the majority of (both Japanese and non-Japanese) interviewees immediately quoted elements of the ‘Toyota Way’. The Toyota Way was published by TMC (Toyota 2002) as a set of practices and principles which should be adopted by all Toyota employees. Elements of the Toyota Way are summarised in Table 2 and are explained below.

**Table 2: The Toyota Way**

<table>
<thead>
<tr>
<th>Principles</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge</td>
<td>Set higher targets to review the whole process to achieve the goals</td>
</tr>
<tr>
<td>Kaizen</td>
<td>‘Plan-Do-Check-Action’ cycle to improve the process and job practice for efficiency and effectiveness</td>
</tr>
<tr>
<td>Genchi-Genbutsu</td>
<td>Go to the real sources of problems to find and resolve the real causes.</td>
</tr>
<tr>
<td>Respect</td>
<td>Give deliberation to others and think in the shoes of the others</td>
</tr>
<tr>
<td>Teamwork</td>
<td>Get consensus of all the parties concerned before making decisions to move forward.</td>
</tr>
</tbody>
</table>

*Source: Abbreviated from Toyota (2002)*
1. **Challenge**, according to Toyota (2002: 5), means that ‘current trends are addressed in the light of a longer-range vision’. The concept includes the explicit specification of how something is to be done before it is performed and this is coupled with testing work as it is being done.

2. **Kaizen** is both a philosophy and a specific concrete practice for involving workers in quality matters. As a philosophy, it stresses a new pro-enterprise attitude based on management-labour consensus of general support for continuous improvement, in particular, for the development of a consistent process-oriented way of thinking (Imai, 1997).

3. **Genchi-Genbutsu** means identifying and rectifying the ‘root-causes’ of problems rather than dealing with symptoms, based on all available facts, before going down a certain path. As Danford (1998) identified, it is this ‘attention to detail’ which separates the Japanese from the British. A manager explains:

   “In Toyota, even the president of TMC, if they have the chance, they come here and they want to visit dealers rather than attend the meetings here and just listen to our explanations. Genchi-Genbutsu means going down to the root-cause and going to see it for yourself (14).”

4. **Respect** stresses sincere communication, mutual trust and responsibility. According to a Japanese manager, this principle is based on the Confucian tradition and means that:

   “(y)ou must respect everybody, your boss, your subordinate, your colleagues (...). Everybody other than you, you should respect (9).”

5. **Teamwork** is meant to facilitate consensus decision-making and the accumulation of knowledge by learning from each other.

These are practices and principles Toyota is trying to transfer to its overseas operations. The President of TMC stresses that:

“(i)t is essential that our global leadership team embraces the concepts of Toyota Way as we achieve our business goals in host countries which have a wide variety of customs, traditions and business practices. I urge every Toyota team member all over the world to take professional and personal responsibility for advancing the understanding and acceptance of the Toyota Way (Toyota, 2002: 1).”

Although not officially stated, the eight HRM practices described in section 4.1 are also transferred to some extent to Toyota’s overseas operations. These practices are interlinked with the ‘Toyota Way’. For example, teamwork is needed to facilitate consensus decision-making, long-term orientation facilitates continuous improvement and lifetime employment allows for continuity. Thus, we have combined the described HRM practices (sec. 4.1) to the elements of the ‘Toyota Way’ (sec. 4.2), as the set of criteria (aggregate ‘test’) for comparisons between the three countries.

In the next three sections, we present and evaluate the results from the fieldwork related to the three cases – Toyota’s non-manufacturing subsidiaries in Belgium, France and Britain. We have divided the analyses of Toyota’s managerial practices into two parts: firstly, ‘Managerial Principles’, as defined in section 4.2 (the ‘Toyota Way’), and secondly, ‘Human Resource Management (HRM) Practices’, as described in section 4.1.1

Toyota Motor Marketing Europe (TMME), Belgium

Toyota Motor Marketing Europe NV (TMME), based in Brussels, is responsible for all of Toyota’s European non-manufacturing activities such as sales, marketing, finance, human resource and after-sales. Its employees are recruited from 27 different, mainly European, countries.
The table below summarises the extent to which Toyota’s Managerial Practices have been transferred to TMME.

**Table 3: Transfer of Toyota’s Managerial Practices and Principles in TMME**

<table>
<thead>
<tr>
<th>Practices</th>
<th>Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managerial Principles – the ‘Toyota Way’</strong></td>
<td></td>
</tr>
<tr>
<td>Challenge</td>
<td>Ο</td>
</tr>
<tr>
<td>Kaizen</td>
<td>Ο</td>
</tr>
<tr>
<td>Genchi-Genbutsu</td>
<td>Ο</td>
</tr>
<tr>
<td>Respect</td>
<td>Ο</td>
</tr>
<tr>
<td>Teamwork</td>
<td>Ο</td>
</tr>
<tr>
<td>Consensus</td>
<td>Ο</td>
</tr>
<tr>
<td>Long-Term Orientation</td>
<td>X</td>
</tr>
<tr>
<td><strong>HRM Practices</strong></td>
<td></td>
</tr>
<tr>
<td>Recruitment of fresh graduates</td>
<td>-</td>
</tr>
<tr>
<td>Lifetime Employment and Internal Labour Market</td>
<td>-</td>
</tr>
<tr>
<td>Job Rotation and Career Progression</td>
<td>-</td>
</tr>
<tr>
<td>Internal Training and Extensive Socialisation</td>
<td>-</td>
</tr>
<tr>
<td>Implicit Performance Evaluation and Competitive Appraisal System</td>
<td>-</td>
</tr>
<tr>
<td>Seniority-Plus-Merit Pay</td>
<td>-</td>
</tr>
</tbody>
</table>

X practice is present fully
Ο practice is present partially
- practice is not present

The employee satisfaction survey (Toyota, 2003) found that none of the ‘Toyota Way’ elements are fully understood. Only 91% understood all five elements. A much smaller percentage (38%) of employees feel that they are consistently applied.

None of Toyota’s HRM practices are present in TMME. Recruitment is driven by vacancies which are filled either externally or internally. New recruits can enter at any level of the company hierarchy as long as they match the ‘job profiles’; thus ‘hiring of fresh graduates’ is not practiced as a principle. There is no job rotation, and career progression is driven purely by individual initiatives. Promotion can occur only when a vacancy arises, and employees have to apply, along with external applicants. Training is limited to a one hour welcome session and a three day induction course. Other training courses are provided only when individuals apply for them. It seems that managers are ‘thrown into the deep end’ when they first start their jobs at TMME.

Performance evaluation is based on individuals’ experiences, on their managerial grades and on their performance, which is determined by numerous objective indicators. Remuneration is based on merit, i.e. on personal performance and experience, not on seniority. Pay is also determined according to the Belgian market. Expatriates and locals have different employment contracts. Expats have fixed-term five year contracts and Belgians have open-
ended contracts. Although there is nothing ‘Japanese’ in the HRM practices in TMME, Toyota maintains its ‘no-firing’ policy in TMME; restructuring and dismissals are very rare.

The next section explains these findings above and evaluates the variables affecting the extent of transfer of Toyota’s managerial practices and principles.

**Labour Regulations Affecting Practices in TMME**

Labour regulations in Belgium are elaborate. Working hours are limited to 37.5 a week. However, this legislation only affects lower level employees. Their hours are monitored and they are not expected to work long hours. As for managers, they are not paid for overtime work, thus many managers frequently work overtime as the Japanese do.

It is mandatory for a works council to be set up. Unions are also present at TMME. However, this has little effect on the transfer of Toyota’s managerial practice (Interview 5).

**Transfer of Japanese Personnel to TMME**

Japanese personnel transferred from TMC account for 10% of the employees at TMME. Their role seems quite ambiguous. Some managers think that their role is to transfer Toyota’s practices to TMME:

“One of the major roles of the Japanese staff is to transfer the Toyota Way to local staff (6).”

Others perceive that their role is to exert more influence:

“The final decision will be taken by the Japanese. Not all but they will try to explain to TMC what Europe wants to do, and they will receive feedback from TMC about what they don’t want us to do … but at the end, I think that TMC will try to keep ownership, well, at least on paper, of the decision making (1).”

It is clear that the Japanese personnel do exert some influence on pushing the extent to which practices are transferred to TMME.

**Ownership Structure of TMME**

TMME is a fully owned subsidiary of TMC Japan. As suggested in section 2, a parent company is more likely to impose managerial practices to a foreign subsidiary if it fully owns it. However, in this case, this does not seem to be a valid explanatory variable of why there is a limited transfer of Toyota’s managerial practices to TMME.

**Cultural Differences between Japan and Belgium**

Cultural differences do play a large role in obstructing the transfer of Toyota’s managerial practices to TMME. One major difference, according to Dore (1973), is that Japanese are more introvert, ‘less men of principle’ and imitative, whereas Westerners are more apt to be dogmatic, aggressive and less hesitant about imposing their feelings on others:

“I know certain things I don’t do the Japanese way, I don’t do them because that is part of me. Sometimes, I’m saying I disagree, I’ll not do it, that’s wrong. It doesn’t show respect for the wise decision of the executive but on the other side, he (the Japanese; the author) needs to respect me being able to have a different opinion about something, and then that’s the issue (5).”

The cultural differences at TMME are especially strong as there are 27 different nationalities.

**Institutional Differences between Japan and Belgium**

As a Rhineland country, Belgium is a ‘coordinated market economy’ (Halls and Soskice, 2001) in that firms are largely bank-financed, as in Japan, and rely on collaborative mechanisms to provide vocational training. However, this does not give rise to a labour market similar to the labour market in Japan. Belgium tends towards the ‘market-oriented’ system (Dore, 1989) as the labour market in Belgium is ‘occupational’ rather than ‘internal’ (Marsden, 1986, in Lam, 2000). Employees do move to other companies. Also, TMME is not
only recruiting from the Belgian labour market, it is recruiting from several countries in Europe.

Employees who have previously worked in other European countries claim that there is a short-term focus in other companies. This means that it takes time for newly recruited managers to get accustomed to Toyota’s long-term orientation:

“In my previous experience, I worked in a French and an Italian company, so of course in a European company, decision-making process is totally different … I think after 6 months you learn how to do things but if you are not patient in the first place, you struggle, you really struggle (4).”

Also, wages are determined, as mentioned earlier, by the market, and there is evidence of a fluid labour market. When the economy was flourishing five years ago, TMME had a high turnover of 10-15%. Currently, as the economy is slowing down and unemployment is high, the turnover rate is about 3% (Interview 5), which suggests that employees are looking for other jobs when possible. One manager describes the employment pattern as follows:

“In Japan, they (employees, the author) are married with the company and married with their wife. In Europe, they are divorced from their wife more frequently, and they are also divorced from their company more frequently (5).”

According to another manager, there is a lack of a coherent and organised structure to ‘grow people from within’, a fundamental Toyota principle (Interview 1). Also, with many employees frequently moving in and out of the company, TMEE loses the continuity of people’s skills, fundamental for the principles of continuous improvement. There is a lack of job rotation, leading to a lack of exchange of knowledge and information between divisions. This means that people are unable to build essential contacts and knowledge for practicing ‘genchi-genbutsu’.

The evidence shows that Toyota’s HRM practices actually form key institutional structures in facilitating Toyota managerial principles.

To summarise, the interviews have shown that every manager at TMME is aware of the ‘Toyota Way’ principles. The Japanese personnel play a role in promoting the transfer of these practices. However, the extent to which these elements are understood and implemented is limited. Cultural differences seem to have sparked a few problems in the acceptance of Toyota’s practices. The lack of a coherent HR structure and the orientation of HR practices towards a fluid, external labour market imply that managers are unable to fully ‘learn’, understand and practice the ‘Toyota Way’. In short, the extent of transfer of Toyota’s managerial practices is limited to a few principles, i.e. challenge, kaizen and long-term focus, which is to be explained by the absence of a HRM system appropriate for the implementation of the ‘Toyota Way’ in Belgium.

**Toyota France (TFR)**

Toyota France SA (TFR) is a subsidiary of TMME Belgium. The majority of employees are French. The following table summarises the degree to which Toyota’s managerial practices have been transferred to TFR.

<table>
<thead>
<tr>
<th>Table 4: Transfer of Toyota’s Managerial Practices and Principles in TFR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practices</td>
</tr>
<tr>
<td><strong>Managerial Principles – the ‘Toyota Way’</strong></td>
</tr>
<tr>
<td>Challenge</td>
</tr>
<tr>
<td>Kaizen</td>
</tr>
</tbody>
</table>
There has been a full transfer of ‘challenge’ and ‘long-term orientation’. Similarly to TMME, the other elements have been transferred to TFR too but are not practiced to the full extent as in Japan. However, these principles are generally better implemented in TFR than in TMME, Belgium.

As for the HRM practices, TFR’s practices are more similar Toyota’s HRM practices in Japan. There are a few graduate trainees and TFR actively encourages new recruits to develop a management career within the company, fostering internal labour markets. They offer possibilities to experience different job functions and opportunities to be promoted, like in Japan. Opportunities to rotate functionally are rather limited because TFR is a fairly small company. Unlike TMME, promotion is driven both by company needs and the individuals’ performance. Training programmes are more numerous than in TMME. However, these are much more limited and less structured than those at TMC in Japan. Performance evaluation is in line with TMME’s system, unlike TMC’s. There are various key performance indicators and objective criteria for evaluation, in contrast to TMC’s subjective evaluation. Pay is determined according to individuals’ performance and experience. There is no seniority-based pay.

So, the question is what explains these differences between TMC (Japan) and TFR (France). The following section considers potential explanations.

**Labour Regulations Affecting Practices in TFR**

In France, there is a working hour’s restriction of 35 hours per week. This affects the work of lower level employees, mainly administration and support level staff, but not the managers. Similarly to TMME, managers work fairly long hours. Senior executives work as many as 13 hours a day, without any objection to working hard and long hours (Interview 8). Only one out of the five major trade union confederations in France is recognised by TFR. There is also a works council and there are regular consultations and discussions with the unions. Generally, as in TMME, there seem to be no problems as yet. Similarly to TMME, labour regulations seem to have little effect on the managerial practices in TFR.
Transfer of Japanese Personnel to TFR

Only two Japanese managers were transferred to TFR from TMC, one being the President, the other, a Japanese ‘coordinator’, whose role is perceived to be coordinating the activities between France and Japan. Apparently, it is not his duty to transfer Toyota’s managerial practices and principles:

“They (coordinator, the author) are not here to push the Toyota Way. They are reporting what’s going on here in TFR to Japan, summarising what’s going on. It’s not their mission to roll out the Toyota Way (9).”

This does not explain why there is a higher extent of transfer of Toyota’s managerial practices in TFR than in TMME. The presence and purpose of the Japanese personnel is further discussed in section 8.

Ownership Structure of TFR

TFR is fully owned by TMME, which in turn, is owned by TMC. TMME provides guidelines for many of its practices. Because TFR is one step removed from Japan, it may be expected that the extent to which Toyota’s managerial practices are transferred to TFR is less than at TMME (which is directly owned by TMC). However, the contrary is true, thus disproving ownership structure as an explanatory variable for the extent of transfer.

Cultural Differences between Japan and France

There are various cultural differences between Japan and France which seem to affect the transfer of Toyota’s managerial practices to TFR. According to one (French) interviewee, cultural differences hinder the practice of ‘kaizen’:

“The main problem is that French people are French. Of course there are culture difficulties, mainly, I would say, it is difficult to persuade the French … the Toyota Way requires some humility and French people are not recognised for their humility … French people are considered as arrogant, I don’t know if it is true but it is always the image which is presented of the country. To implement Toyota Way I think, we need some humility. I mean humble, meaning accepting that sometimes you may be wrong and considering sometimes what you have done could be done better and also that you need help, you need advice from other people … it is more difficult, I think, for French people (7).”

Consensus-decision making is not widely practiced either, as French managers are accustomed to receiving orders from above rather than being proactive. In addition, (French) directors do not see the need to report everything to the (Japanese) president, who would interpret this as uncooperative and not respecting him, thus creating frictions between Japanese and French managers:

“It is a way of work so everybody is waiting for some objectives from top management, so it is normal for French people to receive instructions where to go, what to do because it is top down (8).”

According to a Japanese manager, respect has a different meaning in Japan and is not as well understood in France because French employees tend not to ‘pay respect’ the way that Japanese employees do (Interview 9). Because of these cultural differences, practices such as continuous improvement, consensus decision-making and respect are less readily accepted by French managers.

Institutional Differences between Japan and France

Traditionally, as a Mediterranean country, France is ‘organisation-oriented’ in that training is typically company or firm-based.¹ This is why it is possible to offer job security, career progression, and a certain degree of job rotation and internal training. Because HRM practices are more structures than at TMME (in Belgium), employees envisage more opportunities to progress with the company. This leads lower turnover, and employees who
are put more effort in understanding Toyota’s managerial practices than employees in TMME.

However, more recently, as one manager identifies (Interview 7), there has been a stronger market-orientation in France than in Japan, which means that the labour market is more fluid than in Japan (cf. sec. 2). Another manager claims that employees leave if they find better opportunities elsewhere (which would, in fact, seem common sense in France):

“French people will never marry with the company (9).”

TFR is fairly new in its establishment. One manager believes that over time, TFR will grow and be in a better position to offer more opportunities for internal promotion, job rotation and training (Interview 8).

To summarise, it is evident that every manager at TFR is aware of the ‘Toyota Way’, similar to the situation at TMEE. Labour regulations and the transfer of Japanese personnel to TFR do not affect the transfer of Japanese practices much. Cultural differences seem to have more of an effect. The extent of transfer of Toyota’s managerial practices is limited to a few principles. However, there is a higher presence of Japanese practices in TFR than in TMME. This is because of the more coherent HRM structure, which encourages employees to progress within the company and to learn more about the ‘Toyota Way’. Toyota Great Britain (TGB).

Similarly to Toyota France, Toyota (GB) plc (TGB) is a subsidiary of TMME Belgium. The majority of its employees are British. The following table summarises the degree to which Toyota’s managerial practices have been transferred to TGB.

Table 5: Transfer of Toyota’s Managerial Practices and Principles in TGB

<table>
<thead>
<tr>
<th>Practices</th>
<th>Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Managerial Principles – the ‘Toyota Way’</strong></td>
<td></td>
</tr>
<tr>
<td>Challenge</td>
<td>X</td>
</tr>
<tr>
<td>Kaizen</td>
<td>X</td>
</tr>
<tr>
<td>Genchi-Genbutsu</td>
<td>X</td>
</tr>
<tr>
<td>Respect</td>
<td>X</td>
</tr>
<tr>
<td>Teamwork</td>
<td>X</td>
</tr>
<tr>
<td>Consensus</td>
<td>O</td>
</tr>
<tr>
<td>Long-Term Orientation</td>
<td>X</td>
</tr>
<tr>
<td><strong>HRM Practices</strong></td>
<td></td>
</tr>
<tr>
<td>Recruitment of fresh graduates</td>
<td>-</td>
</tr>
<tr>
<td>Lifetime Employment and Internal Labour Market</td>
<td>O</td>
</tr>
<tr>
<td>Job Rotation and Career Progression</td>
<td>O</td>
</tr>
<tr>
<td>Internal Training and Extensive Socialisation</td>
<td>O</td>
</tr>
<tr>
<td>Implicit Performance Evaluation and Competitive Appraisal System</td>
<td>-</td>
</tr>
<tr>
<td>Seniority-Plus-Merit Pay</td>
<td>-</td>
</tr>
</tbody>
</table>

X practice is present fully
O practice is present partially
- practice is not present
As in TMME and TFR, there is ‘long-term orientation’ in TGB. Additionally, all the other elements of Toyota’s managerial principles are practised extensively, with the exception of ‘consensus decision-making’. According to a Japanese manager, they are practising consensual decision-making, but in a different from Japan. At TGB, meetings always begin with heated discussions before coming to a consensus. In contrast, meetings in Japan are a matter of formality (Interview 14). Most decisions are decided and agreed before-hand.

There are no specific graduate programmes. Graduates are hired if they are deemed appropriate for a job. However, there are plans to introduce a graduate training programme. As in TMME and TFR, recruitment is driven by vacancies. However, in contrast to TMME and TFR, it tends to occur at lower management levels. The majority of senior executives have been at TGB for 10 to 15 years, and have been socialised, trained and promoted internally. Although individuals have to meet certain criteria before being promoted to a new position, they are encouraged to grow and stay with the company in the long term, as in TFR. Additionally, there are defined career paths for the field operations division, known as the field training programme. External recruitment happens only when no capable internal candidate is available. Job rotation does occur at TGB, to a certain extent. Managers do change roles and experience various functions, but again, this is driven by vacancies, they are not pre-planned. At TGB, more training is provided than at TFR and TMME. It is more structured than in TFR and TMME in the sense that training is driven by the appraisal process and individual developmental needs. The performance evaluation is slightly different from the system used at TMME and TFR, but it consists of similar objective criteria and indicators. As in TMME and TFR, pay is not seniority based.

The following section considers potential explanations for the described differences between TMC Japan and TGB.

Labour Regulations Affecting Practices in TGB
British labour regulations do not seem to be affecting the transfer of Toyota’s managerial practices to TGB. Additionally, there is no trade union representation at TGB. Trade unions are recognised at TMUK (Toyota Manufacturing United Kingdom), the factory site, but not at the sales and marketing subsidiary, TGB (Interview 13).

Transfer of Japanese Personnel to TGB
Similarly to TFR, there are only two Japanese managers at TGB. TGB is bigger than TFR, in terms of employees, thus, the proportion of Japanese personnel is smaller. Several managers have interpreted this as a result of TGB’s success in working efficiently and having accepted Toyota’s principles fairly well. The Japanese managers therefore feel that they do not need to transfer as many Japanese personnel to TGB:

“Because we (TGB; the author) have demonstrated consistently our ability to reach our targets, and to grow very quickly ... there maybe an element of them (the Japanese; the author) thinking ‘if it isn’t broken, don’t fix it’, ‘these guys know what they are doing, they understand their market, they are doing a good job, so let them get on with it’ (11).”

This shows that hypothesis 2 is not necessarily true. This is further discussed in section 8.

Ownership Structure of TGB
TGB used to be fully owned by the British company Inchcape plc, an automotive services group. In 1999, Toyota fully acquired TGB, which is now 100% owned by TMME (which in turn is owned by TMC). According to hypothesis 3, transferring Toyota’s managerial practices to what was formerly a British company would have been difficult. However, the opposite seems to be the case. Many managers notice the difference, but are much more receptive to Toyota’s principles than (non-Japanese) managers at TMME and TFR:
“We were owned by Inchcape. We were very much a traditional environment. People of a junior status would never find themselves talking to senior management. Today, the most junior of employees can find themselves talking to the managing director, the chairman and other directors. So, it is a very much open and approachable style. The managerial style is very hands on ... 15 years ago, we were much more short-termist. Back then, it was all about how much money you made this year, how many cars are you going to sell tomorrow? Now, we take a much longer-term approach (11).”

There was no reported tensions about change in ownership from a British-owned to a Japanese-owned company.

**Cultural Differences between Japan and Britain**

According to some interviewees, there are cultural differences between Britain and Japan which have created some tensions in the transfer of Toyota’s managerial practices in TGB. Similarly to TMME, British managers are also more aggressive and less hesitant to express their opinions (Interview 11). As in TMME, numerous managers are often frustrated that the Japanese consensus culture takes a long time. Despite these differences, TGB managers are more accepting and more willing to practise the Toyota principles than those at TMME and TFR:

“I think that we’ve all bought into it (the Toyota Way; the author) very well ... we all see the benefit of changing our style a little bit to start to follow these processes and see that it does work. I think we adapted to it quite well, there is a general understanding and very little resistance (12).”

These cultural tensions seem to be less severe as compared to those in Belgium and France.

**Institutional Differences between Japan and Britain**

Britain tends towards the ‘market-oriented’ system. In a highly competitive environment, where Toyota’s competitors are constantly changing their marketing strategies, Toyota is forced to keep ahead of them. According to British managers, they are frequently tempted to forgo long-term strategies and make short and quick decisions, especially as several of them have previously worked in British companies:

“The way I explain to people is in the management culture in the UK is make lots of decisions and most of them will be right, and the Japanese culture is don’t make a decision unless you know is the right one. We have been very much used to the culture of making lots of decisions. So, we are tempted to make quick decisions when we think we know what the problem is (12).”

The presence of a rather fluid labour market in Britain seems to have little effect on the transfer of Toyota’s managerial practices to TGB. This is because TGB has offered long-term employment to its employees. The career prospects for individuals to move upwards as well as laterally within the company are facilitated by internal promotion and job rotation. The attrition rate is as low as 3%. According to the employee satisfaction survey (Interview 13), 100% of the employees are proud to work for Toyota. This means that employees are willing to stay and are motivated to learn the Toyota managerial principles, as in TFR. Similarly to TFR, the presence of HRM practices which are similar to those in TMC has led to a greater acceptance of Toyota’s managerial practices.

To summarise, the extent of transfer of Toyota’s managerial practices in TGB is higher than in TFR and TMME. Nearly all of Toyota’s managerial principles have been transferred and are generally well received in TGB. Contrary to our expectations, British labour regulations, the number of Japanese personnel, and the ownership structure of TGB have not affected this transfer. As in TMME and TFR, there are cultural differences that do affect the transfer of consensus decision-making. British managers tend to lack patience and have the tendency to express opinions during decision-making. The competitive market-oriented environment in
Britain has led to occasions where managers are tempted to make quick decisions, but the company remains focused on long-term decision making. Overall, there is a consistent HRM structure that facilitates Toyota’s principle of ‘growing managers from within’, thus allowing socialisation of managers to better understand Toyota’s managerial practices.

Comparison of the Three Cases
This chapter compares the findings across the three cases. We begin by summarising the similarities of, and differences between the three cases. The rest of the chapter presents the findings according to the five hypotheses (cf. section 2).

**Toyota’s Managerial Practices and Principles**

Toyota’s aim is to transfer its managerial principles, referred to as the ‘Toyota Way’, to its overseas operations. Although some or all of the elements of the ‘Toyota Way’ are present in all three cases, the extent to which they are transferred differs from case to case. In all three cases, ‘long-term orientation’ is fully and consistently practised as at Toyota in Japan. At TMME (Toyota Motor Marketing Europe, Belgium), none of the other elements have been fully transferred. At TFR (Toyota France), the only other element that is being practised consistently as in Japan is ‘challenge’. In contrast to these two cases, all of Toyota’s managerial principles are fully transferred (and consistently practised) to TGB (Toyota Great Britain), with the exception of ‘consensus’. In this section, we attempt to explain this difference.1

It has not been Toyota’s intention to transfer its HRM practices to its overseas operations. Toyota has rather, in all three cases, adapted to the respective local environment. Regardless of this, Toyota was able to implement some of its HRM practices at TGB, and to a lesser degree, at TFR, as the practices in question were compatible with the respective circumstances and institutional frameworks. This research has shown that the presence of Toyota’s (Japanese) HR practices at TGB and TFR has provided advantageous conditions for the transfer of Toyota’s managerial principles, the ‘Toyota Way’.

**Labour Regulations**

In locating its operations overseas, Toyota has to respect the respective national labour legislation, which is more elaborate in Belgium and France than in Britain.

However, as opposed to our expectations (cf. hypothesis 1), these labour regulations have not affected the degree to which the Toyota Way is transferred. Thus, this study does not support the hypothesis that host-country labour regulations, which are dissimilar to those in Japan, hinder the transfer of Toyota’s managerial practices.

**The Transfer of Japanese Personnel**

Japanese personnel has been transferred from TMC (Toyota Motor Corporation, Japan) to all three subsidiaries. The number of Japanese managers at each subsidiary differs. It is the highest at TMME in Belgium and lowest at TGB in Britain.

According to hypothesis 2, the transfer of Toyota’s managerial practices to TMME should be more comprehensive at TMME than at TFR and TGB, as TMME has the highest proportion of Japanese personnel. However, the opposite is the case. This suggests that the direction of causality is reverse to what we expected: Because Toyota’s managerial practices are not well implemented at TMME, additional personnel have been transferred from Japan in order to assist the further implementation of the Toyota Way. In contrast, because Toyota’s managerial practices have been implemented more consistently at TGB, there is less of a need to ‘put things right’, as one manager puts it (Interview 11).

**Ownership Structure**

All three subsidiaries are fully owned by TMC, which remains mainly bank-financed. This explains the long-term focus in all three countries. The previous British ownership of TGB
has not affected the transfer of Toyota's managerial practices. Thus, this study does not support hypothesis 3, which postulates that the ownership structure influences the transfer of managerial practices.

**Cultural Differences**

In all three cases, cultural differences seem to play a role in affecting the implementation of Japanese managerial practices, thus supporting hypothesis 4. A common ‘behavioural disposition’ of managers in all three countries is their tendency to be less consensual than their Japanese colleagues. At TMME and TGB, local managers tend to put forward their point of views much more forcefully than managers in Japan do and frequently have arguments before coming to a consensus as a result. At TFR, French managers are less likely than Japanese managers to accept criticisms, hindering the practice of continuous improvement.

Managers who agree with Toyota’s values and managerial principles are more likely to exercise these principles consistently. Yet, cultural differences do not provide an explanation of why Japanese managerial practices have been transferred to a fuller extent to TGB than to TMME and TFR. British managers are certainly not more consensual and more hesitant to sound their opinions than French or Belgian managers. The reason for the greater acceptance of Toyota’s managerial practices in TGB is explained in the next section.

**Institutional Structures**

All three countries have institutional structures closer to the ‘market-oriented’ system than the ‘organisation-oriented’ system in Japan as described by Dore (1989). However, there are many differences between the three countries in terms of their institutional structures. Both Belgium and Japan are ‘coordinated market economies’ (Hall and Soskice, 2001) and thus have relatively similar institutional structures, including a widespread and comprehensive system of industry-wide or occupationally recognised training schemes (cf. table 6 below), which is possible due to the fact that firms in coordinated market economies collaborate more closely than in liberal market economies.

Traditionally, France has a large public sector and many family-owned small enterprises. In terms of the provision of training, French firms are more ‘organisation-oriented’ than Belgian or British firms (cf. table 6). However, more recently French companies have moved more towards the ‘market oriented’ system of equity finance, which discourages firms from investing in intensive internal training (cf. sec. 2). The short-term focus and falling incentives of firms to invest in training has meant that the French labour market is becoming more fluid than in Japan, shown by its shorter length of tenure (cf. table 6).

Britain comes closest to the market-oriented system out of the three countries studied here, as the majority of British firms are equity financed. This means that the labour market is more fluid (as shown by the high turnover rate, cf. table 6). Employers are also more reluctant to provide extensive vocational training because of the short-term orientation of liberal market economies (Hall and Soskice, 2001).

*Table 6: Labour Market Characteristics in Japan, Belgium, France and Britain*

<table>
<thead>
<tr>
<th>Country</th>
<th>Median Length of Tenure (years)</th>
<th>Vocational Training System</th>
<th>Skill Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>8.3</td>
<td>Company-based</td>
<td>Firm/ Occupational</td>
</tr>
<tr>
<td>Belgium</td>
<td>8.4</td>
<td>Vocational colleges and apprenticeship system</td>
<td>Industry/ Occupational</td>
</tr>
<tr>
<td>France</td>
<td>7.7</td>
<td>Company-based</td>
<td>Firm/ Occupational</td>
</tr>
<tr>
<td>Britain</td>
<td>5.0</td>
<td>Weak</td>
<td>Occupational/ General</td>
</tr>
</tbody>
</table>
Because the institutional structures in all three countries differ from those in Japan, there is an incomplete transfer of Japanese managerial practices to Belgium, France and Britain. Hypothesis five predicts a higher transfer of Japanese managerial practices to TMME and TFR as Belgium and France have institutional structures that are more similar to Japan than those in Britain. However, the findings in this study show that the contrary is true. How can this be explained?

The findings in this study show that TGB has been able to offer opportunities for job rotation, internal promotion, training and lifetime employment. Thelen (2001: 71-103) suggests the following explanation: because TGB is operating in a liberal market economy, it lacks the coordinating capacities that characterise coordinated market economies. TGB is therefore likely to stabilise its core workforce through strategies built on strong internal controls, such as internal training and promotion. Thelen (2001) argues that

"... employers (in liberal market economies) seeking to pursue high-quality production (and lacking the strong non-market coordination mechanisms that support this in the coordinated market economies) often turn to strategies that involve internalising skill formation and instituting various plant-based mechanisms for securing labour cooperation and peace (Thelen, 2001: 74)."

As argued in the previous chapter, these HRM practices facilitate the transfer of the ‘Toyota Way’. As employees in TGB are given opportunities to experience different functions and position, moving laterally as well as vertically, they gain knowledge of the entire company. This facilitates problem-solving principles such as ‘genchi-genbutsu’ because employees know who and where to go when they are faced with problems. According to the Japanese interviewees, this rarely happens at TFR and even less so in TMME. Furthermore, extensive socialisation also occurs through training and long-term employment. Employees who have been at TGB for a longer period of time and who have been subjected to various training programmes have developed a better understanding of Japanese practices and have a bigger willingness to operate in a Japanese-type work environment.

Additionally, Koike (1988) suggests a close relationship between the stage of economic development attained and the emergence of the internal promotion system. He argues that the stabilisation of markets permits a company to offer long-term prospects, to which the capability of employing workers for a long period is linked. TGB has been growing steadily and performing consistently well (interview 12), and thus employees see prospects for career advancement in the company, which encourages them to stay within the company, and to learn company specific skills, and to adopt the organisational culture, i.e. the ‘Toyota Way’. TFR has also been able to offer HRM practices similar to those in TGB. TFR can offer practices such as internal training and promotion without the fear of their employees being poached, as French firms typically provide company-based training and promotion. However, because TFR is a relatively new firm, its internal labour market is not as fully developed as at TGB, and thus turnover is higher, which means that employees are less likely to be socialise in the company, and adapt to its culture and the ‘Toyota Way’.

In contrast to TGB, TMME in Belgium lacks HRM practices that facilitate the implementation of the ‘Toyota Way’. This is due to the fact that TMME recruits from several different labour markets in Europe, rather than concentrating its recruitment on the Belgian labour market. Most importantly, career advancement opportunities are hindered by the lack of job rotation and competitive promotion system. TMME employees are assessing these career advancement opportunities against those offered by other companies in and outside Belgium. The resultant high job mobility rate does not provide incentives for TMME to offer its employees internal training or opportunities for expanding their scope of experience. This in turn leads to a lack of understanding of Toyota’s managerial principles, hindering the transfer of these practices.
The presence of Toyota’s HRM practices play an important institutional role in facilitating the transfer of its managerial principles, referred to as the ‘Toyota Way’, thus supporting hypothesis 5. This shows that Japanese managerial practices constitute a set of interlocking elements and that a single element of the ‘Japanese model’ cannot be transferred in isolation, without other elements complementing it.

Conclusion
This paper has investigated to what extent Toyota is able to transfer its managerial practices and principles to its overseas operations in Belgium, France and Britain. In doing so, we have sought to establish whether Toyota is free to impose its practices in each country unchanged, or whether it has to adapt them to certain aspects in the host country. This study has shown which aspects of Toyota’s managerial practices can be transferred completely, which aspects require adaptation, and which ones are not transferable at all. Our research has focused on identifying factors affecting the extent of the transfer to each country, and more specifically on how variations in the extent of transfer in each country are explained by differences in country-specific institutional and cultural contexts. Existing research on the transfer of Japanese practices has focused on blue-collar workers. Thus, the contribution of this research is that it analyses the implementation of Japanese managerial practices in a white-collar environment.

Our findings show that Toyota’s principle of ‘long-term orientation’ has been fully transferred in all three countries. However, the other elements of the ‘Toyota Way’ have been transferred to varying degrees in the three country. In all three countries, Toyota has adapted its human resource practices to suit the local labour market.

Out of the three studied cases, the most comprehensive transfer of Toyota’s managerial practices has taken place at Toyota Great Britain (TGB), where Toyota has also implemented elements of its indigenous HRM practices. On the other hand, the least comprehensive transfer has taken place at TMME Belgium, where the mentioned HRM practices are also lacking.

We have discussed the factors affecting the extent to which Toyota has transferred its managerial practices and principles in the three cases.

Firstly, labour legislation does not seem to have affected the transfer of Toyota’s managerial practices to any of the three countries.

Secondly, the presence of Japanese personnel is not positively correlated to the transfer of Toyota’s managerial practices. Rather, the opposite is the case, which indicates that the direction of causation is reverse to our expectation: where Toyota’s managerial practices are transferred to the least extent, (at TMME), there is the highest proportion of Japanese personnel, whose task is to rectify this (the lack of transfer).

Thirdly, as Toyota fully owns all three overseas subsidiaries and remains mainly bank-financed, it is able to maintain a long-term focus in all three countries. Thus, Toyota is free to implement its principle of ‘long-term orientation’ in its fully owned subsidiaries. The transfer of Japanese practices to TGB has not been affected by its previous ownership structure.

Fourthly, cultural differences between Japan and the three European countries have affected the transferability of Toyota’s managerial principles. Generally, European managers have different ‘behavioural dispositions’ to Japanese managers. The prevalence of more individualistic and less consensual behavioural dispositions in Belgium, France and Britain has meant that local managers find it difficult to practice consensus decision-making. However, cultural differences do not explain why British managers are more willing than French or Belgian ones to practice Toyota’s managerial principles. Instead, this is explained by the higher level of ‘socialisation’ to Japanese-type practices in TGB.
Lastly, the institutional structures in all three countries do not provide the necessary conditions for a full transfer of Japanese managerial practices. The HRM practices typically found in these three countries are different from those in Japan. As the local labour market affects the HRM practices that Toyota uses, Toyota has adapted these practices to suit local conditions. Toyota has implemented a strong internal labour market with practices such as internal promotion, training, job rotation, and to a certain extent, lifetime employment at TGB because these methods are used to stabilise its core workforce in a liberal market economy (Thelen, 2001). As Toyota has been consistently growing in the British market, TGB has been able to offer these long-term prospects (Koike, 1988). Its more established system of ‘growing managers from within’ has facilitated the transfer of the ‘Toyota Way’. However, as its HRM practices do not fully correspond with those in Japan, not all elements of the ‘Toyota Way’ have been fully transferred. Although not as established as in TGB, elements of an internal labour market are beginning to appear at Toyota France since its establishment. Thus, some elements of Toyota’s managerial principles have been transferred. The situation in Belgium is more complicated as TMME is not only recruiting from the Belgian labour market, but also other labour markets in Europe. Because its HRM practices are different from those in Japan, conditions that would facilitate the transfer of Toyota’s managerial practices (the ‘Toyota Way’) are lacking.

These findings provide a contribution to the discussion on the transferability of Japanese practices overseas, and supports the view that the Japanese model constitutes a coherent set of practices that complement each other, following Berger’s (1996) ‘tightness of fit’ argument which posits that different practices are interlocking. The outstanding feature of the Japanese arrangements is the way in which they reinforce each other: Lifetime employment and internal labour markets encourage the careful training of recruits and the planning of their careers; this structure leads managers (as in TGB) to see their career advancement as closely tied to the development of the company, which is in turn compatible with the implementation of Toyota’s managerial principles.

In conclusion, our study has shown that institutional and environmental contexts affect the transferability of Japanese managerial practices and principles, implying that these practices are not ‘off-the-shelf’ packages that can be easily copied and transferred outside Japan.

REFERENCES


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Appendix: List of Interviews
The numbers in brackets above that follow quotes from interviews correspond to the numbers in the first column below.

<table>
<thead>
<tr>
<th>Country</th>
<th>Position</th>
<th>Division/Department</th>
<th>Date and Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Belgium</td>
<td>Manager</td>
<td>Strategic Planning</td>
</tr>
<tr>
<td>2</td>
<td>Belgium</td>
<td>Manager</td>
<td>Customer Services</td>
</tr>
<tr>
<td>3</td>
<td>Belgium</td>
<td>Manager</td>
<td>Human Resources</td>
</tr>
<tr>
<td>4</td>
<td>Belgium</td>
<td>General Manager</td>
<td>Sales - Network Development</td>
</tr>
<tr>
<td>5</td>
<td>Belgium</td>
<td>General Manager</td>
<td>Aftersales</td>
</tr>
<tr>
<td>6</td>
<td>Belgium</td>
<td>Japanese Coordinator</td>
<td>*</td>
</tr>
<tr>
<td>7</td>
<td>France</td>
<td>Director</td>
<td>*</td>
</tr>
<tr>
<td>8</td>
<td>France</td>
<td>Director</td>
<td>Human Resources</td>
</tr>
<tr>
<td>9</td>
<td>France</td>
<td>Senior Executive (Japanese)</td>
<td>*</td>
</tr>
<tr>
<td>10</td>
<td>France</td>
<td>Senior Executive (Japanese)</td>
<td>*</td>
</tr>
<tr>
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<td>12</td>
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<td>15</td>
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<td>Manager</td>
<td>Global Knowledge Centre (GKC)</td>
</tr>
<tr>
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<td>International†</td>
<td>Manager</td>
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</tr>
<tr>
<td>17</td>
<td>International†</td>
<td>Senior Manager</td>
<td>Aftersales</td>
</tr>
<tr>
<td>18</td>
<td>International†</td>
<td>Senior Manager</td>
<td>Customer Services</td>
</tr>
<tr>
<td>19</td>
<td>International†</td>
<td>Japanese Coordinator</td>
<td>*</td>
</tr>
<tr>
<td>20</td>
<td>International†</td>
<td>Japanese Coordinator</td>
<td>*</td>
</tr>
</tbody>
</table>

* The department or division of these managers cannot be named to preserve their anonymity. ‘Senior executives’ are either chairmen, presidents or general secretaries. Their specific positions cannot be disclosed for confidentiality purposes.

† ‘International’ denotes the fact that the interviewee is not currently based in one of the three studied countries (BE, F, GB), but provided information on Toyota’s practices in one of these three countries.
THE TRANSITION FROM INDUSTRIAL RELATIONS TO EMPLOYEE RELATIONS: A MYTH OR A REALITY?

Dr Anita R Wong and Priya Baguant
University of Mauritius

INTRODUCTION

The evolution of Industrial Relations and the transition to employee relations has been an area of great concern to researchers in different countries (Edwards, 1995; Gallie and White and al, 1998). The development of industrial relations has taken different forms depending on the way unions are organized and the role that the State has played at the workplace. In Mauritius the situation is no different. Industrial Relations and employee relations as concepts and activities have had a significant impact on the economic, political and social development of the island. The aim of this paper is to investigate the historical base of industrial relations in the island and also to analyse the developments that have taken place at the workplace. Lastly the paper will visualize the future of industrial relations as well as employee relations.

Definitions

Before investigating the concept of industrial relations it is important to seek a definition. There are various definitions being proposed in textbooks and it is not a subject, which is easily defined. However Green, (1994) defines as 'it broadly deals with the relationships encountered by workpeople in their working life'. In other words, industrial relations can be defined as the interaction between management and employees at the workplace. However to many industrial relations refer to unions and union activities. In his definition Green (1994) specifies that industrial relations as a concept include institutions such as unions, employer federations and tribunals, characters such as union officials, managers and arbitrators, procedures such as negotiations, bargaining and grievances as well as topics such as pay, conditions of work and redundancies.

Employee Relations on the other hand has referred to as a more ‘modern’ concept that is based on the new work environment. The evolution at the workplace has been based on more use of technologies, flexible work practices and new forms of management, which have changed the relationship between employees and management (Gallie, White and al, 1998). Employees and their skills have become central to development in organizations and thus there has been more focus on people. In other words, employee relations as a concept are based on participative work practices and human resource management concepts. Employee relations are also simplistically referred to as being more individualistic as opposed to collectivism and unionization.

Literature Review

The literature on industrial relations is closely linked to the literature on unions. Hugh Clegg (1979) in his various writings has referred to unions as the key component of industrial relations and that unions play an essential role in maintaining the balance at the workplace. The literature is very complex and diverse and Dunlop (1958) attempted to explain its complexity by defining industrial relations as a study whereby ‘facts have outrun ideas. Integrating theory has lagged far behind expanding experience’.

Hyman (1994) explained that this difficulty in theorizing industrial relations is very real and has become more difficult over time. Industrial relations, as a concept is lively and Hyman (1994) gives three reasons why it is difficult to theorise it. Firstly that ‘industrial relations has
not yet achieved a status comparable to the traditional academic disciplines or to the established professional field’. Secondly industrial relations has emerged as a ‘response to the practical concerns of managers, government policy makers and union leaders’. Thirdly the theorizing of industrial relations ‘typically ignores the articulation between theory and practice’.

Although the literature on industrial relations is divergent there is a large literature examining the observed differences between union and non-union sectors in the Western countries. Differences are not only observed in terms of wages but also in terms of other dimensions. Farber (1986) provides the following list:

- the union sector experiences non-wage benefits, which form a large part of the total compensation in the sector;
- the degree of variability in earnings is lower compared to the non-union sector, both overall and for workers in particular occupations and industries;
- in most cases, it is the workers in the lower wage bands that quit union jobs;
- the union sector is much vulnerable to cyclical swings in employment;
- there exists the mechanisms for settling disputes between employers and their employees in most unionized establishment;
- the role of seniority is much emphasized in the union sector;
- the working setting is more rigidly structured in the union sector.

In contrast the literature on employee relations is closely linked to the literature on evolution of management practices, flexible work practices and empowerment and participation. There has been a radical change in employee relations due to economic, social, political and technological evolutions at the workplace (Piore and Sabel, 1984; Womack and al, 1990). As pointed out by Gallie and al (1998) employee relations is based on ‘high levels of discretion for employees, the reduction of status distinctions within the workforce, and the adoption of organizational policies designed to secure long term commitment of employees’.

Before investigating industrial relations and employee relations in Mauritius, it is important to see the context and look at the environmental factors.

**Context of Study**

The background of this particular study is an important element, which will be captured in the research. The setting of the research is that it is based on a small island economy, which evolved as a British colony. The World Bank and International Monetary Fund have classified Mauritius as a developing African nation due to its geographical proximity. On other economic and social fronts Mauritius has been compared and contrasted to its South East Asian and Indian counterparts. The pluralist ethnicity of the Mauritian population has created a multicultural society and this transcends itself to the work environment. The political, economic and social environments interact to create the work environment. At this stage it is important to understand the background to each of those essential elements.

**Political Structure: Political Independence and Democracy**

Mauritius is known as a land of immigrants where there are no natives. The British colonized the island after the French and Dutch occupied Mauritius. The fight for independence started in the late 1950s and matured in 1968 when the island became independent. The struggle for freedom was based on a democratic system where, as many ancient British colonies, the constitution was based on a Westminster-style multi party democracy. This struggle for freedom was led by the young professionals who had organized themselves through unions. It is those union leaders who later became founder members of political parties. The national assembly comprises of 62 elected representatives from the 21 divisions of the island known as constituencies. These elected representatives are joined by eight best losers who are designated based on ethnic distribution.
There are 3 main political parties to date and they all rotate around similar political values of democracy but they are represented by different people. The independence of the island was closely linked to the creation of the Mauritian Labour Party which formed the first Government in 1968. They remained in power until 1982 when the MSM and the MMM took over. The Governments have tended to be one of coalition between different groups of people. The political system has been greatly affected by the global environment. Mauritius is known for its ethnic diversity with a majority of the population being of Indian origins. Thus until now the population had always voted for a Prime Minister of Indian origin. The last election in 1999 saw the coming in office of a coalition Government based on sharing the mandate that is the leaders will each be Prime Minister for a period of time. This arrangement saw a non Indian becoming Prime Minister for the very first time. It should also be noted that our political system has been based on nepotism where a politics becomes a ‘family heritage’. The first Prime Minister was followed by his son and the actual President of the Republic’s son is now the Vice Prime Minister.

Economic Diversity: Tiger of the Indian Ocean?

Mauritius grew out of an agricultural based economy where the main crop was sugar cane. The decline in the price of sugar and the proliferation of alternatives such as beet sugar has meant that the economy had to diversify into other sectors and this brought about the creation of the Export Processing Zone in the 1980s and thus the development of the manufacturing sector. The exportation of textile and knitwear became one of the pillars of the Mauritian economy. However the opening up of China to trade and the changes in Eastern Europe have meant higher levels of competition in those sectors. The economy diversified further and concentrated on the development of tourism and hospitality. To date this is the biggest industry in Mauritius and it contributes highly to our GDP (Statistics Report, 2002).

The existing Government has been very concerned about maintaining low levels of inflation as well as managing the foreign currency reserves. The economic policies are based on encouraging investments as well as developing small and medium scale businesses. The other major development has been the investment in a Cybercity which it is being foreseen as the next economic pillar of Mauritius.

The economic environment is versatile and highly dependable on the global market. There is a need for Mauritius to be and to remain competitive in order to achieve economic prosperity (NPCC Report, 1999). The reforms in the different economic sectors mainly the restructuring of businesses, the decentralization of decision making and the reforms of the public sectors are based on the principle of gaining a competitive edge over other countries.

Social Fabric: Ethnic Diversity and Coalition?

The Mauritian society is a multi racial and multi cultural one where social harmony prevails. The ethnic diversity, although very present in the political forum appears to be lost in the social structures and stratifications. Unilaterally the society values high level of education and community living. Until very recently the extended value was a common feature of the society. The geographical limits of the island make everyone very accessible and thus the spirit of sharing and community prevails.

However the distribution of wealth and the labour market have tended to be based on ethnic distribution. As pointed out in one of the daily newspapers, ‘ownership of capital is in the hands of a few’. The private sector is dominated by the Franco Mauritians who are descendents of ‘French barons’. The civil service is dominated by the indo Mauritians who are descendents of the Indians.
The younger generation are anti nepotism and as pointed out ‘principles for recruitment to the labour market are no longer unambiguously ethnic’ (Eriksen, 1998). This shows the evolution of the society from an ascriptive to an achievement orientation. This social fabric is a key determinant in the transition from industrial relations to employee relations in Mauritius.

History of Industrial Relations in Mauritius

The history of industrial relations in Mauritius is very complex and in order to understand it better the developments can be classified into three different eras namely, pre independence, post independence and 1990s. The evolution of pre independence industrial relations is closely linked to the history of the island. Mauritius is a land of immigrants and it has been inhabited by a number of settlers who also brought in slaves. After the abolition of slavery, the indentured labourers were brought in to work the land and this is when the workers started organizing themselves. The workers organized themselves to protect and promote their employee rights. The history of industrial relations can be traced back as follows (uplifted from Mauritius Labour Party Web Page, 2006):

In July 1937, labourers and small planters held demonstrations regarding their working conditions and low wages. In August 1937, the demonstrations ended in strikes which unfortunately led to confrontations with the colonial army. Four persons were reported dead. The workers were not intimidated but renewed their confrontations. As a result the Colonial Government called for an inquiry to shed light on the causes of the upheaval. The inquiry was in favour of the workers and from then on, Trade Unions were organised to represent the workers' interests. On the 1st May 1938, Labour Day was celebrated in Mauritius for the first time.

In 1940, Sir Seewoosagur Ramgoolam was nominated for the Legislative council where he fought for the emancipation of the working class. In 1945, the right for all to vote was reviewed. On the 29th December 1946, Emmanuel Anquetil passed away, and Guy Rozemont became leader of the Mauritius Labour Party. In 1948, the Mauritius Labour Party won the elections. They won again in 1953. As a result of this victory, Guy Rozemont made a request for the Secretary of State for the Colonies to receive a Mauritian delegation so as to discuss constitutional reforms.

The 1st Constitutional Conference was held in London from 12 to 20 July 1955. The 2nd Constitutional Conference was held in London in February 1957. The Party reiterated their demands for the right for all to vote, a responsible and conscientious government, and a system to include ministers and constituencies.

On the 9th March 1959, the alliance Mauritius Labour Party and Comité d'Action Musulman won the elections. In July 1961, the 3rd Constitutional Conference was held again in London. The Mauritian delegation demanded absolute autonomy in governing Mauritius to be followed by independence in 1964. On 21st October 1963, the Mauritius Labour Party won the general elections again. In September 1965, the British Government called for a 4th Constitutional Conference whereby the subject of independence was discussed. On 7th August 1967, general elections were held again. The Independence Party comprising of the Labour Party, Independent Foreward Block and Le Comité d'Action Musulman won. On 12th March 1968, Independence was proclaimed at Champ de Mars.

Industrial relations in post - independent Mauritius was characterized by economic and social instability. After 1968 the island had to become economically independent and times were hard. There was a number of lobbying so as to obtain preferential trade agreements and operate in a protected market. The population had its expectations and this led to the provision of health, education, pension and other public welfare services. However this led to increasing labour force and a rapidly growing unemployment rate. The younger generating with the new political force, MMM, called a number of strikes so as to request for better
working conditions and also a general election. The strikes paralysed the economic activities especially in the docks where the strike caused major disruptions and orders were not met. The Government had to tighten the laws and invest in capital so as to minimize the costs of the disruptions. The law took the form of the Industrial Relations Act, which is still operational to date.

In the 1990s the sugar protocol, which protected the sugar industry, has been removed thus causing a lot of economic disruptions. Mauritius has had to look for other sectors for development. The Export Processing Zone, which specialized in textiles and knitwear, faced severe competition from the opening up of China and Eastern Europe thus causing a level of instability. In order to face the economic challenges and to develop new avenues Government with private sectors have innovated in management practices. The introduction of participation and human resource management and development has changed the organization systems and structures. These emerging sectors have tended to be non unionized sectors and mass recruitment took place. Although according to the legislations the employees have a right to organize, in practice this has not been the case. Employees have found it difficult to organize and form unions especially in the private sector. This is further discussed in the next section.

**METHOD & DATA**

The investigation was carried out through a series of interviews with different stakeholders. The interview schedule used comprised of the following themes:

1. History of Unions
2. Unionisation and its Impact
3. Why are unions struggling for membership?
4. Changes in HR practices
5. Future of Unions
6. Emergence of Employee Relations

The interview schedule was administered to union leaders of the Trade Union Trust Fund which represent 75% of the unionized workforce and leaders of the Federation of Progressive Unions which represents the private sector unions. The interview took the form of a brainstorming session as the leaders had not been exposed to these ideas before.

The second set of interviews was with public sector and private sector managers. They were human resource managers or equivalent in the public and private sectors. Ten such interviews were carried out. Also, the chair person of the different regulatory bodies namely the Industrial Relations Commission, the National Remuneration Board, and the Industrial Relations Tribunal.

After collecting the data the information was analysed using Excel. The data reveals that there is a general belief from unions and managers that industrial relations in Mauritius is in a transition. There are changes, which have taken place, and these changes are characterized by the following:

1. Emerging non unionized sectors such as tourism and financial services as opposed to declining unionized sectors such as sugar and tea.
2. The macroeconomic environment that is the competitive environment has made Mauritius a vulnerable place. The survival of our economy is based on productivity and competitiveness. The private sector has suffered a high number of job losses due to financial problems therefore high unemployment and weak union power.
3. Emergence of human resource management practices. Management has tended to individualise the workplace so as to be flexible and encourage high levels of productivity. Individualization of work has taken the form of contractual employment, performance related pay and professionalisation of work.

4. Issues of union democracy. The unions in Mauritius have tended to have a leadership crisis where union leaders are there to stay. In times of changes there have been a high of fragmentation and internal conflict. These conflicts have highly negatively affected the image of unions who now find it hard to recruit and retain members. However there is some proportion of the interviewees who are still operating with in the framework of industrial relations. In other words they believe that although there are changes the transition from industrial relations to employee relations have not taken place. These are mainly the public sector managers as well as chairs of regulatory bodies. This group operate in a highly unionized sector and therefore may be are not witnessing the changes in the private sector environment. However it should be noted that these interviewees are agreeable to the changes mentioned above but they specify that the transition is slow and there is a need for regulation to facilitate the change process.

**DISCUSSION**

The general trend from the data and observation is that there is a transition from industrial relations to employee relations in Mauritius. However the transition is more visible and quantifiable in certain sectors than in others. The private sector with the changes in economic demographics has clearly witnessed and experienced a transition from industrial relations to employee relations. The main reason for this clear transition has been survival. In other words, in order to be more competitive and to maintain a viable and profitable business the employees and managers in the private sector have had to collaborate. This collaboration has been both formal and informal. The formal collaboration has been in participative management practices, adherence to quality management and human resource practices where employees are valued. These practices have been inculcated into the culture of the organization and are formally communicated. The basis for the evolution of employee relations is communication and flexibility.

On the other hand the data has revealed a slow transition to employee relations and a need for regulation. This has been witnessed in the public sector which has been a highly unionized sector. The unions have tended to be highly mediatised and very much in the forefront in the public sector. A restructure in the Ministry of Finance has recently witnessed a rise union movement and also few ‘victories’ for unions. Unions have lobbied very strongly and manipulated public opinion to the extent that Government had to review its stand and alter the reforms. This is an example where the interviewees refer to industrial relations and the need for regulation. In the public sector the unions are actively involved in lobbying and shifting the balance of power. This is believed to be a hindrance to the reforms in the public sector and thus perpetuating an unproductive and bureaucratic public sector. A number of Government agencies have attempted to opt out of certain Government operations such as Pay Determination Mechanism and this to have certain flexibility. The actual system is believed to be rigid and unrealistic in the existing context.

There are certain reasons, which can be given for this slow transition in the public sector. These were earmarked by interviewees as being key determinants of the state of industrial /employee relations in Mauritius. The main reason is the public sector and union culture. This refers to ‘habit and way things are done’. Unions have had a major impact in the early days that is in the setting up of the public sector. This image of unions is still persistent even though unions are no longer a key determinant. The management have accepted this phenomenon and are ‘quite happy’ to persue in this line. The image of unions has been closely linked to politics and therefore there is the perception that unions ‘can lobby with Government’. So far there has been ‘no political will’ to change this culture. As mentioned
before even if unionization is declining the unions are very mediatic and this creates an aura around union views and activities. There has been a few attempts to challenge this but public opinion is important to any Government in place.

The main activity of unions in Mauritius has been their involvement in the Tripartite Negotiation, which determines pay across the island. There has been a proposal to abolish the Tripartite and to establish a National wage Council. This is in itself proof that there is a transition towards employee relations. However, so far, there has been negative feedback from unions and the key factor will be political will.

CONCLUSION

This paper has attempted to review the evolution of industrial relations in Mauritius with emphasis on the transition to employee relations. The literature speaks of a transitory period and an evolution of industrial relations based on international competitiveness and the importance of productivity. The data collected in Mauritius reveals that there has been a transition in the private sector but the public sector is witnessing a slow transition. This slow transition is mainly due to culture but also due to lack of political will. The latter has been highly debated in the local press recently and there is an indication that things may change in the near future. This will change the focus of the way employees and management interacts in both the private and public sectors. Last but not least there is a need for legislative reforms and if this also is in the pipeline such that the state of industrial relations will be changed in the next 10 years.

REFERENCES

INTRODUCTION

This paper deals with the question of whether work/life balance policies should be regarded as ‘good weather’ policies that are implemented in an individual company for business reasons and can be dropped at the discretion of senior management or whether those policies should be enshrined as entitlements to parents in federal legislation. Australia and Sweden have been chosen as case studies because they have been pursuing two very different approaches to work/life balance policy solutions that are based on fundamentally different ideologies with regard to the sharing of paid and unpaid work between mothers, fathers, the state and society at large. The advantages and disadvantages of both approaches are discussed using the example of parental leave legislation.

Parental leave was chosen as the work/life policy under investigation for several reasons. Parental leave policies serve as a strong example to illustrate the ways in which the needs regarding paid employment and care giving clash in fundamental ways and how policies on the organisational or federal government level can offer real assistance to mediate between the conflicting spheres. Parental leave also brings out in a more obvious way than other work/life balance policies the deeply gendered assumptions and expectations that are at play in policy design and use. The discussion thus remains largely within the work/family paradigm and does not use the broader approach of work/life balance which would include areas of private life not related to child rearing and family issues. However, given the advantages named above, especially the focus on gendered assumptions, the narrower work/family approach is justified as the frame of analysis for this paper.

Leave policies consist of maternity, paternity and parental leave (Gornick and Meyers, 2003). Maternity leave is subject to compulsory absences in most European countries and give cash benefits as well as job protection rights to women who are absent from employment because of giving birth. Paternity leave grants a statutory right for leave to fathers for a number of days after the child was born. Some countries provide for paid paternity leave, e.g. all of the Scandinavian countries, Belgium and the Netherlands, while other countries guarantee only a right to unpaid leave, such as Australia, the US, the UK and Canada. Parental leave grants mothers and fathers a shared right to leave from paid work that can be paid or unpaid and varies significantly in length, accessibility and flexibility of administration of the benefits across countries.

This paper integrates findings of the management oriented work/life balance literature and those of the public policy literature but I also include contributions from authors writing in sociology and economics. The ways and history of institutionalising parents’ right to leave from employment upon child birth are investigated. Also, the usage rates of the policies as
well as the characteristics of those users are being discussed because it has been shown that the existence of work/life balance policies does not guarantee their use (Blair-Loy and Wharton, 2002; McDonald, Brown and Bradley, 2005). The paper focuses on the extent to which the policies impact on women and men in different ways and by doing so takes a conscious gender lens in its analysis. Finally, the potential of the different approaches to initiate social change is investigated as is their limitation to achieve change.

Before looking at the details of the role of federal governments, however, it needs to be established why the current focus of much of the work/life balance debate on individual employees in individual organisations using individual policies is misguided. I argue that the fundamental issues which are at the heart of the clashes between paid employment and the rest of life are systematically ignored by conceptualising work/life balance issues as a management concern. As a result, the management-oriented debate is only ever able to produce explanations and solutions that are narrow-minded attempts, quick fixes and temporary alterations (Kingston, 1990; Lewis, Rapoport and Gambles, 2003) to an unaltered status quo of workplace and private life relations that revolve around the standards of the ‘ideal worker’ and the ‘good mother’ (Connell, 2005).

The limitations of conceptualising work/life balance as a management issue
The opening paragraph of the conference brochure reads as follows: “Where labour is in high demand, human resource professionals talk of work-life balance and employee friendly work policies. Yet organisations may not be able to rule out the possibility of re-structuring and down-sizing in the future. Can family-friendly rhetoric imply a long-term commitment?”

This statement and the associated concerns appear to suggest that work/life balance policies are ‘good weather’ policies, which have been implemented in times of a favourable economic environment in a particular firm, industry or national economy. By the same token, these policies may be discarded once these favourable economic conditions deteriorate. There is some evidence that this has occurred in the past. Gary Bowen (1988) demonstrated that there have been corporate support policies for families as early as the 19th century in recognition of the negative social consequences produced by industrialisation. He showed that, in the United States, the extent and generosity of family-oriented support policies have historically fluctuated with corporate prosperity, e.g. corporate ‘welfarism’ peaked in the 1920s and declined sharply during the depression in the 1930s (Kamerman and Kingston (1982) as cited in Bowen, 1988). Thus, when Rhona and Robert Rapoport stated in the early 1990s that work/family policies were a “very recent and novel organisational policy issue” (Rapoport and Rapoport, 1990, p.36) this was not entirely true. It was rather a new wave of corporate support policies that started in the late 1980s when especially the American labour market was classified as a ‘sellers’ market’ and there was a need to attract and retain skilled staff (Friedman, 1990). The current work/family or work/life balance debate in the management literature originated in that resurgent growth of corporate support policies.

However, the broader discussion of the interrelationship between the combination of paid employment and family work, of public and private spheres has been conducted for decades, across a range of disciplines, in a multitude of paradigms and with often conflicting results and suggestions (for reviews in psychology, feminist sociology, management and family sociology see for example Barnett and Hyde, 2001; Ferree, 1990; Glass and Estes, 1997; Parasuraman and Greenhaus, 2002; Pitt-Catsouphe and Christensen, 2004). This literature demonstrates that there are more substantial causes to conflicts between paid employment and the rest of life than is currently acknowledged in the work/life balance literature and that solutions other than organisational policies are necessary to overcome the current clashes between the two life spheres. In particular, authors in sociology and public policy have pointed out the constraints that people face in crafting paid work and private life arrangements (see among others Acker, 1990; Crompton and Le Feuvre, 2000; Edwards, 1988; Ferree, 1990; Folbre, 1994; Gherardi, 1995; Kimmel, 2004; Mosesdottir, 2001; Oakley, 1981; Sjoeborg, 2004; Walby, 1988). Constraints include the structures, underlying assumptions and norms of workplaces.
organisations, career trajectories, labour markets and economies as well as those of private relationships, in particular marriage and families. Those structures, assumptions and norms are highly gendered and are mediated and reproduced by powerful social institutions such as governments, religion, the media and national cultures.

The management-oriented work/life balance debate has largely ignored the existing bodies of literature in psychology, sociology and public policy and has been criticised for its limited approach towards the issues of combining the conflicting commitments of paid employment and private life on various occasions (Charlesworth, 2005; Connell, 2005; Kingston, 1990; Lewis et al., 2003; Pocock, 2005; Zacharias, forthcoming). Those authors argue that by conceptuallising work/life balance issues as problems of individual employees in individual workplaces the structural constraints that frame work/life choices are made invisible. By ignoring the societal dimension of the work/life balance issues the management-oriented work/life balance literature limits itself in fundamental ways and is unlikely to produce comprehensive explanations for current phenomena. Instead, I argued in line with the above authors that the struggle for work/life balance has to be understood as a social problem, affecting women and men across organisations and even across countries (Zacharias, forthcoming). Moreover, the context for crafting individual work/life arrangements is defined by several social institutions and thus varies for different countries (Lewis and Haas, 2005).

Beside this unawareness of parallel bodies of literature and the focus on individual employees and workplaces, one of the most crippling features of the current debate is the need within neo-liberal capitalist economic systems for a ‘business case’ when introducing new policies and the difficulties of proving such a ‘business case’ for work/life balance initiatives which are similar to the issues experienced in the attempt to prove the productivity gains and bottom line effects of other Human Resource Management policies.

The pitfalls of the ‘business case’ argument

The earliest studies that examined the effects of organisational work/family policies on job commitment of employees were conducted by Orthner and Pittman (1986) in the US. Gary Bowen (1988) advocated to undertake increased efforts into investigating ‘bottom line’ benefits of family-oriented policies and practices in terms of employee recruitment, retention, and performance. This need was soon addressed by the Families and Work Institute which was founded in New York in 1989 and from the start the Families and Work Institute had close links to industry and its board features representatives of prominent American corporations. The overriding goals have been the full integration of family-responsive programs and policies into corporate strategy as well as organisational structure and culture (Families and Work Institute, 2006; Galinsky, Friedman and Hernandez, 1991). Through the work of the Families and Work Institute and in particular co-founder and President Ellen Galinsky the American work/family debate has been firmly located in the realm of management policies. Many American researchers in the work/life balance field have followed in the tradition of the Families and Work Institute in an attempt to prove bottom line benefits of work/life balance policies (for example Baughman, DiNardi and Holtz-Eakin, 2003; Christensen and Stains, 1990; Clifton and Shepard, 2004; Dalton and Mesch, 1990; Perry-Smith and Blum, 2000; Siegwarth Meyer, Mukerjee and Sestero, 2001).

However, the ‘business case’ approach has severe limitations. Most obviously, it has proven impossible to make a solid ‘business case’ in terms of positive contributions to the corporate bottom line by focussing on individual policies (for the popular policy of ‘flexitime’ see Christensen and Stains, 1990; Dalton and Mesch, 1990). But even a shift to examining ‘bundles’ of work/life balance policies and investigation of their accumulated benefits to the organisation in terms of efficiency and value creation (for example Baughman et al., 2003; Clifton and Shepard, 2004; Perry-Smith and Blum, 2000) does not resolve the issues. Even with a ‘bundle’ approach the issues of measuring and quantifying the effects of Human Resources policies to the bottom line remain. As Wayne Cascio (1999) demonstrated the difficulty has been to link figures that are generated at a corporate level, such as measures of
productivity, to individual or even bundled work/life initiatives as they are only one determinant of employee behaviour. Other factors are pay, working conditions and the work itself. Besides those ‘hard measures’ of productivity (Spearitt and Edgar, 1994), it is often difficult to measure and to evaluate the financial impacts of work-life programs and policies as the desired results themselves, such as morale, commitment, quality of life, public relations and better management-staff relations, are hard to quantify (Glass and Estes, 1997; Siegwarth Meyer et al., 2001).

Another reason for the lack of reliable figures to craft a solid business case for work/life balance policies can be seen in the limited interest among organisations in systematic evaluations for their own programs (Galinsky and Stein, 1990). This leads to the conclusion that companies are neither particularly good nor particularly interested in measuring the costs and benefits of work-life balance initiatives. That is, once the policies have been implemented companies do not see the need to verify the ‘business case’. However, there is anecdotal evidence that the ‘business case’ argument is often used as a reason not to implement policies.

Furthermore, work-life balance initiatives often have symbolic rather than substantive effects and there was a significant gap between rhetoric and reality. In fact, Blair-Loy and Wharton (2002) suspected that companies which provided work/life balance policies might gain external legitimacy as desirable employers while at the same time intentionally or unintentionally discouraging employees from ever using these benefits. Siegwarth Meyer et al. (2001) stated that a company whose culture discouraged the use of work-life balance offers could profitably offer a wide variety of programs, as the cost of an unused service was expected to be small. Indeed, very few employees currently take up work/life balance programs offered by those companies to avoid the risk of being labelled as disloyal or non-career oriented (McDonald et al., 2005). Blair-Loy and Wharton (2002) found that the formal existence of a policy did not guarantee its use and that policy use was shaped by more than individual need, especially by factors relating to organisational culture.

Building on the extensive criticism that has been brought forward against the narrow focus on bottom line benefits I argue that the most serious criticism against the ‘business case’ argument for solving work/life balance issues lies in the fact that, by definition, it takes the current ways of organising workplaces and private lives for granted. Bailyn and Harrington (2004) showed in their study that managers’ ideologies were fundamentally based on the ideal of the full-time, non-family-encumbered worker who had traditionally been employed as male breadwinners. The managers framed the work/life balance debate in terms of ‘fairness’ and were prepared to take into consideration the ‘fact of women’s family responsibilities’ when redesigning work. By linking family responsibilities exclusively to women, however, redesigned jobs will continue to disadvantage women because the norm of the ideal, unencumbered, male worker has not been challenged. As long as the work/life balance debate and the solutions it proposes does not separate itself from the conventional ideals of the male ‘ideal worker’ and the generically female ideal of the ‘good mother’ it will continue to mask the fact that the very structures and rules currently underlying the design of workplaces, families and work/life policies may be the real causes of conflict.

As long as the focus is on the individual employee struggling to negotiate the interface between paid employment and private life, however, these structural barriers to change do not become visible. As early as 1990, Kingston critically noted that the researchers in the field were rarely looking for conceptual precision but that a ‘rough consensus’ had emerged between analysts and practitioners as to what set of policies defined a ‘family responsive workplace’. He argued that this operational definition did not reflect the complexity of factors impacting on employees in their attempt to reconcile paid work and private spheres. It may even lead to overlooking “fundamental ways in which business policies are unresponsive to families” (Kingston, 1990, p. 442).
This thread has been taken up by several researchers over recent years. The most prominent attempt of unmasking workplace barriers to work/life balance and redesigning jobs and organisations to be more responsive to employees’ needs outside of the organisation is the action research project that Rapoport, Bailyn and colleagues conducted in the late 1990s within Xerox, Tandem Computers and Corning (Rapoport, Bailyn, Fletcher and Pruitt, 2002). However, the collection of Haas, Hwang and Russell (2000) showed that similar efforts are being undertaken internationally. Such research has demonstrated that the gendered ideologies that underlie the organisation of workplaces and private relationships are the hardest to overcome or even challenge (see also Bailyn and Harrington, 2004; Crompton and Sanderson, 1990; Gerson, 2004; Hochschild, 1997; Risman, 1998; Williams, 2000).

Private life and employment have been conceptualised as separate and opposing spheres in which women were assigned to the private and men to the public sphere of paid work. Feminist authors have challenged this dichotomy for decades (e.g. Pateman, 1989; Walby, 1986) and this critique was applied by Bailyn and Harrington (2004) to the work/life balance debate. They argued that, in the face of the current workforce composition, the assumption of separate spheres with homogenous male breadwinner/female homemaker incumbents was untenable. Bailyn and Harrington believed that in challenging assumptions about separate spheres and correlating responsibilities for women and men work redesign that incorporated the needs of an increasingly encumbered workforce was the obvious way forward and that it needed to be guided by principles of gender equity. However, the directors that participated in their study relied on notions of ideal workers who were male breadwinners married to full-time female homemakers which proved to be the greatest barrier in facilitating any job redesign in the respective organisations that would facilitate a more balanced and egalitarian sharing of paid and unpaid work.

My argument is that work/life balance policies in their current format are unable to bring about such a change towards a more equitable organisation of employment and private relationships which need to be built on new standards that are no longer reliant on the public/private dichotomy. By definition work/life balance policies offered by organisations request only modest adaptation to the existing structures (Kingston, 1990) and are quick fixes at best (Lewis et al., 2003). They rely on the notion of women as mothers and primary care givers and thus reinforce rather than challenge the public/private divide along gendered lines (Connell, 2005). By requesting a ‘business case’ for the introduction of work/life balance policies organisations can legitimately refuse to engage with the issues faced by their employees in trying to juggle paid work and private life commitments. However, once the policies have been established the work/life balance rhetoric can be used to position the company as an ‘employer of choice’ while the reliance on the ideal worker norm for performance evaluation and promotion remains intact. These mixed message work to discourage employees from ever using the policies.

However, I argue in line with Connell (2005) that the very idea of work/life balance has a radical core. At its heart is the attempt to break up the strict division of public and private spheres, the subordination of the private to the public and the assignment of people to each category according to their sex. Following this argument, achieving a work/life balance then means to be able to have satisfactory membership in both spheres, that paid and care work are regarded as equally necessary for a fulfilled human existence and that access to both activities is available irregardless of sex. Theoretically, the traditional public/private divide would eventually become meaningless as a tool for organising social relations. This is the vision of work/life balance and it is radical because it challenges the conservative public/private divide that is rooted in patriarchal hierarchies and which forms the basis of modern capitalism (for a discussion of the interrelationships of patriarchy and capitalism see Pateman, 1989).

If radical change to alter existing standards underlying the ways of organising paid work and the rest of life cannot be brought about by management policies and if the issues need to be conceptualised on a society level then it is necessary to investigate the approaches of federal
government policies to address work/life balance issues. In the second part of the paper I will thus analyse the work/life balance provisions of the federal governments of Australia and Sweden and will focus on the policies around parental leave. Such an analysis provides insights into the different institutional and ideological contexts that individual employees (and employers) in different countries face when taking work/life balance decisions. It also allows preliminary evaluations of the relative success of federal government legislation in facilitating more equal ways of organising paid work and private lives between women and men.

**Australia and Sweden as case studies**

Australia and Sweden are facing similar social-demographic and economic phenomena, such as the increase in dual-earner couples, declining fertility rates and globalising economies. However, their federal governments have designed very different policy approaches to deal with these interrelated issues and have produced quite different contexts for individuals in Australia and Sweden who struggle to reconcile paid work and the rest of life. I argue that these differences in policy making at a government level are steeped in ideological assumptions of the respective governments which are intimately related to the prevalence of the public/private dichotomy, that is the social norms of the ‘ideal worker’ as an unencumbered individual and the ‘good mother’ in the home. In the following I present and discuss the parental leave provisions in Australia and Sweden that have been proposed to enable a better balancing of employment and care work as well as more equality between the sexes. The aim of the discussion is to demonstrate how differences in legislative frameworks create different contexts and options for individuals who are trying to reconcile conflicting commitments in paid work and life outside of organisations.

Historically, Australia and Sweden as nation states have taken very different routes in helping parents to combine the needs of care giving and paid employment. They operate in different welfare state paradigms according to the welfare state typology established by Gosta Esping Anderson (1990) and, as a result, feature very different policy models that frame work and private life arrangements (Lohkamp-Himmighofen and Dienel, 2000; Ruerup and Gruescu, 2003). Australia is characterised by a liberal welfare state ideology while Sweden operates in a social-democratic welfare state paradigm. These historically different developments of welfare states and their underlying philosophies need to be understood when comparing the parental leave policies in place, the extent to which parents use them and the implications for social change brought incorporated in the different policy approaches.

**Historical background and current developments of policies in Sweden**

The Scandinavian countries have developed a concept of reconciliation that is based on equal parenthood and the dual-breadwinner family (Bergqvist and Jungar, 2000; Brandt and Kvande, 2002; Haas, Allard and Hwang, 2002; Lohkamp-Himmighofen and Dienel, 2000; Mosesdottir, 2001; Scott, 1982). Ruerup and Gruesco (2003) point out that in Scandinavia family policy is seen as equal opportunity policy supported by good state sponsored child care facilities and generous direct transfers for any parent staying home with the children during parental leave. Tine Rostgaard (2002) found in her cross-national study of Norway, Sweden and Denmark that although the Scandinavian countries have developed a policy approach that collectively sets them apart from Europe and also from Australia, the differences within the ‘Scandinavian model’ are significant.

**The development of parental leave legislation**

In 1974, Sweden replaced its maternity leave scheme with that of parental allowances and was the first country in the world to introduce leave rights for fathers. The couple was granted 180 paid parental leave days: 90 for the mother and 90 for the father. However, all of these days were transferable from one parent to the other (Rostgaard, 2002). Parents using parental leave days were paid 90 per cent of their prior wage (SCB, 2004). From then on the length of the leave was continuously extended but wage replacement levels fluctuated with economic prosperity and reached a minimum level of 75 per cent in 1996/97. However, by international comparison this level was still high. When the economy recovered in the late
1990s the payments for the first 12 months of parental leave were standardised at 80 per cent (Rostgaard, 2002).

The most significant changes after the introduction of the scheme included the implementation of the ‘father’s quota’ which relied on a ‘use it or lose it’ approach to fathers’ entitlement to parental leave in 1995. The father and the mother were given 30 days that were non-transferable to the other spouse. If the father did not make use of his leave days they were lost. The number of non-transferable parental leave days was increased to 60 per parent by 2002 (Rostgaard, 2002; 1995; SCB, 2004). It has commonly been stated that this decision was taken to actively encourage fathers to take more responsibility in child rearing [find source]. It has even been termed “forced fatherhood” by the Economist (2004). However, Rostgaard (2002) offers a different angle on the matter by stating that the introduction of the father’s quota represented a further cut in public spending, and thus in benefits to parents, in times of economic depression and tight federal budgets because fewer men than women would use the quota. With the benefit of hindsight it can be said that the timing of the reform and the relatively low numbers of fathers who are using all of the 60 days reserved for them add weight to her argument.

The current entitlements to paid parental leave for a couple or single parent in Sweden are 480 days, or 16 months. On top of this, ten days of paid paternity leave are available to the father within the first 60 days after the mother returns from hospital. Of the 480 days 60 can only be taken by the mother and another 60 can only be taken by the father. Those days are non-transferable which means that in case one parent does not use all of their leave days they are lost (use it or lose it). The mother can take her 60 days before giving birth but she is not obliged to do so. The 60 days for mother and father as well as the first 240 days that can be shared between the couple are compensated at 80% of the prior salary level up to a maximum amount of approximately SEK270,000 (US$28,000). The next 90 days are compensated at a flat rate of approximately SEK 1,800 (US$187) per month. Since 2002, there are also 30 sickness benefit days that can be taken by either parent and for which temporal parental benefits are paid (Forsakringskassan, 2006; Gornick and Meyers, 2003; Rostgaard, 2002; SCB, 2004).

The leave can be used in full or in various fractions that is as three-quarters half, one-quarter or one-eighth of parental benefit and the period that the parent receives the benefits is prolonged accordingly. Parental leave can be taken until the child is eight years old or completes the first year of school. All parents are eligible for parental leave and associated benefits after they have been employed with the same employer for six months or for a combined period of at least twelve months during the preceding two years (Parental Leave Act, 1995).

Take-up rates of parental leave entitlements
Usage rates of parental allowances in Sweden are high and the quality of data documenting take-up rates is of the highest quality. The National Social Insurance Board (Forsakringskassan) has evaluated the number of paid parental leave days drawn by mothers and fathers since 1974 (SCB, 2004). The latest report (Forsakringskassan, 2005) showed that the number of days claimed by parents has fluctuated over the last 15 years with a peak in 1992 when over 50,000,000 days were used by Swedish parents. The authors state that the decline in the late 1990s can be explained by the falling birth rate (Forsakringskassan, 2005). However, it also coincides with the introduction of the ‘father’s quota’ in 1996 when the number of days claimed by women fell sharply and was not met by a significant increase in the days used by men. There has been a noticeable increase in both the number of days claimed by parents overall and by men in particular since 2000. However, the overwhelming majority of days (81 per cent in 2004) were claimed by mothers.

Overall, 561,000 persons used paid parental leave days in 2004 with slightly more women (57 per cent) than men using their entitlements (Forsakringskassan, 2005). Just over 60 per
cent of both mothers and fathers using paid parental leave were in their thirties. In terms of
cash benefits men received slightly higher payments in proportion to the number of days
claimed (22 per cent of cash benefits for 19 per cent of days claimed). This can be explained
by the relatively higher earnings of Swedish men.

In terms of temporary parental cash benefits, which are called ‘paid carer leave’ in Australia,
more equal numbers of men and women used their entitlements (36 per cent and 64 per cent
respectively in 2004) (Forsakringskassan, 2005). Again, a slightly higher amount was paid to
men in proportion to the actual days taken (40 per cent of cash benefits). These findings
suggest that it is financially advantageous for families if fathers draw more leave days than
mothers.

The one policy that is an uncontested success story is the ‘father days’ which are 10 days of
temporary parental cash benefits that are given to the father as paternity leave following the
birth of a child. Fathers claimed an average of 9.7 days and almost 79 per cent of men
claimed some share of their ‘father days’ in 2004 (Forsakringskassan, 2005). Because the
‘father days’ are counted as temporary parental cash benefits, however, the proportion of
men using those benefits for reasons other than their paternity leave entitlement is reduced
from 36 to 32 per cent once the ‘father days’ are deducted which means that women claim
68 instead of 64 per cent of carer leave days.

Despite the persistence of gender inequalities with regard to take-up of parental leave days it
can be said that the trend among Swedish couples is towards an increased sharing of paid
and care work. Swedish parents do no longer default to the conventional breadwinner/homemaker model but have been provided by the federal government with some space for crafting alternative arrangements that challenge stereotypical assumptions about the contributions and responsibilities of women and men to society and each other. At this stage, it is important to ask why Sweden decided to implement policies that helped mothers to stay in paid employment and later on assisted fathers to take a more active role in child rearing.

Ideological and political background of parental leave policy provisions

Karin Sandqvist (1992) provides a convincing set of reasons as to why Sweden chose to
place an explicit focus on gender equality. She explains that the concept of social justice had
been a prime concern of Swedish politics because of Marxist ideas that were transported by
the Social Democratic Party that governed Sweden for most of the 20th century. The party
thus viewed the participation in paid employment as essential to women’s achievement of
equality and emancipation. This view is still at the part of Sweden’s policy today as the
following quote demonstrates (Naringsdepartementet, 2005, p. 1):

The overall aim of Sweden’s gender equality policy is for women and men to
have the same opportunities, rights and responsibilities in all areas of life.
This implies for example:

>> equal distribution of power and influence between women and men
>> the same opportunities for women and men to achieve economic
    independence
>> equal conditions and opportunities in respect of entrepreneurship,
    jobs, terms of work, employment, and advancement prospects at work
>> equal access to education and training and equal opportunities for
    developing personal ambitions, interests and talents
>> shared responsibility for children and the home
>> Freedom from sexual (gender-related) violence.
However, not only does this charter give strong emphasis on the public sphere of paid employment and equal access to all its benefits for women and men. It also explicitly addresses the private sphere of children and the home for which Swedish men are expected to take active responsibility. Through this political statement and the policies that were developed in its spirit the Swedish government consciously addresses the traditional public/private dichotomy, redefines the expectations regarding the place of women and men in society and requests a redistribution of access to privileges and status. With its call for an end of sexual violence the Swedish government takes an openly radical feminist stance by communicating that it will not tolerate violent practices that under patriarchal rule are deemed the right of a husband (for a radical feminist analysis of patriarchal privileges see for example MacKinnon, 1987).

The tendency of Swedish policy makers to address the public as well as the private side of the work/life equation is further demonstrated by the fact that Swedish women turned to fathers instead of household help to cope with the combined demands of employment and care work. According to Sandqvist, strong economic growth caused a labour shortage in the 1960s and many more women moved into employment. However, because of their strong Marxist convictions an outsourcing of housework and child rearing to less privileged women, as occurred in the US at the same time (Rosanna Hertz (1986) as cited in Sandqvist, 1992), was ideologically and economically impossible. Swedish women put their dilemma on the public agenda and the political solution was one that set Sweden on a course for a more gender egalitarian sharing of home and paid work. As Sandqvist (1992, p. 81) puts it: “If women were to work outside the home just as men do, who then would do the family work? And their answer was – fathers, just like mothers. In addition, good childcare service must be made available outside the home.” Thus, the solution to the work/family conflicts of Swedish women was sought in a re-distribution of paid and unpaid work between women, men and the state.

To turn this political agenda into reality, the Swedish Government introduced a progressive tax system which relied on separate income tax assessments for spouses and set up a network of high quality, municipal childcare (Sandqvist, 1992). It should be said that in the 1960s, women comprised almost 15 per cent of the Swedish Members of Parliament (SCB, 2004) which may have helped in keeping women’s issues on the agenda. Further, the Government worked persistently to promote equal opportunities with major policy initiatives in 1977, 1983, 1989 and 1992 as well as a major review project being established in 2004. In 1979 the right to a six-hour day was established for all parents of small children. In 1994, ‘gender statistics’ became an integral part of Sweden’s Official Statistics (all figures SCB, 2004).

Those government initiatives happened in tandem with the changes to the parental leave systems described above and have over the years created an approach to combining employment and care work that pursues the explicit goal of increasing gender equality. The following excerpts from the official publication ‘Women and men in Sweden. Facts and figures 2004’ (SCB, 2004, p. 7) are remarkable:

The concepts of feminine and masculine are social constructions, which means that gender patterns are the result of upbringing, culture, the economic framework, power structures and political ideologies. Gender patterns are formed and maintained, both at the personal, and at the level of society. This is why the Swedish Government has decided that work on gender equality should have a feminist focus that consciously tackles this structure. […] Gender equality takes shape and produces results in a range of fields including economic policy, educational policy, family policy, labour market policy, etc. The Government therefore considers it important that gender equality be integrated into all policy areas (gender mainstreaming).
The idea that the shape of parental leave policies is the result of labour market traditions, share of female seats in parliament as well as party politics is confirmed by Rostgaard’s (2002) study. She was also able to demonstrate how different expectations of motherhood and fatherhood as well as gender roles in more general terms explained the variations in leave rights. The latter thesis is confirmed by Ola Sjoeberg (2004) who found in her cross-cultural study of family policies that family policy institutions affect the alternatives open to individuals in crafting work and private life arrangements as well as the ways in which individuals perceive ‘proper’ social roles for women and men. Both studies confirm the approach taken by the Swedish Government to be valid and show clearly that the conceptions of ‘motherhood’ and ‘fatherhood’ as well as ‘femininity’ and ‘masculinity’ are social constructions that vary by country and can be actively influenced by government policy. In that light, it is highly interesting to compare the Swedish approach to that of Australia which is fundamentally different on a number of measures.

**Historical background and current developments of policies in Australia**

In contrast to Sweden where parental leave allowances are granted as citizenship rights to all parents, the Australian government relies on the concept of paid parental leave provisions as a workplace right (Baird, 2004). The following quote illustrates the current approach by the Howard government: “The workplace relations system has been important in workers’ access to work and family provisions in Australia, providing a vehicle for entitlements that in other countries are often delivered through dedicated parental rights legislation and/or through social security” (Australian Department of Family and Community Services and Australian Department of Employment and Workplace Relations, 2002p. 40). This means that in the Australian context the workplace relations system replaces parental rights legislation and social security provisions with regard to work and family entitlements which is in line with a liberal welfare state ideology. A liberal welfare state ideology implies that Australia does not place high priority on political solutions to achieve a compatibility of work and private spheres but instead leaves the initiative to employers (Lohkamp-Himmighofen and Dienel, 2000). Private life concerns are regarded as such and the role of the state is considered to be non-inventionist (Ruerup and Gruescu, 2003). The gendered division of labour is a largely unchallenged assumption and women’s labour market participation is neither actively encouraged nor outspokenly discouraged (Ruerup and Gruescu, 2003) but the latter can be explained with the need for the flexible and cheap labour provided by women that serves capitalist interests (Whitehouse, 2004) rather than the political goal to achieve equal employment opportunity. This hands-off approach by the Australian federal government has detrimental effects for Australian parents, especially for working mothers as I will demonstrate in the following.

**The development of parental leave legislation**

The most distinct feature of the Australian paid maternity leave debate is that it is still in its most basic stages. Australia and the United States are the only two OECD countries that have not introduced a national paid maternity leave scheme as a publicly funded entitlement to all parents (Charlesworth, 2004). Instead, Australian women and men who are employed in permanent as well as ongoing casual positions have access to a maximum of 52 weeks unpaid parental leave (Whitehouse, 2004). This leave can be shared by parents but, apart from the first week following birth, cannot be taken by both parents at the same time (Baird, 2004). These provisions have recently been confirmed by the Australian Government in its ‘WorkChoices’ reform package (Australian Government, 2005). Parental leave can be taken as maternity, paternity or adoption leave and applies to the couple, not the individual. Any leave taken by the mother is lost to the father and vice versa. There is no statutory right of leave for fathers apart from one week of unpaid paternity leave that is granted within the first week of the birth of the child.
Parental leave has to be taken within the first year after the child was born in a continuous, unbroken period of leave and no participation in paid work is allowed during the time of parental leave (Australian Government, 2005). This has to be certified in a statutory declaration by the woman who applies for maternity leave but not by the man applying for paternity leave which is clearly discriminatory against mothers. Similarly, women are eligible for maternity leave if they have had at least 12 months continuous service with the same employer prior to giving birth. Fathers applying for paternity leave and parents applying for adoption leave are eligible after 12 months of continuous service. Maternity leave has to consist of at least 6 weeks of leave after the birth of the child. Any other leave taken in conjunction with maternity leave, such as annual leave or long service leave, is deducted from the 52 weeks of unpaid leave. Casual employees have to demonstrate that they have been employed on a regular and systematic basis for a period or sequence of periods of at least 12 months and that there is a reasonable expectation of ongoing employment with the same employer. Given that the majority of casual employees in Australia are women this again adds a burden for mothers in applying for maternity and parental leave.

In sum, the Australian parental leave legislation is far below international standards, it does not provide mothers with any income, prohibits them to find alternative sources of income while on leave, is most inflexible in its administration, discriminates against women in the application process and does not offer any incentive to fathers to get involved with the care giving for their very young children. The question is why Australian governments have not been able or willing to advance parental leave entitlements beyond the absolute minimum and, so far, have gotten away with it.

Ideological and political background of parental leave policy provisions

Gillian Whitehouse (2004) provides a concise overview of the shifts in the relationship between the Australian arbitration system of wage setting and its interplay with the family, using the example of parental leave legislation. She argues that the ‘family wage’ for men that was established in the early 19th century reflected contemporary gender roles but that its institutionalisation also shaped the roles of women and men in the family by reinforcing an already strong breadwinner model. However, Whitehouse demonstrates that in the current decentralised system of wage setting the potential to include social costs has been eroded but has not been met by an increase in government provisions for social costs of families. In 1974 the Industrial Relations Commission stated: “The Commission is an industrial tribunal not a social welfare agency. We believe the case for family needs is principally a task for the government” (as cited in Whitehouse, 2004, p. 409). In the light of the hands-off approach by the Australian government that is justified by the ideology underlying the liberal welfare state approach and exemplified by the current meagre provisions for parental leave it becomes clear that Australian caregivers face a very bleak picture. Their wages do not allow for responsibilities to support dependent family members and the government is not prepared to take over the costs that result from having children and sick/old family members. With the newest reform package introduced by the Australian government in 2006 the consequences of a further decentralisation of wage setting is likely to exacerbate the financial pressures on caregivers. Given that most caregivers are women and that women in the Australian labour market make up the biggest share of part-time and casual workers (Burgess, Lee and O’Brien, 2004) the current developments are making women, especially single mothers, more vulnerable to poverty.

Whitehouse (2004) argues that there is a second consequence of this process of combined rejection to take responsibility for social costs by the wage setting body and the federal government. Initiatives to extend employment rights for employees with care giving responsibilities are turned into politicised debates over who has to cover the costs of the proposed benefits. Because care work is not seen as a common good but as a personal activity it is difficult to argue why caregivers should be subsides by tax payer money. This is in stark contrast to the Swedish context where care giving is seen as a social responsibility of
all members of society and those who do the care work receive financial and infrastructure
support out of public funds.

The lack of national and universal entitlements to time off work for care giving activities has
shifted the negotiations for parental leave benefits to the company level (Whitehouse, 2004)
which was in the interest of the federal government. Marian Baird (2004) demonstrated that
the Australian paid maternity leave debate clearly focused on individual business solutions.
She argued that this perspective and the solutions provided by companies recognised
women’s employment and offered paid maternity leave as a workplace rather than a welfare
entitlement. However, she pointed out that the ‘business orientation’ was not associated with
benefits to women but rather with benefits to the company in the form of a narrowly defined
‘business case’ and thus, bottom-line benefits. As I have demonstrated earlier in the paper
the existing difficulties of proving a solid ‘business case’ for any work/life policy including
parental leave can serve as a legitimate excuse for Australian employers not to offer paid
parental leave benefits to their employees because the bottom line benefits cannot be
confirmed. Furthermore, having access to paid parental leave provisions depends heavily on
the bargaining power of the individual employee or their collective representative which
leaves Australian mothers who are concentrated in the lowest ranks of the job hierarchy and
largely non-unionised most vulnerable. Figures that are currently available on paid maternity,
paternity and parental leave provisions support both arguments.

Entitlement to and take-up rates of parental leave provisions
With regard to paid maternity leave, public sector organisations were three times more likely
to provide benefits to mothers than the private sector (25.8 per cent compared to 6.8 per cent)
practice’ organisations in both sectors found that seven out of the eight companies offered
paid maternity leave provisions, however, all of the companies granted the leave on the
condition of a specified amount of continuous service. Moreover, the survey conducted by
Baird and Litwin (2004) in 2002 found that more men than women worked in organisations
that offered paid maternity leave (24 per cent compared to 18 per cent). The provision of paid
paternity leave is even less frequent than that of paid maternity leave. Baird (2004) showed
that only 5.8 per cent of enterprise agreements included paid paternity leave compared to 9.8
per cent that included paid maternity leave. As a result more than 50 per cent of Australian
working women had no access to paid maternity leave entitlements under previous practice
(HREOC, 2002). Statistics provided by the Australian Bureau of Statistics (2003) suggest
that only 36 per cent of female workers had access to paid maternity leave in their workplace.

Unsurprisingly, the use of unpaid parental leave by Australian parents is low. A study
conducted by Baird and Litwin (2004) found that only 11 per cent of the surveyed population
used unpaid parental leave following the birth of their youngest child. However, the total
number of women taking parental leave was significantly higher than that of men in their
sample (83 female respondents compared to 31 male respondents).

The comprehensive study of men’s uptake of ‘family-friendly’ policies that was conducted by
Michael Bittman and colleagues (2004) found that there were no obvious trends that could be
gained from existing data for fathers’ uptake of parental leave. The only data provided by the
Australian Bureau of Statistics (ABS) referred to the numbers of mothers and fathers who
took maternity or paternity leave following the birth of a child in the two weeks prior to the
survey. For the year 2000 numbers were also available for parental and/or carer’s leave.
Bittman et al. (2004, p. 35) pointed out that the survey design was and continues to be
inappropriate:

The two-week period is too short a time to capture fully people’s usage of
leave around childbirth. The birth of a child is a rare occurrence in anyone’s
life, and respondents are unlikely to forget whether or not they took leave at
the time – so there is no technical need to make the time-span so short.
Moreover, the shortness of the period means that the survey cannot provide a useful estimate of the numbers of Australians using parental leave in any one year.

Beside the lack of reliable figures regarding the use of parental leave offers; paid and unpaid, no data is being produced by the ABS with regard to the numbers of parents eligible for paid parental leave. This means it is impossible to make any statements about the percentages of mothers and fathers who make use of their (paid) parental leave entitlements. The scarcity and bad quality of existing data can be seen as an indicator of the unwillingness of the federal government to take serious steps towards addressing the issue. If there was such inclination it would be advantageous for the Australian government to know about the extent of the problem by commissioning good quality research before legislative action was taken.

While the Australian government does not seem to be undertaking significant reforms to parental leave provisions in the near future they did introduce major industrial relations reforms in early 2006. In the light of the drastic changes brought about by the ‘WorkChoices’ package towards an even more decentralised bargaining system the situation is likely to get worse for Australians carers of very young children. With an increasing push towards individual contracts, the erosion of collective agreements and the growing importance of bargaining power in employment contract negotiations even more parents and particularly mothers are likely to have no entitlement to paid leave for care giving responsibilities than is currently the case.

Potential and limitations of current government initiatives to initiate social change

The liberal assumption of the Australian government that the workplace relations system is able to replace entitlements to paid leave that are granted as citizenship rights elsewhere, for example in Sweden, is fundamentally flawed because in an individualised industrial relations system that leaves the negotiation process to the individual employer and employee the government has no means of guaranteeing that every parent has the right to paid parental leave. The only guarantee the Australian government is willing to make is a legal right to 52 weeks of unpaid parental leave which does nothing to improve the situation of Australian parents let alone facilitate a more equal sharing of paid and care work between couples.

Whitehouse (2004) argues that quite the opposite is true. The provision of unpaid parental leave coupled with the facilitation of part-time and casual work by the current institutional system supports a contemporary variant of the traditional breadwinner/homemaker model. The Australian Prime Minister has described this current version of mainstream Australia as “the policeman and the part-time sales assistant” (as cited in Charlesworth, 2005). It assumes a generic female parent who are expected to work as secondary income earners in part-time and/or casual positions while retaining primary responsibility for home duties and child rearing (Charlesworth, 2005). The resulting stresses and particularly the level of guilt expressed by Australian working mothers has been documented by Barbara Pocock (2003). These phenomena are likely to worsen following the introduction of the ‘WorkChoices’ reforms which promotes a shift towards an even more decentralised bargaining system.

Because of the hands-off approach by the federal government the initiative with regard to work/life balance policies is left to employers and all benefits offered are seen as workplace entitlements rather than citizenship rights. Wise (2005) has demonstrated with case studies in the UK that workplace entitlements need to be ‘earned’ and that mothers more often than not lack the ability to put in the extra time or effort that would earn them access to workplace benefits because of their existing care responsibilities. The exclusive reliance on market solutions to provide basic rights to parents, that is the right to be legitimately absent from employment and receive compensation for care work provided in the home, currently delivers unsatisfactory outcomes for parents and society overall because most individuals who need the policies do not have access to them and those who do have access are reluctant to use parental leave policies because they clash with entrenched workplace norms.
The example of Sweden shows that it is possible for policy makers on a federal government level to create a space in which parents can craft work/life arrangements that more closely align with their individual preferences rather than with economic necessities or social norms that rely on conventional public/private dichotomies along gendered lines. By conceptualising care work as the shared responsibility of mothers, fathers and the state, the Swedish government is able to buffer employees against workplace demands that are based on ‘ideal worker’ expectations. This is supported by the study of Haas et al. (2002) who found that in the Swedish context that gives a statutory right to fathers to take parental leave, the importance of organisational factors on fathers’ decision to take leave was reduced.

However, by channelling the majority of women into public sector employment the Swedish policy approach fails to significantly challenge neo-liberal capitalist principles in private sector organisations where most men are employed. This reinforces traditional patterns of sharing as a majority of mothers are enabled to work reduced hours and draw on generous leave provisions in the public sector while fathers are expected to perform as if they were unencumbered by caring responsibilities. ‘Employers’ are suspiciously absent in the debate around responsibility for care work and it can be argued that this is one of the main reasons why Swedish policies do not facilitate greater usage rates among fathers.

The extent to which assumptions about motherhood, fatherhood, ideal employees and the role of the state shape government policy with regard to parental leave provisions and are shaped by them has become visible in the comparison between Australia and Sweden. This confirms Rostgaard’s (2002) findings that the differences in policy design and implementation as well as use indicated a different emphasis of parental leave provisions in her three sample countries and reflected some differences in the social construction of the norms of a ‘good mother’ and a ‘good father’. The Swedes in particular placed strong emphasis on the idea of fatherhood and creating a new breed of modern fathers.

The finding that policy approaches are derived from local interpretations of acceptable behaviour for women and men, employees and parents, employers and the state also implies that parental leave policies are place and time specific and cannot easily be transferred to another country. For example, the German Minister in charge for parental leave legislation, Ursula van der Leyen, currently experiences fierce resistance after she suggested implementing the Swedish policy approach in Germany, a country that has been characterised by conservative welfare state approaches (Lohkamp-Himmighofen and Dienel, 2000) and heavy reliance on a traditional breadwinner/homemaker model which underpins major social institutions, such as schools and day care provision, tax laws and labour market arrangements (Mosesdottir, 2001). The gap between a policy model that has been developed for over a century in a country outside of mainland Europe within a social-democratic welfare ideology that placed an explicit emphasis on gender equality on the one hand and a recipient country that is located in the heart of mainland Europe and has strong conservative traditions on the other hand was too great for the proposal to be readily accepted by the German people and policy makers.

CONCLUSION

The paper shows that work/life arrangements are not only crafted in an organisational context but are clearly influenced by government policy frameworks that differ across countries. The work/life balance debate cannot remain within a limited ‘business case’ approach that only considers the management dimension of the issues. Instead, future research needs to be able to incorporate all three levels that shape the decision making process with regard to work and private life arrangements: the individual, the organisation and the state. Mosesdottir (2001, p.119&120) describes it as follows: “The decision of women and men to be inactive or active part-time or full-time in the labour market are in continuous non-accommodating interaction with social norms, family structures, structures of
paid employment and employers’ policy as well as structures and policies of the state”. This means that differences in usage rates of work/life balance policies and pattern of employment cannot be understood without incorporating the societal level that has been extensively studied in sociology and public policy. The work/life balance debate needs to be systematically broadened to incorporate these bodies of literature.

The comparison between Australia and Sweden demonstrates that serious efforts towards a more equal sharing of paid and care work, and thus a more balanced lifestyle, are only possible with a long-time commitment of federal governments that are willing to continue the equality agenda over decades. The ways of organising workplaces and families are deeply steeped in gendered assumptions and have been institutionalised on all levels of society. To change them takes a concerted effort on all three levels of decision making and the goal has to be a more (gender) egalitarian society. Narrow ‘business case’ approaches that are concerned with the benefits to individual companies as well as liberal welfare state approaches that exclusively rely on market forces to compensate for the lack of responsibility on the part of the government cannot achieve such a societal model. The Swedish approach is not perfect but it provides guidance for social reforms that aim for improved work/life balance of all citizens which can only be achieved by altering the ways in which women and men share the pleasures and responsibilities of paid and care work in the public and the private sphere. The old dichotomies cannot persist.

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INTRODUCTION

In Australia, substantial changes of working conditions have been encouraged by a number of factors including workplace relations legislative changes and policy development (Kramar 1998). The most recent enforcement of the Workplace Relations Amendment (Work Choices) Bill 2005 from 27 March 2006 onward is just one example. It indicates a considerable effort made by the Australian Federal Government to establish a ‘simpler, fairer and more efficient’ employment relations system that would enable Australian companies to compete more effectively in the international market (Commonwealth of Australia, 2005). It is quite clear that the Bill will work in favour of employers by reducing the power of industrial tribunals and trade unions (Abbott, 2005), continuing the process begun with the introduction of the Federal Workplace Relations Act in 1996. The new law further encourages setting work agreements between employer and employee with or without the representation of trade unions. These changes were aimed at, in ‘good faith’, providing ‘more choices and flexibility’ so as to ‘reward effort, increase wages, and balance work and family life’ (Commonwealth of Australia, 2005, p. 5).

The main focus of this paper is to identify whether the changes of working conditions for the past decade and in recent years have helped employees in the coal industry better balance their work and family life. As previous research on the changes of working conditions in coal industry tend to largely address the impact on productivity improvement, profitability and international competitiveness (e.g., CIT, 1988; Wooden, Robertson and Cernaz, 1996; Rio Tinto, 1997, Tasman Asia Pacific, 1997), relatively fewer studies have been focused on examination of the impact of changing work practices on employees’ satisfaction in terms of quality of life and family relations. This paper intends to fill the gap by evaluating pay, hours and other work conditions in CQ’s coalmines and implication of these changes to work-life balance. The topic area is discussed by first looking at why is important to address the issue of work-life balance in general. Major changes of work practices in the coal industry are then reviewed, together with some assessment of how these changes have impacted on the work-life balance. The paper concludes with options for future research directions and some suggestions on managing imbalances.

Why is work-life balance an important issue?

Ackers and El-Sawad (2006) argue that ‘patterns of paid employment, on the one hand, and of family roles and responsibilities, on the other, are structurally connected, whether this is
explicitly acknowledged by public policy and academic disciplines or not' (p. 331). The words ‘family friendly’ and ‘work-life balance’ tend to be used loosely in the literature to describe any policies set by government, employers and trade unions to facilitate the ‘reconciliation’ of paid employment and life (European Commission, 2002, p. 11). Employment and life may be ‘structurally connected’ as suggested by Ackers and El-Sawad (2006), but why would there be a need for government, employers and trade unions to get involved in employees’ public work and private life matters? In another word, why is the balance of work and family life an important issue in today’s world?

Work-life balance is an issue in Australia or many parts of the world because of the multiple dimensions of changes taking place in the contemporary time. These changes include: global economic change, new technology and the shift to the knowledge-based economy, coupled with population aging, that have created labour shortages in most of developed market economies (DME) such as Australia (Bamber et al., 2004; HRSDC, 2006). The nature of work, the organisation of work, and employment relationships are all changing with many more Australians in non-standard work (i.e., casual, part-time and contracted work). A large number of social and institutional changes such as increasing numbers of dual career partners and single parents have also affected employees’ needs both at work and home (Ackers and El-Sawad, 2006). There will be a greater need to resolve employees’ work-life conflicts because of the pressing demands on them to adapt to these changes at workplace as well as in the society.

Facing these challenges of adapting to changes, employers and employees have been seeking more employment flexibility via using atypical work forms that consist of atypical work time, work location, atypical contracts and outsourcing (Vendramin and Valenduc 2004). Some argue that flexible work arrangements help men and women to make ‘lifestyle choices’ and it is easier to balance work and family life with flexible choices of where to work, when to work and how to work (Hakim, 2000). Others contest that flexibility has been largely promoted by employers to serve their economic interests (ie. productivity improvement, competitiveness, profit gains etc.) (E.g. McCrae, 2003; Healey, 2004). As a result, it tends to amount to ‘overwork, stress, casualisation, and low paid dead-end jobs’ (Ackers and El-Sawad, 2006, p. 336). Work-related stress and work-life conflict are a growing concern for employees, and for employers who have realised that these may lead to increasing benefit costs, absenteeism, low moral and productivity losses caused by the imbalance. Vendramin and Valenduc (2004) state that changing work conditions often generate both optimistic and pessimistic analysis of the impact. The key is to develop public policies or a ‘new regulatory framework’ that can help eliminate the social exclusion and provide social rights and protection to those with atypical jobs’ (pp. 3-4). This may eventually allow employees and employers to reach an acceptable balance between work flexibility and family/life security.

Drawing from the above discussion, a relevant question is how has the coal industry operating in CQ dealt with the issue of work-life balance when undergoing changes? We now turn to address the changing pattern of working conditions in the industry for the past decade and move on to evaluate the impact of these changes on employees’ work-life balance, productivity, and overall changing patterns of employment relations.

Changing working conditions in the coal industry
Since the abolition of the Australian Coal Industry Tribunal (CIT) in 1995, there has been a series of changes, particularly in the areas of adopting numerical, functional and temporal flexibility in setting working conditions, as well as weakening union control of the industry (Zheng et al., 2005). ‘Numerical’ flexibility refers to developing ‘core and peripheral workers’ (Guest, 1987) who could be involved in part-time, casual work or sub-contracting. The peripheral workforce is readily disposable and regarded as a numerical variable, acting as ‘just in time labour’ (Brewster et al. 1997, p. 145). This allows employers to adjust its workforce in line with variations in market demand (Legge, 1995).
In CQ for example, between 2001 and 2005, the total number of employees working on both open cut and underground mines has increased dramatically (Table 1) due to the high demand for coal. In contrast, the number of administrative and clerical workforce was cut down in 2002-3, but increased slightly in 2004-5, perhaps due to more demand to support coal production. The segregated data on proportion of part-time, casual work or subcontractors in the coal industry in regional Queensland is hard to obtain. The Australia Bureau of Statistics (ABS), Australia Coal Association and Queensland Government’s Natural Resources and Mines (NRM) usually provide only general statistics for the mining industry as a whole. Di Milia and Bowden (2004) sourced some data from the Statistical Office in NRM, which indicate a substantial drop of on-book employees in open cut mines in CQ from 6665 in 1996 to only 3954 in 2002. In contrast, the number of contractors increased dramatically from 416 in 1996 to 2480 in 2002. According to Heiler, Pickersgill and Briggs’s (2003) study on 180 Australian coal and metalliferous mines (77 surveyed were coal companies, 41 in Queensland), only 8 percent of all Queensland companies surveyed had never contracted out, the rest would have between 5-75 percent of contractors in their workforce. A large proportion of the companies (36 percent) had between 10-24 percent of their workforce as contractors, 11 percent of the companies had 25-49 percent of their workforce as contractors, and another 25 percent of the companies have had 5-9 percent as contractors (Heiler, Pickersgill and Briggs, 2003, p. 31). These studies suggest that there has been a substantial shift from traditional fixed term employment to a more fluid workforce in the industry with noticeable proportion of contractors and casual workers.

Table 1 Change of Employment in Central Queensland’s Coalmines

<table>
<thead>
<tr>
<th>Types of Mines/Employees</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Open cut mines</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative &amp; clerical</td>
<td>346</td>
<td>315</td>
<td>390</td>
<td>444</td>
<td>620</td>
</tr>
<tr>
<td>General miners</td>
<td>1705</td>
<td>2760</td>
<td>2934</td>
<td>3508</td>
<td>4288</td>
</tr>
<tr>
<td><strong>Underground mines</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative &amp; clerical</td>
<td>175</td>
<td>138</td>
<td>133</td>
<td>237</td>
<td>255</td>
</tr>
<tr>
<td>General miners</td>
<td>1844</td>
<td>1850</td>
<td>1937</td>
<td>2507</td>
<td>2612</td>
</tr>
<tr>
<td><strong>QLD Total</strong></td>
<td>8467</td>
<td>10476</td>
<td>10713</td>
<td>13192</td>
<td>15861</td>
</tr>
</tbody>
</table>


‘Functional’ flexibility involves the possession of ‘flexible’ skills by employees, with their willingness to display flexibility by moving freely between tasks (Atkinson and Meager, 1985). This requires the easy crossing of occupational boundaries and that a workforce develops multi-skilling capacity. The coal industry was traditionally a very specialised industry with each employee only able to perform a narrow range of tasks. Barry et al. (1998) and Waring and Barry (2001) reported that after changing the enterprise agreement in the coal industry, there has been a greater relaxation of job demarcations compared to the traditional ‘principal job’ system (or one person one job). This is a sign of promoting functional flexibility in the industry. Furthermore, there has been a greater degree of broadening the classification of workers into two main streams: production and engineering. This allowed employers to create broader jobs within the stream, having more flexibility to employ workers outside the union-based workforce structure (Waring and Barry, 2001).

There have been more evidence appeared in the use of ‘temporal’ flexibility in the industry. ‘Temporal’ flexibility allows employees and employers to arrange mutually agreed working time outside the standard work arrangement. The biggest impact of the labour market reforms in the mining industry has been the changes in shiftwork practice (Heiler, Pickersgill
A brief history of the CQ coal industry provided by Di Milia and Bowden (2004) suggests three broad periods of changes in shiftwork practice. 1) From 1965 to 1986, the industry operated in an environment of high coal prices and highly regulated industrial relations under the Coal Industry Tribunal (this was banished in 1995). Working arrangements included a largely permanent workforce with some forms of shiftwork, but shift length was restricted to 8 hours. 2) From 1986 to 1996, changes in work practices were triggered by a collapse of coal prices. Employers started serious campaigns of restructuring mine site and employment arrangements, but maintained shift lengths at 8 hours. 3) The introduction of the Workplace Relation Act 1996 delivered the flexibility in work scheduling and employment that employers had been seeking. Many shift lengths were then extended from 8 hours to 12 hours. A review of working hours by Heiler and Pickersgill (2001) indicate that 12-hour shift arrangements are now common practice in the coal industry. Weekly working hours in excess of 41 hours in the industry increased from 43 percent in 1991 to 52 percent in 1996. There was another 4 percent increase in 2004, leading to about 56 percent of workers in coal industry now working in excess of 49 hours per week (Heiler, Pickersgill and Briggs, 2003; Di Milia and Bowden, 2004). This compares to the standard 35-38 working hours per week in Australia.

An interesting observation made by Wooden (2000) suggests that long working hours were more common at worksites that were governed by individual contractors. This implies that atypical working hours are more likely applied to non-unionised than unionised workforce.

Besides the adoption of new work arrangements in the areas of numerical, functional and temporal flexibilities as discussed above, another significant change in work conditions of CQ’s coalmines has been the establishment of new wages systems (ie. flexible pay systems) that directly link skills and training to remuneration, rather than relating it to seniority and union membership (Barry et al., 1998; Waring and Barry, 2001). For non-managerial employees, the Coal Mining Industry (Production & Engineering) Interim Consent Award (1990) was a major piece of legislation that governed their wages until 1997. Because of the short supply of skilled labours in CQ, there have been strong demands for miners, trade persons and engineers since 2004 (Miles et al., 2004). It is the interaction of market forces that have set wages rather than the Award. Coal mining employees are among the highest earners in the nation’s 10-million plus workforce. Average weekly earnings for full-time employees in mining is $1,424, compared with the country average of $873 (Year Book Australia, 2006). In the 2005 calendar year, full-time male miners had salaries starting at $80,000 and averaged $90,000 in total earnings, compared with the all-Australian industries average of $59,600. This is almost 50% higher. The heavy-equipment operators can expect to earn more than $100,000 per annum in negotiating their work agreements (Ruthven, 2006). For mine managers, their position is regulated by Queensland Mining Regulation Act 1964-1983. Under the Act, every mine manager must have certain qualifications and competency to be in charge of the control, management and direction of the mine. They are also legally responsible for safety operation of the mine. Therefore, their awards tend to combine a fixed cash salary with bonus packages (Kent, Siu and Walker, 2001).

The expansion of CQ’s coal industry in 2004 and 2005 has generated large increases in employment and disposable incomes. The flow-on effects in the local economy have been most noticeable in the housing sector, with large increases in rents and housing prices in the regional towns and communities. Coal miners were listed as the 25th most effective way to be rich by Stensholt and Thomson in December BRW cover story: 100 ways to make money in 2006. But does money buy happiness and would more money with more flexibility mean better work-life balance?

Impact of changes on work-life balance

Considerable increases in household income with flexible arrangement of shiftwork has resulted in a shift in lifestyle for some miners (Di Milia and Bowden 2004). Miners now have the choice of working at coalmines during shiftwork blocks and then spending time with
family in coastal homes when off work. This pattern of access was described by Di Milia and Bowden (2004) as ‘Drive-in and Drive-out’ (DIDO), similar to the ‘Flying-in and Flying-out’ (FIFO) operations of North Queensland and Western Australia (Beach and Cliff, 2003). It implies, to some extent, a different balance of work and family and social life for mining industry employees. However, as estimated by Di Milia and Smith (2004), the mean distance for miners travelling from coalmine to coast (one-way) is 244km (max. 655km). Often, miners would drive home after a 12-hour shift, exposing them to fatigue and accident risks (Di Milia and Bowden, 2006).

Beach and Cliff (2003) evaluated the impact of employee satisfaction with their work and family life on employee turnover in nine metalliferous mines in North Queensland and Western Australia. Although their study did not focus on coalmine employees, the feeling expressed by metal industry workers with similar work and lifestyle patterns might also be relevant to those working in CQ’s coalmines. Beach and Cliff found that miners did like the FIFO style in the beginning but eventually they felt ‘worn out’, especially when families were not adjusting well to the commuting, and tended to exit from the industry. A prolonged FIFO or DIDO pattern can be very disruptive to families and individuals, and may be a key reason for a high turnover rate in the mining industry (Beach and Cliff, 2003).

In recent times, employee recruitment and retention have been two major challenges facing the coal companies operating in CQ. While there have been increases in wages to attract more people, the skill shortages have meant that some ‘shuffling’ occurs between miners as workers are poached from one location to another. Perhaps addressing the issue from the angle of focusing on developing family-friendly practices and work-life balance programs might have some impact on relieving recruitment difficulty and maintaining the retention rate? Research by Beach and Cliff (2003) suggests some elements of FIFO patterns related to a lower rate of employee turnover. For example, a mine site offering a 9-day work/5-day off shift pattern tended to experience lower staff turnover than those with 4-week on/1-week off shift pattern. It is understood that a number of factors, such as remuneration, career development opportunities, general employment conditions, and employees’ satisfaction with work as well as overall work culture may influence retention. The coal industry may benefit from establishing optimal balances of shiftwork patterns, including days on, days off and shift hours, especially in night shift rotation. However, little research is available to guide such development, though there are some case examples. For instance, there are differences in shiftwork patterns between mines, allowing employees to ‘vote with their feet’. Some flexibility is also developing in shift timing and hours as miners begin to employ more women who would likely have more needs to balance their family and work responsibilities (Fraser 2005; The Queensland Resource Council, 2006)

**Impact of changes on profit and productivity**

The changing working conditions in the coal industry were initially driven by employers in response to the intensive pressure to increase profitability and productivity. From the late 1980s, there were a number of industry lobbies and the Productivity Commission inquiries that highlighted the need for changes in work practices and industrial relations arrangements to ensure the competitiveness of the industry in the international market (CIT 1988; Wooden, Robertson and Cernaz 1996; Rio Tinto 1997). One question is whether profit and productivity have increased in the past few years as a result of the change.

ABS statistics reveal that most of the market sector industries in Australia increased their productivity per hour worked from the period 1998-9 to the period 2003-4. The industries with the highest average annual productivity growth rates are agriculture, forestry and fishing (4.8%), manufacturing (4.1%), wholesale trade (3.9%), and transport and storage (3.4%). Negative growth is seen only in the electricity, gas and water supply (-2.4%), and the mining industries (-0.6%) (ABS 2006, National Accounts, 1301.0). It is unclear what the decline in productivity per hour worked was in the CQ region. However, the Queensland Resource Council data identified annual saleable production per employee from 1995-6 to 2004-5 (see
Table 2). Production of coal in CQ (as well as in Queensland as a whole) displayed a continuing trend of growth, but annual saleable output in tonnes per employee has increased steadily from 1995 to 2001, then slightly declined since. Output in tonnes per employee shift has a similar pattern. It appears that the changes of work arrangements boosted productivity growth in the first few years (about 5 years), followed by a peak and decline. One explanation may be that contractors were not included in the number of employees, so productivity appeared to increase when more contractors were employed, and then declined as the balance swung back to more employees. Another reason could be that the longer shift work patterns and other arrangements have decreased individual working capacity.

Table 2 – Coal Production in Central Queensland 1995-2005

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</thead>
<tbody>
<tr>
<td>Open cut</td>
<td>34670</td>
<td>38114</td>
<td>39432</td>
<td>47433</td>
<td>56102</td>
<td>57145</td>
</tr>
<tr>
<td>Underground</td>
<td>8805</td>
<td>11178</td>
<td>18664</td>
<td>21714</td>
<td>16386</td>
<td>17739</td>
</tr>
<tr>
<td>State QLD TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change year to year</td>
<td>-0.78</td>
<td>6.35</td>
<td>10.40</td>
<td>7.24</td>
<td>4.21</td>
<td>7.87</td>
</tr>
<tr>
<td>Saleable output – tonnes Per employee Year Total</td>
<td>8709</td>
<td>10732</td>
<td>14483</td>
<td>15306</td>
<td>13321</td>
<td>11823</td>
</tr>
<tr>
<td>Per employee shift</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open cut overall</td>
<td>36.21</td>
<td>43.72</td>
<td>61.05</td>
<td>58.87</td>
<td>56.82</td>
<td>53.90</td>
</tr>
<tr>
<td>Underground overall</td>
<td>16.00</td>
<td>20.26</td>
<td>34.36</td>
<td>46.45</td>
<td>28.49</td>
<td>30.93</td>
</tr>
<tr>
<td>State QLD Average</td>
<td>31.75</td>
<td>37.80</td>
<td>52.33</td>
<td>55.74</td>
<td>49.98</td>
<td>48.35</td>
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<tr>
<td>State QLD TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change year to year</td>
<td>-6.18</td>
<td>10.43</td>
<td>14.03</td>
<td>-2.09</td>
<td>-10.91</td>
<td>-2.28</td>
</tr>
</tbody>
</table>

Source: Queensland Resource Council – Coal Industry 10 Year Summary.

Operation profit before tax (OPBT) is a measure of profit before extraordinary items and prior to the deduction of income tax and dividends paid. From 1999 to 2004, OPBT for the mining industry as a whole increased by 27%, but for the coal industry, it was down 7% (ABS, 2006). This may be explained by high expenditure on exploration and expansion in the coal industry with a 130% increase in these categories from 1999-2004 (ABS, 2006). However, an overall decrease in profitability in the coal industry seems inconsistent with the labour market reform agenda, which was initially aimed at enhancing profitability. Specific statistics for profits earned from CQ’s coalmines is not available to test these in more detail.

It seems that although the changing working conditions were driven by employers, there has been little outcome, in terms of increasing profit and productivity in the industry, especially in recent times. This is consistent with Kramar’s (1998) findings from studying 229 Australian companies, which failed to indicate any relationship between economic performance and propensity to introduce flexible working hours. Instead, employees seem taking more benefits from the changes by having better and more pay, and being able to work in flexible hours and shifts to suit their coalmine/coastal lifestyle, even though at some stages, they may feel worn out and take exit from the industry. This observation is also consistent with recent research outcomes generated by the Centre for Economic Performance at the London School of Economics Research Laboratory. The research suggests ‘work-life balance programs initiated by employers help employees get the best deals, but really has no effect on organisation’s bottom line’ (Berry, 2006, p. 8).
So why then is all the fuss about the change? Abbott (2005) stated that ‘any government would not conduct labour market reform simply because it wants to take the control back from employees to employers, but the reform must give the benefits to both employers and employees’. Increased productivity for employers and ‘choices/flexibility’ for employees is the best-matched argument to justify the need for labour market reform. But in reality, the biggest impact of changing work practices lies on changing the landscape of industrial relations (Norington, 2006).

Impact of changes on employment relations

Before the industrial relations changes, unions, instead of management, largely controlled coal production and operations. Because of extensive job demarcations, it was likely that a single mine would have half dozen different unions involved on site. For example, the Miner’s Federation represented truck drivers while another union, the Federation Engine Drivers’ and Firemen’s Association represented the equipment operators. The electricians had their own Electrical Trades Unions, while the fitters and boilermakers were represented by the Australian Manufacturing Workers Unions (Barry et al., 1999). Up to mid-1990s, unions regulated employment to protect jobs. Claims for productivity and flexibility were effective to convince the government and the public of the need for changes of workplace relations, even though the results have not been substantiated in real terms as discussed previously. The approach was quite successful in reducing unions’ power. During the period 1999-2004, the union density rate in the mining industry as a whole (not segregated down to coal sector) has fallen in half, dropping from 35% to 17% (ABS, 2006). By breaking down job demarcation and being able to employ non-unionised contractors, employers have regained the decision-making powers over wages, employment, production and investment decisions. Under the Workplace Relations Act 1996, signing individual workplace agreement (e.g., AWAs) without the presence of unions has been encouraged. With more employment of contractors who are not likely to be involved in taking industrial action, the coal industry has reduced the number of cases of industrial disputes. Industrial disputes and working days lost per thousand employees were significantly reduced in the coal industry, from 1432 days in 1999 to 295 days in 2004 (ABS, 2006).

CONCLUSION

At the onset of implementation of the Workplace Relations Amendment (Work Choices) Act 2005, there have been many discussions on the implications of the changing workplace relations to Australian businesses, individual employees and community/society as a whole (Parliamentary Library of Australia, 2006). By large, the policies have substantial impacts on reducing the power of trade unions, and on providing benefits of flexible working arrangement for individuals with ‘additional income and employment that is compatible with family responsibility’ rather than on economic performance of organisations (Kramar, 1998; Abbott, 2005). However, as discussed in this paper, changing working conditions may also be detrimental to individuals and families as stress, insecurity and training costs could increase, especially for those sub-contractors (Heiler et al., 2003).

Research on employment relation practices in CQ’s coalmines is very important as the industry makes a significant contribution to the regional economy. The issue of labour recruitment and retention is relevant to every coalmine currently operating in CQ. It would be worthwhile to examine the issue from the angle of balancing work-life so as to identify the best practices of linking flexible work arrangements with work-life balance programs in the industry (Beach and Cliff, 2003). Consequently, better recruitment and retention strategies can be developed to combat the persistent skill shortages in the region.

With regard to the impact of changing work practices on CQ’s coalmines, we have found more questions than answers in this paper, as statistics related to productivity, profitability
and employees and contractors' overall job satisfaction are not currently available. This would need further research as outlined in Zheng et al. (2005).

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