

INDUSTRIAL DEMOCRACY AND EMPLOYEE PARTICIPATION

IN AUSTRALIA

INDUSTRIAL DEMOCRACY AND EMPLOYEE PARTICIPATION

IN AUSTRALIA

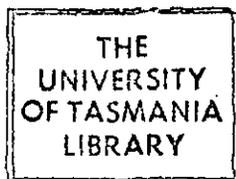
John Terrence

J.T. MAHONEY

Being a dissertation submitted in partial fulfillment
of the requirements for the degree of
Master of Social Sciences (Administration)
University of Tasmania.

December, 1987

Thesis
Pol Sci
M. Soc. Sc
MAHONEY
1988



This dissertation contains no material which has been accepted for the award of any other degree or graduate diploma in any tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person except when due reference is made in the text of the dissertation.

J.T. Mahoney

Hobart

December, 1987

ACKNOWLEDGEMENT

Mr. H.R. Hall for his constructive criticism of the structure of the dissertation and for his general supervision of its development.

CONTENTS

	Page No.
1. INTRODUCTION	1
2. DEFINITIONS, FORMS AND LEVELS OF IMPLEMENTATION	6
2.1 Introduction	6
2.2 Definitional Considerations	7
2.3 Forms of Participation	16
2.3.1 Direct Participation	17
2.3.2 Indirect Participation	21
2.4 Integration of Participatory Forms	24
2.5 Degrees and Levels of Participation	25
2.6 Conclusions	31
3. MODELS OF PARTICIPATION IN OVERSEAS COUNTRIES	33
3.1 Introduction	33
3.2 Models of Participation	36
3.2.1 Joint Consultation - United Kingdom	36
3.2.2 Co-determination - West Germany	40
3.2.3 Workers' Management - Yugoslavia	47
3.3 Conclusions	54
4. AN OVERVIEW OF AUSTRALIAN EXPERIENCES	57
4.1 Introduction	57
4.2 Developments of the 1970s	57
4.2.1 The South Australian Experience	60
4.2.2 Summary of the Activities of the 1970s	63
4.3 Dissipation of Interest	66
4.4 A New Era - the 1980s	67
4.5 Conclusions	76

	Page No.
5. SPECIFIC APPLICATIONS OF PARTICIPATION IN AUSTRALIA	78
5.1 Introduction	78
5.2 Joint Consultation	78
5.2.1 Goldsworthy Mining Ltd.	79
5.2.2 Victorian State Transport Authorities	83
5.3 Co-determination	87
5.4 Worker Management	89
5.5 Conclusions	92
6. FACTORS DETERMINING THE FUTURE	93
6.1 Introduction	93
6.2 Barriers to Employee Participation	94
6.2.1 Union and Employer Bodies	94
6.2.2 Management and Union Attitudes	97
6.2.3 Special Groups of Workers	99
6.3 Australian Conciliation and Arbitration System	100
6.4 Summary of Lessons 1970-1985	102
6.5 Legislation and Government Options	104
7. THE WAY AHEAD - CONCLUSIONS	108
7.1 Introduction	108
7.2 A National Approach	110
7.3 Legislation	111
7.4 The Facilitation of Progress	112
7.5 Likely Forms and Models of Participation	113

BIBLIOGRAPHY

FIGURES

- 3.1 The system of joint consultation
- 3.2 The system of co-determination
- 3.3 The system of worker's management

TABLES

- 2.1 Definitions of Employee Participation
- 2.2 Two dimensional matrix

1. INTRODUCTION

This paper on industrial democracy and employee participation aims at reaching a conclusion on the likely future of these concepts in this country over say, the next decade. An integral part of this aim will be some observations on what might be the most appropriate form(s) which will serve the wide-ranging interests of the protagonists and what strategy options might be available to encourage and facilitate an expansion of participative practices.

The approach adopted relies on a search of the extant literature including research findings and reviews, theoretical analyses, documented experiences and comments and observations by a wide range of writers on the subject. From these sources a background of historical and current expectations, attitudes and activities is built up to provide the basis for the conclusions which this paper aims to make.

Worker alienation in industry has been debated since Karl Marx wrote of the plight of workers under industrial capitalism. Alienation exists and can be identified when "workers are unable to control their immediate work processes, to develop a sense of purpose and function which connects their job to the overall organisation of production, to belong to integrated industrial communities and when they fail to become involved in the activity of work as a mode of personal self-expression".¹ Alienation

¹ Robert Blauner, *Alienation and Freedom* (Chicago: University of Chicago Press, 1964) pp. 15-32. Cited in David Jenkins, *Job Power* (Baltimore: Penguin, 1974), p.38

is characterised by powerlessness, meaninglessness, isolation and self-estrangement.²

The concept of alienation is still of importance throughout the world today and seems to be reduced significantly by the introduction of participative practices directly involving the worker. There is an impressive array of research findings which show consistently that satisfaction in work is enhanced by a genuine increase in workers' decision-making power.³ Since the days of the industrial revolution few ideas have persisted and been pursued from a multitude of directions as some form of democracy in the arena of industrial labour. Clearly, the concept is one of long standing and there are a number of compelling reasons why it should be addressed by contemporary society.

In general, the case for industrial democracy and worker participation rests on a number of arguments which may be classified as the political, moral and economic arguments. The political argument relates to the need to extend democracy from the political to the industrial arena and this can be achieved by allowing workers to have a greater say in decision making at work.⁴

² Ibid

³ Paul Blumberg, *Industrial Democracy: The Sociology of Participation* (London: Constable, 1968) pp.124-128. Note: Table 1 summarises the findings of such researchers as Levin, Bavelas, Coch and French, Lawrence and Smith and Vroom.

⁴ R.O. Clarke, D.J. Fatchett and B.C. Roberts, *Workers' Participation in Management in Britain* (London: Heinemann, 1972) p.11.

The moral argument is about the need to provide for the personal development and satisfaction of individual workers.⁵ The several tenets of democracy, viz., freedom of expression, access to information, participation and equality, must be the prerogative of everyone if we are to have a truly democratic society. These principles must extend into every facet of life, not least of all, the workplace. Efforts to improve the quality of worklife must be regarded as a social issue because it impacts on the lives of such a large proportion of the population. The moral argument is of such fundamental importance and has such far reaching implications for society that the case for industrial democracy and participation conceivably could be justified on this ground alone.

Finally, the economic argument relates to the belief that participation will improve productivity and industrial relations. One of the prime reasons advanced is that participation fosters a more co-operative attitude between workers and management which raises productivity by reducing industrial stoppages. It can be argued that this concept of using participation to improve productivity looks upon the worker as a special kind of factor of production and whose special characteristics must be taken into account if effectiveness is to be maximised.⁶ This contrasts with the view that democracy is a right of the worker.

⁵ M.P. Robson, *Worker Participation in the United Kingdom* (Bradford: M.C.B. Publications, 1982) p.27.

⁶ Kenneth Walker, "Concepts of Industrial Democracy in International Perspective" in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Sydney: CCH, 1976) p.18.

The continuing debate suggests that there are some basic human problems of industrial organisation for which various concepts of industrial democracy and participation are seen as possible solutions. In essence, the debate indicates that the fundamental concerns relate to the sharing of power between workers and management; effective co-operation between all members of an enterprise in the interests of efficiency and effectiveness and/or industrial harmony; and the personal fulfillment of the members of the enterprise.⁷ There is adequate justification for the debate to be continued and intensified in this country. Certainly, in recent years there has been renewed interest in the subject brought about largely by the need for improved competitiveness and efficiency and by the demands of a better educated and organised workforce for greater involvement in those aspects which impact upon their worklife. The relevance of this paper is thus will established.

The subject is approached by firstly examining in Chapter 2 definitions, forms and levels of implementation of participation. Understanding the concepts involved is of greater importance than lengthy definitional debates but clarification of the meanings of the terms "industrial democracy" and "employee participation" does facilitate further discussion. Along with these considerations the chapter also examines the primary forms of participation and whether there is any relationship between the form of participation practised and the level within the enterprise at which this occurs.

Chapter 3 analyses three models of participation in use in overseas countries as this provides a useful insight into the areas of

⁷ Ibid.

development, implementation and effectiveness of such schemes and to ascertain what lessons these hold for the development of participatory schemes in Australia. Three European schemes have been selected, viz., joint consultation, co-determination and worker management, as they represent quite a broad spectrum of participatory processes.

Contemporary Australian developments are examined in Chapter 4 to determine the form, content and thrust of the activities undertaken, the current state of progress including the attitudes of the principal parties and whether there has been any shift in direction and/or emphasis since the early 1970's. Chapter 5 then provides information about specific Australian experiences with the European models of participation dealt with in Chapter 3 together with the effectiveness of these models in the Australian industrial environment.

It seems that the way ahead in Australia will be predicated on the basis of factors such as the attitudes and actions of governments, employers and unions; the experiences of the last decade or so and the barriers to an expansion of democracy in the workplace. Chapter 6 examines these factors to determine the likely future of the democratisation of work and the strategy options available to encourage and facilitate an expansion of participatory practices.

2. DEFINITIONS, FORMS AND LEVELS OF IMPLEMENTATION

2.1 Introduction

In many discussions about industrial democracy and employee participation there inevitably arises confusion regarding the particular meanings attributed to these terms by various individuals and organisations. Other terms such as "job satisfaction", "job enrichment", "job restructuring", "job integration", "worker control" etc., all serve to further cloud the issues. Some terms have become associated with particular interest groups and sometimes such terms have taken on emotive values depending on the outlook of the particular group. We will examine whether the terms "industrial democracy" and "employee participation" are interchangeable or refer to different aspects of the same concept and whether there is any consensus in the literature about the meanings of these terms.

In spite of the apparent confusion relating to the use of terminology, the common thread is that of employees having a greater say in decisions which affect them at work. It can be argued that wide consensus about the definitional aspects of the matter is not as important as an understanding of the concepts involved. Indeed, it is claimed that the difficulties which are being experienced by enterprises in the development of policies, strategies and programmes for increasing the involvement of employees in decision making, are due less to these definitional problems

than to a conceptual confusion over two quite different types of participation and inadequate distinctions between the scope and purposes of various types of participatory programmes.¹

It is important that we should not be distracted from the primary issues by long debates about terminology but some clarification at this point will facilitate further discussion.

Along with these definitional considerations it is helpful to examine the primary forms of participation and whether there is any relationship between the form of participation practiced and the level within the enterprise at which this occurs. Consideration of these aspects - definitions and meanings, forms and levels of implementation - produces a useful foundation on which to build the remaining chapters of this paper.

2.2 Definitional Considerations

The Commonwealth Government of Australia seems to be taking the lead in efforts to encourage an expansion of democratic practices in the workplace. Recently, this Government issued a Policy Discussion Paper which is intended to inform and focus public discussion on the range of issues

¹ Alastair Crombie, "Industrial Democracy - Job Satisfaction or Social Transformation" in Robert L. Pritchard (ed). **Industrial Democracy in Australia** (Sydney: CCH Australia, 1976) p.51

involved and the actions that the Government may take in this matter.² It is an options paper and includes the results of a series of research projects³ and six discussion papers which were commissioned to provide information to assist with the development of the Policy Discussion Paper. As the paper probably represents the latest thinking on industrial democracy and employee participation in this country it is a useful starting point for the discussion on definitions and meanings of the terminology and whether the terms "industrial democracy" and "employee participation" are interchangeable.

It is obvious that the submissions to the Government's Policy Discussion Paper have identified supporters and opponents, and perceived advantages and disadvantages for both of the terms "industrial democracy" and "employee participation". A number of other terms, such as the "democratisation of work" have been discarded because of lack of general support and being seen as rather too academic.

Industrial democracy as a term does seem to suffer from some perceived disadvantages. It is sometimes associated with political democracy and carries the connotation of elections to formal representative bodies to the possible exclusion of more direct forms of participation.⁴

² Department of Employment and Industrial Relations, **Industrial Democracy and Employee Participation: A Policy Discussion Paper** (Canberra: AGPS, 1986).

³ Department of Employment and Industrial Relations, **Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia** (Canberra: AGPS, 1986).

⁴ Department of Employment and Industrial Relations, **Industrial Democracy and Employee Participation**, p. 23.

But it has already been mentioned in Chapter 1 Introduction⁵, that there is a case to be made for the extension of democracy from the political to the industrial arena and this can be achieved by allowing workers to have a greater say in decision making of work. There is thus somewhat of a dichotomy arising from these two views.

It is claimed that employers resist the use of the term "industrial democracy" largely because of its "inherently political and ideological overtones and fear that those who advocate it are essentially seeking radical social change involving an abrogation of property and ownership rights"⁶. This attitude would seem to be a barrier to employer co-operation in this area. The term "employee participation" appears to be favoured by most employers and their associations and it is often used in a way which results in less emphasis on the rights of workers and means involvement rather than the power to influence decision making. Some employers see participation involving employees to the exclusion of unions. Most unions, however, regard themselves as the single channel of representation for their members and the introduction of participatory schemes without union involvement have, in the past, frequently encountered difficulties.

The Government's Discussion Paper finally comes out in favour of using both "industrial democracy" and "employee participation" as terms to refer to different aspects of the same concept and explains this view in the following manner:

⁵ Refer to Chapter 1 Introduction, p.2.

⁶ Bryan Noakes, "An Employer Perspective of Industrial Democracy" in H. Ermacora (ed). **Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August 1984** (Canberra: AGPS, 1985) p.20.

- Industrial democracy best describes the goal to strive for in the same way that we are striving to achieve a more democratic society and encompasses participation in decision making at the national, industry and enterprise levels. It means genuine participation and not simply being informed after a decision has been taken.⁷

- Employee participation describes the processes and practices for achieving a greater degree of employee influence in individual enterprises and workplaces. It is an essential part of the process of achieving industrial democracy when it enables employees to have a real influence on decision making which relates to matters affecting their working lives.⁸

The main difference between the terms as described above lies in the level at which implementation takes place. The Government prefers the term "employee participation" because it focuses on the organisation and workplace and encompasses a wide range of practices and approaches. It seems then that the Government's position is that emphasis should be placed on participation at the enterprise and workplace, at least at this stage of its efforts to encourage an expansion of democratic work practices. In this context, unions are seen as one of the key elements in the processes which allow employees to have a real influence on decision making and that such processes are not imposed by any one party but are the outcomes of joint action.

7 Department of Employment and Industrial Relations, **Industrial Democracy and Employee Participation**, pp.23-34.

8 **Ibid.**, pp21-24.

Central to the notion of democratic work practices is the redistribution of power and responsibility in enterprises leading to an increase in the decision-making power of non-managerial employees.⁹ Similar to the Government's Policy Discussion Paper, the report on this research project makes a distinction between the control or government of the enterprise and its internal management. The two areas do interact and there is no clearly defined boundary between them. The government of the organisation is concerned with goal setting and strategic planning and these functions are usually the responsibility of the chief executive and board of directors. The internal management of the enterprise is concerned with the operational aspects, i.e. the means by which the goals and priorities which have been set by the board will be achieved.¹⁰

The Research Project Report goes on to make the useful and realistic distinction between worker participation in internal management matters and participation in the democratic control of the enterprise as a whole including the setting of organisational objectives. The authors of the Report believe that only the latter should be called industrial democracy and distinguish it from employee participation in the operational aspects of management. Something less than industrial democracy exists if employees do not have any control over the direction and goals of the organisation. The involvement of employees in internal management decisions does constitute participation to varying degrees, but such participation,

9. Reg Cole, Alastair Crombie, Alan Davies and Ed Davis, **Future Directions in the Democratisation of Work in Australia: Employee Participation Research Report No. 5** (Canberra: AGPS, 1985) p.65

10. Ibid.

of itself, does not amount to industrial democracy¹¹. Some types of participation are conceived as leading to industrial democracy and there are others which do not.

An example of an appreciation between the terms "employee participation" and "industrial democracy" is to be found in the initiatives taken in South Australia in the early to mid 1970s. When the thrust of the Government's policy was joint consultation and job enrichment schemes the term "worker participation" was used. Subsequently, the Government adopted the policy of a representative model of participation and in particular, placed an emphasis on representation extending to the policy or board level of companies. Along with this shift in policy, the term "industrial democracy" replaced "worker participation" as the appropriate term to describe the Government's aims.¹²

Further support for the distinction between "participation" and "democracy" in the industrial context is provided by Carole Pateman who asserts that the terms cannot be used interchangeably and are not synonyms.¹³ The concept of industrial democracy must include the opportunity for full participation at board level. On the other hand, partial participation (explained later in this chapter) does not require the democratisation of enterprise authority structures, for it is possible

11 **Ibid.**

12 Geoff Anderson, "The South Australian Initiative" in Robert L. Pritchard (ed). **Industrial Democracy in Australia** (Sydney: CCH Australia 1976) p.172.

13 Carole Pateman, **Participation and Democratic Theory** (London: Cambridge University Press, 1970) p.73.

for workers, or their representatives, to influence higher level decisions while the overriding power remains in the hands of management.¹⁴

There are, however, other views which do not make a distinction between participation and industrial democracy. One explanation of the concept of industrial democracy includes the complete range of workers' power - from an elementary form (receiving information from management) to the opposite end of the spectrum, complete worker determination. As we move from one end of the spectrum to the other, the participation and power of workers increase at the expense of the prerogatives of management until complete co-determination is reached.¹⁵

In much of the literature the term "participation" is used very loosely, as is the concept of "democracy". Frequently, the words are used interchangeably and often "democracy" refers not to a particular type of authority structure but to the general climate which exists in an enterprise; a climate which is often developed through the leadership style of the supervisor or manager.¹⁶

This section on the definitional debate will be finalised by an examination of a table which lists a number of definitions of employee participation developed by Australian researchers and as included in the policy statements of prominent groups in Australia.

¹⁴ *Ibid.*, pp72-73.

¹⁵ Paul Blumberg, **Industrial Democracy: The Sociology of Participation** (London: Constable, 1968) pp70-71.

¹⁶ Pateman, **Participation and Democratic Theory**, p71.

The various definitions in Table 2.1 have been analysed and classified according to:

- WHO is to participate;
- WHICH decision-making areas employees should participate in;
- HOW they should participate in these decision-making areas; and
- The MECHANISM or system of participation through which employees should operate.¹⁷

Table 2.1 shows that there is a strong measure of agreement as to WHO should be able to participate but thereafter differences begin to appear in the other aspects listed. The table identifies two different types of DECISIONS which may be viewed as being at the opposite ends of the decision-making range; one is worker task-related and the other relates to managerial decisions which are concerned with the overall operation of the enterprise. Management generally prefers to avoid situations which lead to significant employee influence over matters which affect the organisation as a whole.¹⁸

¹⁷ Elizabeth Gillies, **Employee Participation and Decision Making Structures: Employee Participation Research Report No. 3** (Canberra: AGPS, 1983) pp1-2.

¹⁸ Margaret Gardner, Craig Littler, Michael Quinlan and Gill Palmer, **Management and Industrial Democracy: Structure and Strategies** (Canberra: AGPS, 1986) p.6.

Table 2.1 - Definitions of employee participation

<u>Researchers and policy-making groups</u>								
	Walker	Prideaux	Dufty	Clegg - Task	Clegg - Power	ACTU	CAI	NEPSC
WHO	employees (below top hierarchical levels in organisations)	workers (either as individuals, unions or other organisations)	workers	workers	workers	workers	employees	employees
WHICH DECISIONS	managerial functions	managerial decisions	general decision making processes	work related decisions	managerial	general decision making	immediate work related decisions	work related decisions
HOW	take part in	share in reaching decisions	exercise influence	greater degree of control	increased bargaining power	increased say and influence	consultation and participation in decision making process	opportunity to influence
MECHANISMS	need for integrated approach at work face & higher levels	different systems at different decision-making levels	auto. works groups and relaxed supervisory levels	job redesign, works committee, JCC	representative systems	self managing groups and rep system at all levels	job enlargement/enrichment, commun. and consult. work face only	no one system or form-evolutionary approach advocated

Source : Elizabeth Gillies, **Employee Participation and Decision-Making Structures** (Canberra:AGPS, 1983) p.2.

The HOW of participation seems to be treated rather vaguely in many of the definitions. Only Clegg talks in the more positive and meaningful terms of "greater degree of control" and "increased bargaining power".

The MECHANISM aspect covers a wide range of options from job redesign, enlargement, enrichment and communication and consultation at the workplace, to self-managing work groups. Where other types are advocated to increase the opportunities for greater employee involvement, some element of representativeness is frequently suggested, although it seems to be recognised that no one system should be imposed and that a multi-faceted approach could be most effective.¹⁹ This appears to be predicated on the assumption that the most appropriate form(s) of participation for an enterprise will depend on some contingency factors relating to the particular organisation e.g. industry type, the organisation's technology and environment or decision-making structures.²⁰

It is evident from the table that there are differences of perspective which the various researchers and groups have of employee participation but there still exists the common thread of employees having a greater part to play in decisions on matters which affect them at work.

2.3 Forms of Participation

Generally, the literature recognises two primary modes of participation leading to industrial democracy. The first is that of direct participation where, through changed working arrangements, employees can

¹⁹. Gillies, **Employee Participation and Decision-Making Structures**, p.1.

²⁰. **Ibid.**

have a greater influence over decisions affecting their work life. The second form is that of indirect participation where, through their representatives to a council or committee, employees can exert an indirect influence on the performance of managerial functions, viz. decision making. As well as these commonly accepted forms, the categories of collective bargaining, shop floor participation and representative intergrative participation, e.g. co-determination, have been suggested.²¹

Direct participation can be envisaged within a relatively small work group but unwieldy, if not impossible, at higher levels of a large organisation. In these latter circumstances direct involvement usually gives way to some form of representative system. This suggests that the size of the organisation and the level at which involvement takes place determines the degree to which direct participation can be practiced.

2.3.1 Direct Participation

Strategies to introduce direct participation can be aimed at increasing the participation of individual workers or groups of workers and tend to be task-centred. In relation to individual participation, terms and concepts such as job rotation, job redesign, job enrichment and job enlargement are used. These concepts, while perhaps providing some small degree of participation, do not, of themselves, have the effect of increasing employee influence and power. They have some value, however, as strategies for improving the quality of work life and as a part of the

²¹ Kenneth F. Walker, "Towards the Participatory Enterprise: A European Trend" in Russel D. Lansbury (ed). **Democracy in the Work Place** (Melbourne: Longman Cheshire, 1980) pp.217-218.

process of moving towards a system of industrial democracy.²² If we accept that only those strategies which involve changes to the structure of influence and power should properly be considered as contributing to a state of industrial democracy, then direct participation in decision making is exemplified by the operation of semi-autonomous and fully autonomous work groups.²³

The development of systems of group working acknowledges something about the individual that was overlooked for some time. In general, most individuals have a background of group activities both inside and outside their family environment. This social interaction can often be disrupted by technical systems of work which can bring about worker alienation. This manifests itself in workers withdrawing their efforts from the workplace by means of poor timekeeping, absenteeism and labour turnover as well as the more active forms of dissatisfaction such as increased industrial disputes, deliberate waste and conflict between personnel. The realisation of the importance of the relationship between the social and technical systems gave rise to the development of what has become known as semi-autonomous work groups.²⁴

Semi- or fully autonomous work groups, as the name implies, involves the structuring of work around groups rather than individuals. The

²² Philip Bentley, **Industrial Democracy Developments in Western Industrialised Societies During the Next Two Decades** (Adelaide: Unit for Industrial Democracy, 1979) p.6.

²³ *Ibid.*, p.5.

²⁴ Russel D. Lansbury and Geoffrey J. Prideaux, **Improving the Quality of Work Life** (Melbourne: Longman Cheshire, 1978) p.36.

degree of participation depends upon the level of autonomy given to the group and may range from relatively significant decisions such as production targets and quality standards to more routine matters such as starting and finishing times for group members. In general, and within the established boundary rules, groups collectively organise and control their work, are relatively free from external supervision and are responsible for a complete area of work.

Overseas studies ^{25,26} indicate that workers want to be given the opportunity to develop and use special abilities, to be given freedom to decide how work is to be carried out and to be strongly involved in decisions affecting their day to day work. A similar Australian study²⁷ found that some 46% of the 2 000 respondents were concerned at their lack of freedom to organise and carry out their work as they thought they should. Semi-or fully autonomous work groups, with their emphasis on what is sometimes referred to as shopfloor democratisation, can meet these important psychological needs more fully than the traditional situation in

25. M. Burnstein, N. Tienhaara, P. Hewson and B. Warrander, **Canadian Work Values - Findings of a Work Ethic Survey and a Job Satisfaction Survey** (Ottawa: Information Canada, 1975), p.29.

26. George Hespe, **Employee Involvement in Organisational Decision-making**, unpublished paper (Sheffield: University of Sheffield, 1974), p.4.

27. Fred Emery and Chris Phillips, **Living at Work** (Canberra: AGPS, 1973)

Note: References 25, 26 and 27 are cited in Dexter Dunphy "Industrial Democracy - The Implications for Management" in Robert L. Pritchard (ed). **Industrial Democracy in Australia** (Sydney: CCH Australia, 1976), p.86

which individual, repetitive and specialised tasks generally are performed under close supervision.²⁸

Semi-autonomous work groups, properly operated, are accepted by Pateman as meeting the requirements of "full participation" at the lower level of management. She cites as examples the findings of detailed studies carried out into group working in the Durham coalfields and the gang system of work organisation in the Standard car plant at Coventry. In both cases high productivity, job satisfaction and good relations resulted. In the case of the car plant, high quality products were produced at acceptable prices. These examples show that it is possible, at least at the shopfloor level, for the authority structure in industry to be considerably modified, for workers to exercise almost complete control over their work and to participate in a wide range of decision making, without loss of production.²⁹

The importance of this shopfloor participation for industrial democracy can be quite significant. It will depend largely on the extent to which it is spread through the enterprise, and the scope and degree of participation involved.³⁰

²⁸ Dexter Dunphy, "Industrial Democracy - The Implications for Management in Robert L. Pritchard (ed) **Industrial Democracy in Australia** (Sydney: CCH Australia, 1976) p.86.

²⁹ Pateman, **Participation and Democratic Theory**, pp60-62.

³⁰ Kenneth Walker, "Concepts of Industrial Democracy in International Perspective: in Robert L. Pritchard (ed) **Industrial Democracy in Australia** (Sydney: CCH Australia, 1976), p.41.

2.3.2 Indirect Participation

Indirect forms of participation involve employees, through their representatives on councils, committees or boards, in the more strategic decisions which are made higher up in the organisation than the level of the work place.³¹ This representative type of participation or representative democracy as it is called by some writers, is characterised as being power-centred and, in essence, aims at increasing the influence of workers within the enterprise and making managerial decision makers more accountable either to the unions or to the workers.³²

Representative participation in a variety of forms has been developed in a number of countries, frequently as a result of legislation. It has been noted that Western European countries tend to favour this form of participation and the trend is continuing.³³ Systems vary in their purpose, composition and range of issues to which power can be applied. Examples of representative systems cover a range from joint consultative committees at the work section or department level to worker directors, co-determination and worker control at the board or corporate level. Some systems comprise employees and employers and others, employees only.

Some examples of the common representative participative systems are:

- Joint Consultative Committees and Works Councils.

These can exist at any point in the organisational structure and

³¹ Confederation of Australian Industry, **Employee Participation: A Guide to Realising Employee Potential and Commitment** (Melbourne: CAI, 1987) p.25.

³² Clarke et al, **Workers' Participation in Management in Britain**, p.7.

³³ Walker, "Towards the Participatory Enterprise : A European Trend" p.218.

usually consist of representatives of workers and management. Employee representatives are nominated by the unions and have access to a range of company information.

- Employee Councils.

These councils consist of employee representatives only and exist at the enterprise level. In many countries, by law, these councils have a broad range of rights to information, consultation and co-determination and must meet frequently with management in joint conferences.

- Worker Directors

In this form of representative participation workers are given increased control over the determination of major policy by becoming members of the board of directors. By involving worker directors in the government of the enterprise it is clear that the intention is to reshape the control structure of capitalist society by giving employees a share of the power previously exercised only by boards of management.³⁴

Several major problems have been identified in relation to the practical operation of representative participation. These are:

- The possibility of role conflict of workers' representatives on boards of directors;
- The maintenance of effective links between workers' representatives and their constituents;

³⁴ Dunphy, "Industrial Democracy - The Implications for Management", p.90.

- The establishment and maintenance of an effective communications network within the enterprise to ensure that information on the working of the representative system is passed on to the work force;
- Preventing the representative forums losing momentum and becoming ritualistic; and
- Extending participation throughout the work force and ensuring equitable representation for all sections.³⁵

In relation to the personal satisfaction of workers, it has been concluded that workers in Britain generally are poorly informed and have little interest in representative structures such as works councils.³⁶ In West Germany, a similar situation exists where the individual employee feels that the representative procedures hardly affect him. He is able to put forward complaints and suggestions but has little chance to play an active part in shaping relations at his own workplace.³⁷ Even those who play an active role in such systems will become frustrated and dissatisfied if the representative bodies are not functioning effectively.³⁸

³⁵ Walker, "Concepts of Industrial Democracy in International Perspective", pp.30-32.

³⁶ Pateman, **Participation and Democratic Theory**, pp.76-79.

³⁷ Friedrich Furstenberg, "Workers' Participation in Management in the Federal Republic of Germany", **International Institute for Labour Studies Bulletin**, 6/1969, p.147. Quoted in Walker, "Concepts of Industrial Democracy in International Perspective", p.35

³⁸ Walker, "Concepts of Industrial Democracy in International Perspective", p.36.

2.4 Integration of Participatory Forms

It is argued by David Jenkins that a completely satisfactory system of industrial democracy will most likely have to include democracy at the work place, i.e. direct participation (since that is where the worker is) as well as democracy at the board level of the company, i.e. indirect participation (for that is where the power lies).³⁹ Such an arrangement would indicate that management is genuine as employee participation is an essential part of the process of achieving true industrial democracy as previously defined. Inherent in this is the modification of the orthodox authority structure and this is often overlooked by writers on management.⁴⁰

It has been suggested that representative forms of participation can encounter problems if not accompanied by shopfloor participation.⁴¹ One advantage of participation by workers at the lower levels of an enterprise is that it will give them the experience and confidence to become involved in the workings of a representative system at the higher levels of the organisational structure. Another reason for having one form of participation complementing the other is that workers are best served by being able to become involved in direct participation of the workplace but, because this can be introduced at the lower levels of an enterprise without any change to the organisational structure of decision making, there will be need for a complementary system of indirect participation by

39 D. Jenkins, **Job Power**, (Baltimore: Penguin, 1974) pp65-67.

40 Pateman, **Participation and Democratic Theory**, p.68.

41 Russell D. Lansbury and Geoffrey J. Prideaux, "Democracy in the Work Place: Some Basic Issues" in Russell D. Lansbury (ed). **Democracy in the Work Place** (Melbourne: Longman Cheshire, 1980), p.8.

representation at board level.⁴² It seems then, that participation at these two levels is mutually supportive.

2.5 Degrees and Levels of Participation

The literature appears to offer a fairly widespread consensus of the general meaning of the term "employee participation" and definitions typically refer to the involvement of employees in decision making relating to matters which are usually reserved for the attention of managers.⁴³ Another explanation refers to participation as a range of processes and activities through which employees share in making decisions which extend beyond those which are implicit in the context of their jobs.⁴⁴ A somewhat more precise approach refers to participation in decision making as influence exerted through a process of interaction between employees and managers and based upon the sharing of relevant information between the two groups.⁴⁵

This definition emphasises three essential aspects of participation, viz., influence, interaction and information sharing.

⁴² Robert Pritchard, "Legal Perspectives on Industrial Democracy in Australia" in Robert L. Pritchard (ed) **Industrial Democracy in Australia** (Sydney: CCH Australia, 1976) p.132.

⁴³ M.P. Robson, **Worker Participation in the United Kingdom** (Bradford: MCB Publications, 1982), p.4.

⁴⁴ R.O. Clarke, D.J. Fatchett and B.C. Roberts, **Workers' Participation in Management in Britain** (London:Heinemann, 1972), p.6.

⁴⁵ T.D. Wall and J.A. Lischeron, **Worker Participation: A Critique of the Literature and Some Fresh Evidence** (London: McGraw-Hill, 1977) p.38. Cited in Robson, **Worker Participation in the United Kingdom**, p.4.

Influence is regarded as being of primary importance to the concept of participation and the degree of participation which occurs may be determined by the degree to which influence is exerted by either party. The highest level of participation then occurs where employees and management are able to exert equal influence and the lowest levels occur where either of the parties possess all or most of the influence. Influence is a necessary but not sufficient condition to achieve the full meaning of the concept.⁴⁶

Participation has been explained as a continuum of situations; or rather a continuum which ranges from a situation of "a little" participation to "a lot"^{47,48} Such a wide range of situations, however, obscures the issues involved and a much more rigorous analysis is required. Pateman identifies three main participatory situations which encompass and explain the concept. These are pseudo-participation, partial participation and full participation.⁴⁹ "Pseudo-participation" describes a situation where a decision has already been made by management and employees are allowed to discuss the matter in such a way that they feel that they have participated in the making of that decision. In fact, no real participation has taken place and essentially employees have been manipulated by management.

⁴⁶ *Ibid.*, p.5.

⁴⁷ Rensis Likert, **New Patterns of Management** (New York: McGraw-Hill, 1961).

⁴⁸ D. McGregor, **The Human Side of Enterprise** (New York: McGraw-Hill, 1960).

Note: References 47 and 48 are cited in Pateman, **Participation and Democratic Theory**, p.67.

⁴⁹ Pateman, **Participation and Democratic Theory**, pp67-69.

The second situation "partial participation", occurs when two parties are in a position to influence one another but the final power to make the decision rests with one party only. Employees are usually in the unequal position of subordinates with management the superior party and having the right to make the final decision resting with them. Finally, "full participation" entails a situation where each individual member of a decision-making body has equal power to determine the outcome of decisions.

It has been pointed out that participation at different levels of decision making within an organisation is not mutually exclusive. Indeed, decisions taken at one level frequently will have implications which will affect decisions taken at another level, especially in a downwards direction.⁵⁰ Although participation at upper and lower levels of an enterprise appears to be mutually supportive a distinction between levels can be identified which corresponds to the direct and indirect forms of participation. In fact, the level at which participation in decision making occurs is an important variable and may be used to distinguish between a range of participative systems. Further, the degree of participation which actually takes place can be related to the various levels.⁵¹

50 Wall and Lischeron, **Worker Participation: A Critique of the Literature and Some Fresh Evidence**. Quoted in Robson, *Worker Participation in the United Kingdom*, p.11.

51 Lansbury and Prideaux, "Democracy in the Work Place: Some Basic Issues", p.2

A two dimensional matrix Table 2.2⁵² has been developed which illustrates that examples of participation at various levels are determined largely by the degree of employee involvement permitted. The type or degree of participation dimension can be regarded as a continuum of increasing control by employees over the decision-making processes with each heading being a discrete phase in the participation process.⁵³ The extremes of this continuum are represented by the reporting phase in which employees are informed of management's decisions and the co-determination phase where employees or their representatives make joint decisions with management with both parties accepting equal responsibility and a commitment to effective implementation.

An interesting aspect of this matrix is the use of co-determination at the lower and middle levels of the enterprise. An example might be a decision reached by a supervisor and employees in a work group and to refer to this as co-determination technically might be acceptable. Much of the literature, however, regards co-determination in a much narrower perspective, that is, belonging to the corporate or enterprise level only. This usage probably stems from European practice.

There appears to be agreement in much of the literature that employees prefer to be involved in decision making at the work group or

⁵² N.R. Ponsford and P.J. Carpenter, "An Analytical Approach to Employee Involvement and Participation", **Personnel Review**, No. 7, Spring 1968, pp11-17.

⁵³ Lansbury and Prideaux, "Democracy in the Work Place: Some Basic Issues, p. 4

Table 2.2 - Type of participation according to the level at which it occurs within the enterprise

Type of participation

		A Co-determination	B Negotiation	C Consultation	D Reporting
Level within the enterprise	1 Corporate	Supervisory boards (parity representation)		Planning agreements (Industry Act)	Company policy statements
	2 Organizational	Joint management boards	Collective bargaining on strategic plans	Company councils	Annual financial reports
	3 Collective	Jointly operated job evaluation	Collective bargaining on terms and conditions	Pension fund consultation	
	4 Operational	Semi-autonomous work groups	Local productivity bargaining	Briefing groups (two-way)	Departmental output targets
	5 Individual			Suggestion schemes	Circulars in pay packets

Source: N. Ponsford and P. Carpenter, "An Analytical Approach to Employee Involvement and Participation", Personnel Review, 7, 2, Spring 1968, pp 11-17

immediate level.⁵⁴ Research in the United Kingdom, however, indicated that the desire for involvement was strong at all levels and the level of decision making at which employees perceived their influence to be greatest attracted the strongest desire for participation. But perhaps the most interesting finding was the desire of employees to exercise almost complete control at the lowest level over their jobs while still only conceding to management an equal share in the decision making at higher levels.⁵⁵

A major Australian study⁵⁶ found that there were marked differences between employees in their desire for participation. For example, a significant minority wanted no change in influence (29%) or less influence (27%). Reasons for wanting less influence could be that these employees have different personality needs for influence and participation or differences in the importance of work as a source of life satisfaction. Some may have wanted a reduction in job challenge as they approach retirement. These differences need to be allowed for in job reform programmes.⁵⁷

⁵⁴ Gardner et al. **Management and Industrial Democracy: Structure and Strategies**, p.5.

⁵⁵ Wall and Lischeron, **Worker Participation: A Critique of the Literature and Some Fresh Evidence**. Cited in Gardner et al. **Management and Industrial Democracy: Structure and Strategies**, p.5.

⁵⁶ G.E. O'Brien, P. Dowling and B. Kabanoff, **Work, Health and Leisure**, Research Report 1, National Institute of Labour Studies, Flinders University, 1978. Quoted in G. O'Brien "The Evidence for Industrial Democracy" in R. Wood (ed) **Proceedings of the International Conference on Industrial Democracy**, Adelaide, 1978 (Sydney: CCH Australia, 1978) p.197.

⁵⁷ G. O'Brien, "The Evidence for Industrial Democracy", p.200.

2.6 Conclusions

The terms "employee participation" and "industrial democracy" can mean different things to different people. Many writers regard them as interchangeable and synonymous. It is useful, however, to make a distinction between participation in the internal management of the enterprise and participation in the democratic control of the enterprise as a whole including the setting of organisational objectives. In the view of a number of researchers only the latter should be called industrial democracy and must include "full participation" at company board level with accompanying modifications to the authority structure of the organisation. Not all forms of participation can be conceived as leading to industrial democracy. But the common thread in the definitional debate is that of employees having a greater say in the things which affect them at work. To this extent there appears to be consensus.

The distinction between employee participation and industrial democracy is a useful and realistic aid to the discussion of the subject and will be adopted for the remainder of this paper except where quoted references use the terms differently.

The classification of participation into the direct and indirect forms adopted by much of the literature is convenient for analysing the processes involved. There is evidence to show that there is support from workers for the opportunity to participate directly in decisions which affect their day-to-day work and that the restructuring of jobs around semi-autonomous work groups meets many of the psychological needs of workers. Indirect or representative participation on the other hand, seems to be too remote to engender a feeling of involvement amongst workers. One study has indicated that the level at which workers desire to participate is that at which they perceive their influence to be greatest.

The complementing of one form of participation with the other overcomes the deficiencies of each individual form and is more likely to lead to true industrial democracy. As both forms interact with one another they become mutually supportive and offer a complete system of participation.

A number of common features emerge from participatory schemes. There appears to be a relationship between the form of participation practiced and the level at which this occurs. That is, there is a link between direct participation and the immediate or lower level of decision making and between indirect participation and the distant or higher levels of decision making. It is considered that this association is dependent upon the existing organisational structure. In other words, "participation is conceived largely as an adjunct to existing decision-making structures in organisations, or as a change that can be incorporated with minimal disruption to these existing structures."⁵⁸

⁵⁸ Gardner et al. **Management and Industrial Democracy: Structure and Strategies**, p.5.

3. MODELS OF PARTICIPATION IN OVERSEAS COUNTRIES

3.1 Introduction

The concept of industrial democracy is an important concern to many countries around the world. A number of these countries particularly in Western Europe, have been involved in the development of initiatives in this field over a considerable period of time. The 1960's was a period of economic prosperity and low unemployment and these countries revived interest in the quality of work life and the extension of workers' rights. Additional legislation extended and strengthened the role and rights of worker representatives. Another factor which influenced development into the early 1970's was the need for work reform because of problems with high labour turnover and absenteeism, poor quality of products and recruiting difficulties.¹

The mid to late 1970's was noteworthy for two areas of activity. Firstly, there was legislation for the establishment of participative arrangements and structures in the area of occupational health and safety, particularly in Scandinavian countries. Secondly, a number of government bodies and programmes were established to support research and development of industrial democracy matters. For example, the West German Humanisation of Work programme was set up in 1974 to encourage the practical application of participative practices and the Swedish Centre

1. Department of Employment and Industrial Relations, **Industrial Democracy and Employee Participation : A Policy Discussion Paper** (Canberra: AGPS, 1986) p.85.

for Work Life was established in 1976 to support union and worker-oriented research and initiatives.²

A downturn in economic conditions accompanied by rising unemployment as the 1970's drew to a close resulted in reduced interest in quality of work life and industrial democracy issues. The progress achieved in the 1970's in Western Europe and Scandinavia was affected far less by the adverse environment than was the case in Australia, United Kingdom and the U.S.A. The reasons for this include:

- Developments were based on long-established practices and requirements for consultation;
- Legislation ensured the survival of basic processes and practices;
- Investment in worker education and training was maintained;
- Governments continued to fund research and development activities;
- Unions were involved with the initiatives that were taken; and
- worker experience resulting from their involvement with occupational health and safety issues was translated into other decision-making areas.³

Renewed interest in the quality of work life and industrial democracy issues has taken place in the 1980's across the world. This activity has been influenced more by economic necessity than solely as a matter of increasing the quality of work life as countries have tried to

² Ibid.

³ Ibid., p.86.

match and compete with Japanese industry. But the large scale legislative reforms of earlier years seem to have come to an end with the exception of perhaps Sweden. The experiences of the 1960's and 1970's are being used to develop new approaches in the 1980's, particularly in the areas of direct participation, job redesign, training, the establishment of new managerial structures and more open, flexible organisations.⁴

The foregoing may tend to give an impression of a degree of uniformity of approach across various countries. In reality, however, forms and models of participation vary significantly from country to country. These contrasting models reflect the diverse social, political, legal and economic environments in which they operate.⁵ It is these varying environmental factors which can strongly influence the likelihood of successfully translating a model of participation from one country to another.

Large scale migration from the United Kingdom and Europe after the Second World War has given Australia one of the most multi-cultural and multi-racial workforces of any advanced country in the world. Coupled with this is the tendency for Australian trade unions and indeed employer bodies to model themselves on their United Kingdom counterparts. These factors have created a climate in which there is a predisposition to look towards

⁴ Thoralf Quale, "Current Overseas Trends and Developments" in H. Ermacora (ed.). *Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August, 1984* (Canberra: AGPS, 1985) pp. 37-38.

⁵ D. Plowman, S. Deery and C. Fisher, *Australian Industrial Relations* (Sydney: McGraw-Hill, 1980) p.367.

European developments on which to base strategies for Australia.⁶ To the extent that overseas experience is borrowed for use in the Australian context it is more likely to originate from the United Kingdom and Europe than from North America or Japan.

Against this background an examination of models of participation in use in some European countries provides a useful insight into the areas of development, implementation and effectiveness of these schemes. Three European schemes, viz., joint consultation, co-determination and worker management, have been selected for analysis because they represent quite a broad spectrum of participatory processes.

3.2 Models of Participation

3.2.1 Joint Consultation - United Kingdom

Joint consultation occurs where employee representatives are consulted about decisions but have little real influence on the decision-making processes. Indirect participation involving a small number of representatives dealing with matters of relatively minor significance appears to be characteristic of this form of participation.⁷ Typically, this concept places little or no responsibility or accountability on employees for the consequences of the decisions taken. Pateman categories

⁶ P. Bentley, "Relevance of European Experiences to Australian Developments" in R. Wood (ed.), *Proceedings of the International Conference on Industrial Democracy, Adelaide, 1978* (Sydney: CCH Australia, 1978) p.23.

⁷ Russell D. Lansbury and Geoffrey J. Prideaux, "Democracy in the Work Place: Some Basic Issues" in Russell D. Lansbury (ed.), *Democracy in the Work Place* (Melbourne: Longman Cheshire, 1980), p.24

joint consultation as "partial participation".⁸ The level at which consultation takes place may vary, for example, from participation in suggestion schemes, at the individual level, to the organisational level of an enterprise, where participation may be in the form of representation on a company council.⁹

The British system of joint consultation represents the most widespread model of participation by workers. Employees elect their representatives to a works council whereas the management representatives to the council are appointed. In the past, this model has been a very widely used method of employee participation in Western European countries.¹⁰ Figure 3.1 shows the system of joint consultation.

Traditionally, joint consultation has had as its basis the notion that management and workers have some values and interests in common and that both parties can benefit from the process of consultation.

⁸ Carole Pateman, *Participation and Democratic Theory* (London: Cambridge University Press, 1970) p.70.

⁹ N.R. Ponsford and P.J. Carpenter, "An Analytical Approach to Employee Involvement and Participation". *Personnel Review*, Vol. 7, No.2, Spring 1968, pp.11-17.

¹⁰ Charles D. King and Mark van de Vall, *Models of Industrial Democracy* (The Hague: Mouton, 1978), p.23.

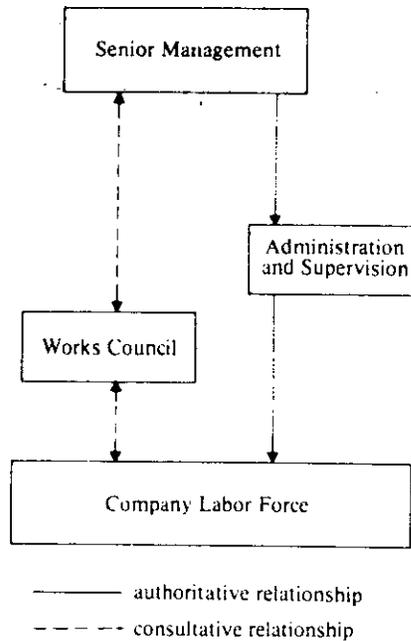


Figure 3.1 The System of Joint Consultation¹¹

Fig. 3.1¹¹

This notion infers then, that whereas negotiation is appropriate for the settlement of those matters in which the interests of management and workers are in conflict, consultation should be practised in those areas where the interests of the parties are perceived to coincide. There should be a separation then, between the province of joint consultative committees and that of collective bargaining machinery. This distinction can be attributed to a belief that issues of mutual concern to management and workers come within the jurisdiction of management.¹²

The process of joint consultation in Britain was expected to bring a number of benefits to those enterprises which utilised the process. Firstly, it was believed that joint consultation would provide workers with the opportunity to participate in matters affecting their jobs, to make suggestions, or at the very least to receive information from management.

¹¹ Ibid., p.29

¹² M.P. Robson, *Worker Participation in the United Kingdom* (Bradford: MCB Publications, 1982), p.63.

These aspects were expected to improve worker satisfaction. Secondly, the process was expected to make better use of workers' knowledge and skills by providing an avenue for suggestions from the shop floor, thereby improving job satisfaction and efficiency. Lastly, joint consultation was expected to lead to a better understanding between workers and management which would result in better labour relations.¹³

The results of joint consultation in the United Kingdom generally have fallen short of expectations in the areas of worker behaviour, productivity and industrial relations. Although joint consultative committees were fairly wide spread they have suffered a significant decline in numbers and possibly importance since the early 1950's.¹⁴ This decline is not unrelated to an increase in the influence of shop stewards and the growth of workplace bargaining. This situation was brought about, in part at least, by a lack of support by the trade union movement for joint consultation because the process ensured management's right to make the final decision.¹⁵ As a result, many shop stewards found consultative machinery a poor substitute for collective bargaining and could not see the need for separate institutional arrangements for dealing with areas of common and conflicting interest. The outcome has been the replacement of joint consultation by plant bargaining or the merging of the two mechanisms in many organisations as this appears to offer greater opportunity for participation in decision making and the attainment of more substantial gains for employees.¹⁶

13 Ibid., pp.63-64.

14 Ibid., p.69

15 Plowman et al., *Australian Industrial Relations*, pp. 376-377.

16 Robson, *Worker Participation in the United Kingdom*, pp. 67-70.

Despite its history of decline and poor performance management has continued to support the concept of consultation both as a two-way communications channel and as an approach to problem-solving. But the future of schemes in their present form does not seem promising. Employees at the lower levels are not effectively involved and most schemes do not meet the trade unions' requirements for meaningful worker participation. The trade union movement is concerned with the distribution of power in organisations whereas management views the consultative model as a means of increasing worker commitment and productivity and thus profitability. Unions consider that the acceptance of the possibility of alternative solutions is central to the concept of effective joint consultation. Such acceptance must ultimately lead to bargaining. It is suggested that because of lack of trade union support the future of joint consultation in the United Kingdom may lie in its role as a precursor of collective bargaining.¹⁷

3.2.2 Co-determination - West Germany

Co-determination or joint management provides for the election of worker representatives to management boards which are responsible for the policies of the enterprise, e.g. economic, social and personnel policies. The best known example of co-determination is that which operates in West Germany where worker representatives have comprised half the membership of supervisory boards in the country's coal mining and iron and steel industries since 1951 under the Co-determination Act¹⁸. In 1952 the Works Constitution Act extended the concept in a more limited form to all other industries. These two statutes form the legal framework for co-determination in West Germany.

¹⁷ Ibid., p.70.

¹⁸ Plowman et al., *Australian Industrial Relations*, p.363.

The decision to democratise German industry was made by the Allied Military Government at the end of World War Two for the purpose of severely reducing the power of industrialists who had supported Nazism. German trade unions supported this restructuring of industry along democratic lines as it would restrict the uncontrolled use of corporate power for political purposes. To this end the development of works councils and board representation was encouraged by the occupying forces. Subsequent to the regaining of sovereignty in 1949, the German Government started work on legislation to enact the principles of co-determination. The resulting statutes have been mentioned above.¹⁹

The co-determination model, shown in Figure 3.2 is characterised by three principal bodies.

The first of these bodies is the Supervisory Board which normally consists of five workers' representatives, five stockholders' representatives and one neutral member. The Board may have fifteen or twenty members but the same ratio is maintained. The neutral member has an important position on the Board for he acts as an arbitrator in the case of a stalemate but in practice he has more often adopted the role of mediator.²⁰

19 Ibid., p.371.

20 Ibid., p.82.

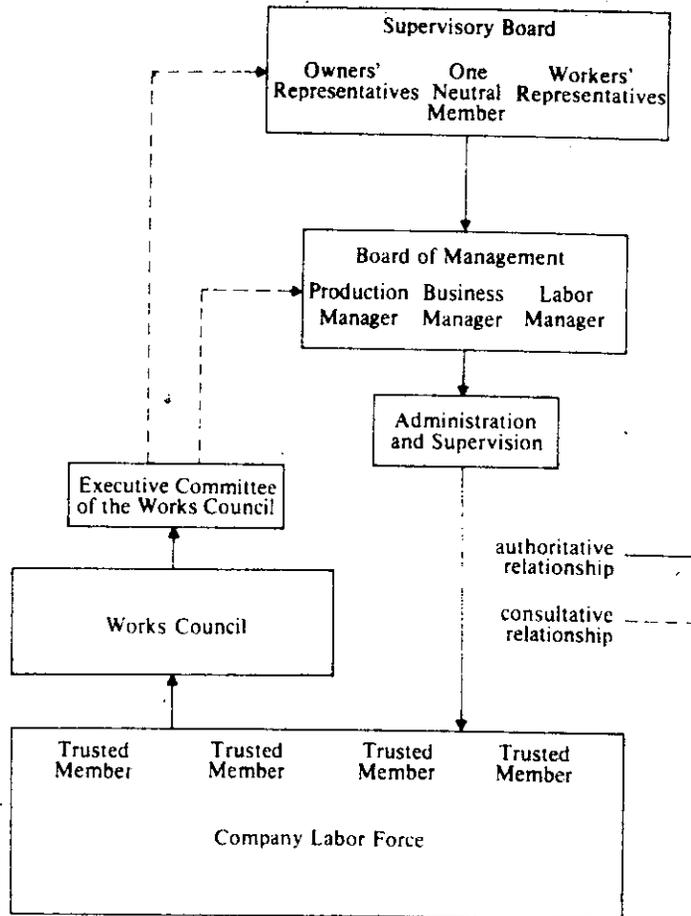


Figure 3.2 The system of Co-determination²¹

21

The legal function of the Supervisory Board is mainly the appointment and control of the Board of Management. Other responsibilities include the authorisation of large expenditures and the declaration of dividends. At its meetings the Board formally ratifies decisions already made by the Board of Management. As Supervisory Boards usually convene not more than once every three months, their activities are somewhat remote

21 King and van de Vall, *Models of Industrial Democracy*, p.81.

from day-to-day management operations.²² The role of the Supervisory Board is, as its name implies, essentially one of supervision. Serious disagreements are not common within the Supervisory Board because basic clashes of interest and resulting agreements are usually resolved at the level of the Board of Management, the second of the principal organs of the co-determination model.

The three or four-man Board of Management is appointed by the Supervisory Board and typically comprises a Production Manager, a Business Manager and a Labour Manager who is responsible for all labour and personnel matters and is a key figure in the system of co-determination. The selection of the Labour Manager is by the trade union in consultation with the workers and management and the person selected needs to possess high executive and leadership qualities.²³ The Labour Manager is legally bound to act not only as a worker representative but also as a member of management responsible for the successful operation of the enterprise.²⁴

Each member of the Board of Management has broad areas of responsibility as suggested by their titles but the law requires the Board to make decisions as a unit. In day-to-day operations, however, managers are given a relatively free hand within their areas of responsibility. In essence, the Board is accountable for all the operational decisions including responsibility for co-ordination, staffing, planning and control.

²² Friedrich Furstenberg, "West Germany: Developments in Co-determination" in Ed Davis and Russell Lansbury (eds.), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986), p.244.

²³ King and van de Vall, *Models of Industrial Democracy*, p.84.

²⁴ Plowman et al., *Australian Industrial Relations*, p.372.

Worker participation then, exists at the company management level by the inclusion of representatives of labour on the Supervisory Board and the Board of Management. The third organ of the co-determination model, the Works Council, is representative of the employees only and does not include any management personnel. The size of the workforce determines the size of the council and membership must be representative of the various categories of employees, e.g. blue collar and white collar groups. The Works Council has various rights to information, consultation and co-determination relating to a wide range of duties which includes some matters which would be left to unions in Australia. Some of these are handling grievances, administration of social welfare agencies, negotiating work rules such as starting and finishing times, rest pauses, overtime arrangements, holiday schedules and agreements on wages and working conditions.²⁵

The Works Council is required to exercise its rights in a spirit of goodwill towards the employer. The functions of the Works Council and trade unions are clearly defined and separated by legislation. The role of the Council is to represent the employees within the plant and to deal with matters at that level. The trade unions essentially are confined to collective bargaining which is generally conducted at the industry level.²⁶ The Works Council is involved in making co-decisions while the union carries out negotiations although there is a link between the policies of these two bodies.

The West German trade unions have a number of formal contacts with the organs of co-determination. They are involved in the selection

25 King and van de Vall, *Models of Industrial Democracy*, p.89.

26 Plowman et al., *Australian Industrial Relations*, p.374.

process of the workers' representatives on the Board of Management and the Supervisory Board. The unions are less involved in the selection of Works Council members but the union-supported list of candidates usually does well in the elections. Nevertheless, the unions do not regard their relations with the organs of workers' participation as ideal. The influence of unions with workers on the shop floor has been weak and the steel workers union has developed a system of trusted union members in the plant to provide an intermediary agent between the workers, councillors and union. This could be a move to increase their influence in the plants and control the system of co-determination.²⁷

The co-determination model is designed to give workers an actual voice in the decision-making processes of their enterprises and not merely a consultative role. The concept aims at creating a "condition of shared power in industry, focusing not just on the employer and employees, but attempting also to balance the interests of the workers in the plant with those of the unions and labour in general".²⁸ Workers are not able to dictate to management and the low rate of industrial stoppages in West Germany shows that the balance of power resulting from the model has changed the nature and scope of management-labour relations and thus the potential for conflict.²⁹

A supporting view³⁰ suggests that, while co-determination has not revolutionised anything, it has provided benefits to management and labour. Further, the system illustrates that employees and their

27 King and van de Vall, *Models of Industrial Democracy*, pp. 92-93.

28 *Ibid.*, p.96.

29 *Ibid.*, p.97.

30 David Jenkins, *Job Power* (Baltimore: Penguin, 1974), pp.130-131.

representatives can participate in decision-making processes at top management level in a competent and responsible manner. The report of the Biedenkopf Commission of 1970 (established to study the effectiveness of co-determination) praised the functioning of the co-determination system both in general industry and in the coal and steel industries.³¹

The concept, however, has its weaknesses and its critics. It has been claimed that the average worker feels that his representatives on the Works Council belong to management.³² Then there is the basic problem facing the Labour Manager on the Board of Management because of his dual allegiance and in order to be effective he has to reconcile his two conflicting roles. It seems that co-determination has not solved the problems of encouraging individual participation by employees. Most employees continue to exhibit a greater interest in material benefits than in administrative arrangements.³³ Generally, workers seem to be interested mainly in those issues within their immediate environment and lack the desire to play a part in shaping the social structure of the organisation.³⁴ Another problem is that the system of co-determination has created difficulties for the trade unions, not the least of which is

31 Ibid., p.123.

32 Friedrich Furstenberg, "Workers' Participation in Management in the Federal Republic of Germany" in International Institute for Labour Studies Bulletin No.6, June 1969, p.133. Cited in Report of the Committee on Worker Participation in Management (Private Sector) (Adelaide: South Australian Government Printer, 1973) p.84.

33 Report of the Committee on Worker Participation in Management (Private Sector), p.86.

34 Ibid.

the restricted role for the movement at the grass-roots level of the enterprise.³⁵

An unusual feature of the operation of co-determination is that it does not rely on just one body to achieve workers' participation. The workers representatives on these various bodies form a network of representation at all levels of decision making. This involves both of the processes of communication and of power. The system has been so designed that the workers' representatives at one level can act effectively only with the co-operation of representatives at other levels. Through this interaction within and between the two networks of communication and power, the concept is able to function as an effective system of workers' participation, albeit that it does have weaknesses.³⁶

3.2.3 Workers' Management - Yugoslavia

At the end of World War Two, the liberation forces of Marshall Tito controlled a large proportion of Yugoslavian industries and this, along with a virtual absence of political opposition, helped to shape the country's struggle for political and economic independence. The economic plan was governed by administrative centralism but political and economic events in 1948 brought dramatic reforms to this system in 1949-50. Government policy moved from administrative centralism to decentralisation which resulted in the commune, not the state, being the basic socio-political community and the introduction into industry of a system of Workers' Management.³⁷

³⁵ Plowman et al., *Australian Industrial Relations*, p.376.

³⁶ King and van de Vall, *Models of Industrial Democracy*, pp. 90-91.

³⁷ Najdan Pasic, "Self-Management as an Integral Political System" in M.J. Brockmeyer *Yugoslav Workers' Self-management* (Dordrecht, Holland:

The Yugoslav model of worker control, founded in 1950, is the most comprehensive example of the participation of workers in the world. The principal advantage claimed for such a system is that the worker has the ultimate say in the management of the enterprise. As the result of the recognition of the right of each worker to participate in the production process, personal and social needs are fulfilled and security of employment is enhanced due to the workers' right of veto.³⁸ One of the fundamental concerns addressed by the system has been to overcome the alienation of workers in a modern industrial society.³⁹

In the Yugoslav model of worker management, the operation of which depends on legislative support, the Workers' Council is the source of directive authority in the enterprise and the Director of the Company is the source of executive authority. "Economic Units", established in 1965 and consisting of from 20 to 100 workers in the plant also exercise a certain amount of delegated managerial authority. The system of workers' management is shown in Figure 3.3

Reidel, 1970) pp 1-29. Quoted in King and van de Vall, *Models of Industrial Democracy*, p.49.

³⁸ Report of the Committee on Worker Participation in Management (Private Sector), p.36.

³⁹ Robert F. Miller, "Worker Self-Management in Yugoslavia: A System Under Stress" in Ed Davis and Russell Lansbury (eds.), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986) p.279.

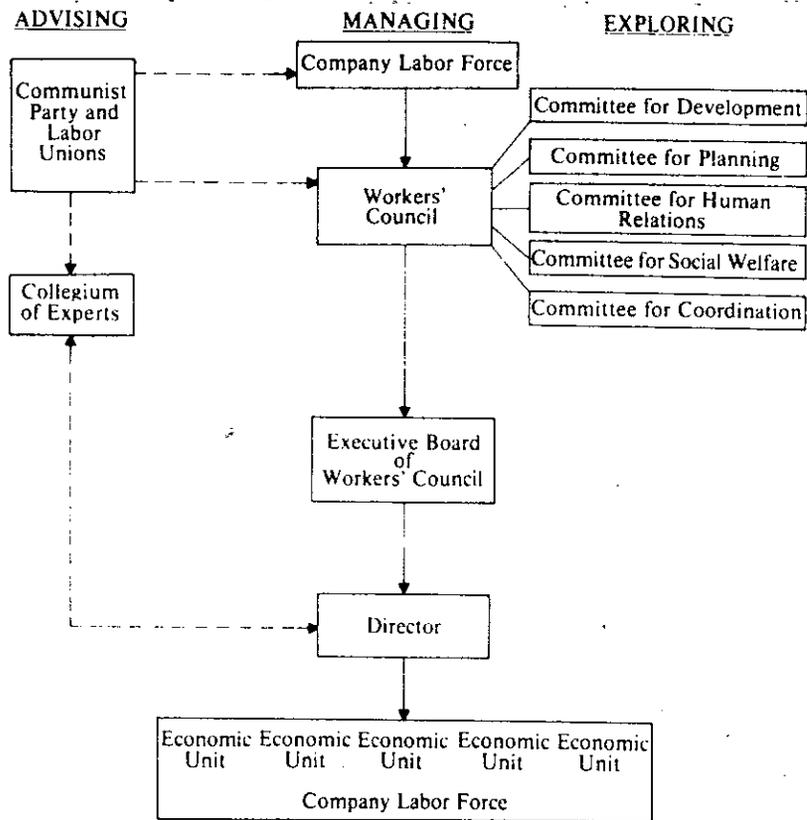


Figure 3.3 The System of Workers' Management

40

40

Under the law, the Workers' Council is the highest organ of company management and its members are the elected representatives of the workers. Election of delegates to the Council takes place in companies with thirty or more employees and the "social composition" of the workforce must be reflected in the membership, i.e. in the proportion of professional, technical, skilled and unskilled workers.⁴¹ Of the models of participation covered by this analysis, only in the Yugoslav system is there provision for orderly rotation of Council members with half being

⁴⁰ King and van de Vall, *Models of Industrial Democracy*, p.51.

⁴¹ Miller, "Worker Self-Management in Yugoslavia: A System Under Stress", p.284.

replaced annually.⁴² The responsibilities of the Workers' Council, which is the policy-making body, are defined by legislation and include decisions regarding investments and expansion, adoption of the annual budget and company work regulations. There has been some diminution in the amount of power and autonomy which the Council exercises over economic decisions, one cause of which has been the delegation of many powers to the so-called "Economic Units" which make up the company labour force.⁴³

An Executive Committee of the Workers' Council is elected by the latter from amongst its members and serves as a link between the Workers' Council and the Director. The Committee draws up proposals for discussion by the Council, follows up the implementation of Council decisions, makes final decisions on senior appointments and oversees the functioning of the Director and his staff. The Committee is no longer required by law, but where it does exist it has the potential to be used by a small band of worker "elites" to exert influence over the entire system. The provision that members usually hold office for only one year tends to prevent this occurring.⁴⁴

The Company Director is appointed by the Workers' Council on the basis of a public competition for the position. The Director is the chief executive officer in the company and is responsible for the day-to-day operation of the production process. In this he is usually assisted by a "college of experts" which advises management on technical and business matters. The Director participates in the deliberations of the Workers' Council but has no voting powers. He has, however, the power to suspend

42 King and van de Vall, *Models of Industrial Democracy*, p.51.

43 *Ibid.*, p.53.

44 *Ibid.*, p.55.

the implementation of decisions of the Council if he considers them illegal.⁴⁵ In reality, it is desirable that strained relations between the Council and the Director be avoided if possible.

At the lower end of the representational structure are the Economic Units which were introduced to ensure that the Workers' Council did not lose its function of representing the interests of workers. Their establishment in departments or other production units of sufficient scale, was also part of a concerted effort to shift many decision-making responsibilities downwards to ensure participation at job level.⁴⁶

Economic Units have the right to divide income amongst their members, to take part in production planning and to appoint and dismiss workers. Theoretically and ideologically the formation of Economic Units is justified on the grounds that it is an important step in the progression from "indirect" to "direct" self-management.⁴⁷ Where they are fully developed they function as relatively autonomous groups connected by a network of contracts and agreements to other units in the enterprise. But such decentralisation has come in for some criticism with the suggestion

45 Miller, "Worker Self-Management in Yugoslavia: A System Under Stress", p.285.

46 Report of the Committee on Worker Participation in Management (Private Sector), p.90.

47 Drago Gorupic "Tendencies in the Development of the Workers' Self-Management System in Yugoslavia", *Ekonomist*, Vol.20, No.1-2, 1969, pp.58-61.

that it is threatening the disintegration of the enterprise ⁴⁸ and that the units have not yet proven themselves as viable and useful components of the self-management system.⁴⁹

The role of the trade unions in a worker self-management system is not entirely clear. They are similar to their Soviet counterparts and have acted as an arm of the Communist party, sometimes coming out on the side of management when disputes arose.⁵⁰ The role of the trade unions impacts upon the system at various strategic points, such as nominations for managerial positions and Workers' Council delegates, involvement in agreements on wage rates and incomes policy and the protection of workers' rights against unjust decisions. But it is difficult to see how unions can play their traditional role given their close involvement with the political power structure.⁵¹

The legal and moral framework for workers' participation is firmly embedded in Yugoslav society. It is the cornerstone of the Communist Party programme, is incorporated into the laws of the country and people are constantly reminded of the concept and exhorted to make a greater

48 M.J. Brockmeyer (ed.), *Yugoslav Workers' Self-Management. Proceedings of a Symposium, Amsterdam, January, 1970* (Dordrecht, Holland: Reidel, 1970) p.163. Comments attributed to Professor M. Samardzija.

49 Gorupic, "Tendencies in the Development of the Workers' Self-Management System in Yugoslavia," pp.69-70.

Note: References 47, 48 and 49 are cited in King and van de Vall, *Models of Industrial Democracy*, pp. 57-59.

50 Miller, "Worker Self - Management in Yugoslavia: A System Under Stress", p.287.

51 *Ibid.*, p.288

effort.⁵² In spite of this, success has been uneven. In some instances there has been great difficulty in transferring real power to the workplace. There has been criticism that although the decision-making power theoretically rests with the workers it has, in practice, been exercised by higher management.⁵³ Workers seem to find it difficult to compete with management in the areas of broad policy, business and finance because of a low level of education and expertise. Where matters relating to wages and working conditions become an issue then the influence of the workers is much greater.⁵⁴

A survey conducted at a mining company in 1976 gave indications of a serious gap between the real and normative distribution of power in worker self-managed enterprises with managerial and technical staff being attributed with considerable power.⁵⁵ There could be a role for trade unions here to provide a countervailing force against attempts to usurp workers' decision-making power. The same survey suggests that the role and legitimacy of Workers' Councils have been accepted by the workers. In general, it appears that the workers perceive the self-management system as a desirable normative model of participative decision making and as a useful vehicle for protecting their interests, in spite of a number of weaknesses.⁵⁶

52 Paul Blumberg, *Industrial Democracy: The Sociology of Participation* (London: Constable, 1968) p.230.

53 Plowman et al. *Australian Industrial Relations*, p.370.

54 Jenkins, *Job Power*, p.105.

55 Miller, "Worker Self-Management in Yugoslavia: A System Under Stress", p.290.

56 *Ibid.*, p.291-293.

Certainly, the system of workers' management in Yugoslavia is designed to give workers more than a consultative voice or co-management rights in company decision making. It is claimed that workers are no longer subjected to the degrading employer-wage earner relationship. Instead they are participating directly in the management of their enterprise.⁵⁷ The concept of self-management has accommodated the workers' demands for social justice and this has resulted in a marked reduction of industrial disputes. While the overall results may not have been as great as some supporters have claimed, some real progress has been made towards true worker participation.⁵⁸

3.3 Conclusions

Each of the systems of participation studied has as a fundamental aim the reduction of differences in power between workers and management and they all represent some change in this balance of power. As mentioned previously, another common objective is organisational efficiency and both theory and empirical evidence indicate that optimizing organisational efficiency and power equalisation may give the best solution⁵⁹. In relation to the degree of power equalisation within the decision-making structures of industry, the British and Yugoslav systems represent the lowest and highest respectively.

⁵⁷ King and van de Vall, *Models of Industrial Democracy*, pp. 71-72.

⁵⁸ Miller, *Worker Self-Management in Yugoslavia: A System Under Stress*, p.293.

⁵⁹ Cornelis Lammers, "Two Conceptions of Democratisation in Organisations" in Eugen Pusic (ed.) *Participation and Self-Management* (Zagreb: University of Zagreb, 1972), p.70. Quoted in King and van de Vall, *Models of Industrial Democracy*, p.103.

The system of workers' self-management in Yugoslavia does not represent a complete transfer of control from management to workers. Nevertheless, the system is still a highly participative one which gives workers significant power over a number of important decision-making areas. In spite of the fall-off in support for the concept of joint consultation, it does lead to some degree of power equalisation. One of the major differences between joint consultation and workers' management lies in the degree of influence exercised by the participants and this is determined less by the type of participation than by the extent to which it has been integrated into the decision-making processes. Both co-determination and workers' management have been integrated into the processes to a very significant degree and both have a profound impact on decision making. By comparison, joint consultation tends to remain outside the decision-making structures of enterprises.⁶⁰

All three systems have problems of low participant motivation or psychological involvement with the system of joint consultation having the worst record in this respect. The desire to participate, however, is causally linked to the perceived and actual opportunities for participation⁶¹. Another contributing factor causing the problem of a low level of involvement is workers' lack of technical competence in many aspects of traditional management responsibilities. Other problems facing systems of participation are the difficulties of establishing and maintaining effective horizontal and vertical channels of communication, the development of a comprehensive system of representation and provision for allowing workers the time and facilities to participate effectively.

60 King and van de Vall, *Models of Industrial Democracy*, p.106.

61 *Ibid.*, p.112.

Having discussed what is considered to be a broad spectrum of participatory processes, we will proceed to examine Australian experiences in the next Chapter to see what processes have developed here, to comment upon the attitudes and approaches of the main parties and to determine whether there have been any shifts in emphasis or direction over the past decade and a half.

4. AN OVERVIEW OF AUSTRALIAN EXPERIENCES

4.1 Introduction

Contemporary Australian interest in the development and application of various schemes of employee participation conveniently can be considered as occurring in two distinct phases. The first phase occurred in the early 1970s when there was support for greater employee involvement in the decision-making processes which affected them and their work. This involvement was seen as a solution to the perceived lack of job satisfaction and growing worker alienation. After this initial upsurge of interest there was a decline in activity in the latter years of the 1970s. In the 1980s there is renewed concern for improved employee participation in decision making and this period constitutes the second phase.

This chapter will analyse the two phases mentioned above to determine the form, content and thrust of the activities undertaken and the current state of the development of participatory processes in this country. Throughout the discussion the attitudes of the principal protagonists will be examined against the background of particular periods of time and events. This chapter will provide a lead-in to the final chapter dealing with the future of employee participation in Australia.

4.2 Developments of the 1970s

The interest in participatory processes occurred not only in Australia but in a number of western democracies as well. The causes were much the same. Firstly, there was a desire by management to reduce costs and improve productivity and competitiveness through technological and structural change. At the same time, the workforce was trying to adjust to

these changing circumstances and also seeking to protect their standard of living from the effects of rapidly increasing inflation. Thus, management was faced with an increasingly restive workforce. Overseas experience, particularly in Sweden and West Germany, indicated that an increase in productivity, acceptance of change and improved industrial relations might be brought about by greater employee participation in decision making.

Secondly, there was in the community a growing concern with "quality of worklife" issues, and employee participation was such an issue.¹ One researcher on alienation and participation concluded:

"There is hardly a study in the entire literature which fails to demonstrate that satisfaction in work is enhanced or that other generally acknowledged beneficial consequences accrue from a genuine increase in workers' decision-making power. Such a consistency of findings, I submit, is rare in social research."²

Lastly, the interest in employee participation was part of a general commitment to participatory democracy which was being debated in the late 1960s and early 1970s. It was argued that the exclusion of so important a sphere as industry from an overall democratic system was hardly logical and it was considered that the democratic whole should include all important areas of society with industry probably the most important.³ So,

¹ Sue Elderton, "Job Reform and the Concept of Worker Participation" in Jennifer Aldred (ed.), *Industrial Confrontation* (Sydney: George Allen and Unwin, 1984), p.85.

² Paul Blumberg, *Industrial Democracy: the Sociology of Participation* (London: Constable, 1968) p.123.

³ Carole Pateman, *Participation and Democratic Theory* (London: Cambridge University Press, 1970) p.43.

increasingly attention was paid to the autocratic nature of the institutions of work and what were the traditional managerial prerogatives.

These pressures were sufficient to result in some positive action being taken so that by the late 1970s the major political parties, some large unions and the peak employer and union movement organisations had formulated policies on employee participation and industrial democracy. A number of government initiated reports⁴ were completed during the decade and all recommended that some form of employee participation be implemented in both private and public sectors.

The activities of the early 1970s gave promise of major developments but in reality little progress was made in the final analysis in spite of some experimentation in private companies, public service organisations and statutory authorities. Nevertheless, a number of significant events occurred which contributed to the store of experience and knowledge of employee participation which could eventually lead to a state of industrial democracy. In 1975 the Federal Labor Government facilitated experimentation with organisational forms and structures within the Commonwealth public service and made provision for the appointment of employee representatives to the boards of a number of statutory authorities. These organisational reforms, however, generally proved to be

⁴ For example, Report of the Committee on Worker Participation in Management (Private Sector), 1973, Sth. Aust.; Policies for Development of Manufacturing Industry: A Green Paper, 1975 (The Jackson Report); Report of the Royal Commission on Australian Government Administration, 1976 (The Coombs Report); Report of the Committee on Worker Participation in Management (Public Sector), 1973 (Sth. Aust.); Review of N.S.W. Government Administration, 1982 (The Wilenski Report)

not long lasting.⁵ A Liberal Government in 1978 established a tripartite National Employee Participation Steering Committee (NEPSC) the result of which was an agreed view at the national level about what employee participation was and how it should be introduced.⁶

State Governments, too, became involved. The New South Wales Government in 1975 established mechanisms to provide advice and guidance on schemes of job enrichment and employee participation in management. Then, in 1977, it supported the appointment of worker directors to its statutory authorities and encouraged the establishment of consultative committees in the public sector.

The initiative taken by the South Australian Government was the most notable taken in this period and it became a pace-setter. The driving force was Premier Don Dunstan who allotted a high personal priority to the introduction of industrial democracy and who commissioned the two reports previously mentioned which were the first serious investigations in worker participation undertaken by an Australian government. Because of this, the South Australian experience is worthy of a brief examination to identify the lessons learnt.

4.2.1 The South Australian Experience

The two reports were released in May, 1973, and their recommendations were accepted by the South Australian Government as policy. One of the key recommendations made by the Private Sector Committee was

⁵ Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation: A Policy Discussion Paper* (Canberra: AGPS, 1986) p.52.

⁶ *Ibid.*, p.53

that the Government actively encourage the introduction of worker participation on a voluntary basis in the form of joint consultative committees with the co-operation of employers and trade unions. The question of legislation should be considered only after the educational campaign had been allowed to develop.⁷ The Committee expressed the view that worker participation schemes involving co-determination and the appointment of worker directors should not be actively encouraged, at least initially, because they considered that many problems could arise from their introduction.⁸

In its report the Private Sector Committee made a curious case for recommending the use of joint consultative councils. On the one hand the Committee conceded that such councils did not provide an adequate means of participation, only dealt with the impact of managerial policy rather than with the wisdom of the policies and that management could reject any of the workers' suggestions and criticisms without explanation and without any power of sanction on the part of the workers. It further agreed that consultative councils had been abandoned because they were limited to an advisory and consultative role and did not become involved in important work areas.⁹

On the other hand, joint councils were recommended because they were the least complicated and simple to introduce and would not remove management's ultimate decision-making power nor would there be the

⁷ Report of the Committee on Worker Participation in Management (Private Sector) 1973, (Adelaide: South Australian Government Printer, 1973) p.43.

⁸ Ibid., p.42.

⁹ Ibid., p.30.

requirement for substantial alterations to the managerial decision-making structure.¹⁰ It is this last reason which has contributed substantially to the failure of so many joint consultative schemes.¹¹ The Report was criticised because it failed to analyse with any precision the implications of the procedures it was proposing and assumed a situation which had no basis in fact and ignored all evidence to the contrary.¹² It must be remembered, however, that there was little knowledge and experience available which related to Australian conditions and the Committee was a pioneer in the field.

The approach adopted to implement Government policy did not meet with the approval of the unions who were concerned the developments were merely manifestations of traditional management techniques to improve productivity without corresponding benefits accruing to the workforce.¹³ There was also a belief within the union movement that there had been inadequate consultation prior to the announcement of government policy and subsequent developments appeared to place little emphasis on any formal role for unions. Also, unions were concerned about the lack of effort directed towards representative systems of worker participation.¹⁴ Subsequently, the Government adopted a union-oriented ALP policy which provided for equal employee representation at board level, joint consultative and decision-making bodies at shopfloor and plant levels, the

10 Ibid, p.43.

11 Geoff Anderson, "The South Australian Initiative" in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Sydney: CCH Australia, 1976) p.159.

12 Ibid., p.161.

13 Elderton, "Job Reform and the Concept of Worker Participation", p.88.

14 Anderson, "The South Australian Initiative", p.167.

protection and extension of the rights of unions within the workplace with facilitation of participation by worker representatives. Prescriptive legislation was foreshadowed. The Government did not pursue the more radical proposals contained in the ALP policy and legislation finally lapsed.

A number of substantive problems experienced were similar to those identified in some overseas countries, viz., too much concern with concepts rather than with issues; some forms of participation, especially representative forms, did not become part of the normal management processes; and insufficient provision was made to cater for special groups in the workforce.¹⁵ Other problems identified related to the maintenance of traditional authority structures, particularly in the public sector, and this was reinforced by the lack of knowledge, information and confidence within the general workforce.

Clearly, the South Australian initiatives were experimental in many facets and it was decided to proceed with implementation rather than conduct further research. This may have contributed to some of the problems but valuable insights and experience were gained regarding the peculiarities of various schemes of participation and their contribution towards fulfillment of the concept of industrial democracy.

4.2.2 Summary of the Activities of the 1970's

It is worth summarizing the activities of the 1970's because they formed the foundation for an upsurge of interest in the concepts of

¹⁵ Philip Bentley, *Industrial Democracy Developments in Western Industrialised Societies During the Next Two Decades* (Adelaide: Unit for Industrial Democracy, 1979) pp. 39-41.

participation and democracy in the 1980s. First, employee participation schemes generally were initiated by management with the object of improving productivity and industrial relations. Schemes were modest in scope and did little to disturb the balance of power between capital and labour. Second, employee representatives on boards were aware occurrence and seemed to be restricted to statutory authorities. But these representatives rarely had equal voting rights.

Third, where representative systems were implemented joint consultative councils were a common form but invariably the final decision rested with management. Fourth, direct forms of participation centred around the shopfloor with semi-autonomous work groups being the most common form. Unions complained that work value and demarcation norms were breached as workers' responsibilities were expanded.

Fifth, experience indicated that success with participative systems was more likely to be achieved in small to medium-sized enterprises than in large organisations. Finally, management-initiated schemes were viewed with suspicion by a number of unions who feared that such action could erode the loyalty of their numbers and reduce union influence.¹⁶

The activities which took place during the 1970s resulted in the peak employer and employee organisations formulating and developing policies on participation and democracy. In 1977, the ACTU adopted a policy on industrial democracy which stressed the central role of unions

¹⁶ Elderton, "Job Reform and the Concept of Worker Participation", pp.85-86.

and outlined the forms of participation acceptable to the union movement.¹⁷ On the employers side, the Confederation of Australian Industry issued a formal statement in 1978 which stressed the right of employees to be consulted on matters which were likely to affect their work. There was an emphasis on participation by individual employees.¹⁸

Many of the experiments and changes of the period did not produce any long-lasting results. Some initiatives did survive but generally developments tended to be isolated and uneven and this resulted in a lack of consolidation and spread within and between organisations. A number of factors contributed to these outcomes. First, all parties involved—management, unions and employees—did not possess the necessary skills and resources for introducing and developing participatory schemes. Second, unions were not involved from the outset, and often not at all, and they lacked interest in the processes.

Third, employee participation was often treated as something separate from industrial relations. Consequently, when new working arrangements were developed many industrial relations aspects were left unresolved, e.g. rates of pay, classifications. Fourth, as employee participation was treated as something special it often was not integrated with existing management systems and tended to stand alone. Fifth, employee participation was not seen as a continuous and open-ended process and operating systems fell into disuse.

¹⁷ Australian Council of Trade Unions, **Consolidation of ACTU Policy Decisions 1951-1982** (Melbourne: ACTU, 1982).

¹⁸ Confederation of Australian Industry, **Involving Employees in the Enterprise (Workers' Participation): A Guide for Employers** (Melbourne: CAI, 1978).

Sixth, many of the changes that were introduced were superficial in nature and failed to give employees any real influence over the decisions which affected them and their work.

Finally, in most instances management took the lead in introducing and imposing changes in the workplace and this approach generated little enthusiasm and commitment within the workforce generally.¹⁹

4.3 Dissipation of Interest

The initial high level of interest in employee participation was maintained up until about the mid-1970s when a general decline started in the level of experimentation and diffusion of participatory practices.²⁰ It seems that two primary causes of this decline can be identified. Firstly, the early 1970s was a period of full employment and workers could move easily to other work as an expression of dissatisfaction with wages and/or conditions. Employers became more receptive to workplace reforms and their emphasis on participative styles of management was not unrelated to the scarcity of labour.²¹ The deterioration of economic conditions altered the balance of industrial power towards employers which enabled them to press more vigorously for improved operational efficiency. Further, some doubts were cast about the positive correlation of

¹⁹ DEIR, *Industrial Democracy and Employee Participation: A Policy Discussion Paper*, pp. 54-55.

²⁰ S. Deery and D. Plowman, *Australian Industrial Relations*, 2nd ed. (Sydney: McGraw-Hill, 1985) p.379.

²¹ *Ibid.*, p.380.

participation and productivity although it may be achieved under specific circumstances.²²

Secondly, there was a dearth of active government support for the development of democratic practices in industry. Only the Dunstan Labour Government in South Australia was pursuing the matter with any vigour. One of the major differences at this time between Australia and a number of countries of Western Europe which had developed various schemes of participation was the absence in Australia of any legislation which either facilitated or prescribed democratic processes of decision making.²³

Even during this decline some company initiatives were taken but were introduced quietly and in a low-key manner. The NEPSC continued to encourage employee participation and was the forum for discussions between governments, peak employer organisations and union groups. It was during this period of decline that the Federal Government finally produced a policy statement on the subject.

But the two major reasons cited above had effectively diverted interest away from employee participation and towards the bread and butter issues of job security and income maintenance. Employee participation had lost the high profile that it had enjoyed in earlier years.

4.4 A New Era - the 1980s

There are indications that there is renewed interest and activity in democratic practices in the 1980s after a decline in the latter

²² Gordon E. O'Brien, "The Success and Failure of Employee Participation - A Longitudinal Study". *Work and People*, Vol. 8, No.2, 1982, p.27.

²³ Deery and Plowman, *Australian Industrial Relations*, p.380.

part of the 1970s. Changes are clearly evident. Much of the experience in the 1970s was with democratic work practices which were concept-based, i.e. the introduction of measures leading to industrial democracy as a principle took precedence over considerations of what issues it should be directing its attention to and to what degree employees should possess influence over those decisions made within the enterprise and which affected them and their work.²⁴ In relation to consultative processes, the concept-driven approach often produced committees remote from the main stream of decision making activities. This resulted in a two-channel system of decision making and many joint consultative councils and committees fell into disrepute and disuse.

The problems of the concept-based approach are being addressed in the eighties. There is a shift to issue-based initiatives which is resulting in the identification of issues and the democratic means of handling these issues being given priority attention.²⁵ The current initiatives concern substantive workplace issues such as new technology, equal opportunities, disclosure of information and occupational health and safety. The general thrust by unions is now focused on "dimensions of participation which are most directly associated with redistribution of power in organisations" and they "have approached the question of participation as an inherent part of the industrial relations system..."²⁶

²⁴ P. Bentley and K. Wang, *Bringing About Industrial Democracy Within the Public Service - A Radical South Australian Response* (Adelaide: Unit for Industrial Democracy, 1979) p.8.

²⁵ *Ibid.*, p.9.

²⁶ Reg Cole, Alistair Crombie, Alan Davies and Ed Davis, *Future Directions in the Democratisation of Work in Australia* (Canberra: AGPS, 1985), p.80.

Experiences in South Australia indicate that an issue-based approach to industrial democracy is far more likely to attract greater support from both management and employees. Further, this approach more easily lends itself to formalisation through legislation, regulations and rules in contrast to a concept which is difficult to frame in legal terms.²⁷

In recent years there has been an increasing tendency for democratisation of work to become the subject of collective bargaining and legislative action. It cannot be dealt with apart from the fundamental issues that underpin the relationships and conflicts that exist between managers and workers.²⁸ With a Federal Labor Government and four State Labor Governments in power unions are now more optimistic about the likelihood of legislation to support their aims of exercising greater influence over workplace issues. It is clear that under Labor governments that the public sector is becoming a pace-setter in the area of participatory democracy.

The Hawke Labor Government included industrial democracy in a statement of its intentions to reform the Australian Public Service. It proposed that departments and prescribed authorities would be required by legislation to develop and implement industrial democracy plans.²⁹ The

²⁷ Bentley and Wang, *Bringing About Industrial Democracy Within the Public Service - A Radical South Australian Response*, pp.10-11.

²⁸ Alastair Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting from our Experience" in H. Ermacora (ed) *Industrial Democracy and Employee Participation Seminar Proceedings*, Melbourne, August, 1984 (Canberra: AGPS, 1985) p.48.

²⁹ *Reforming the Australian Public Service: A Statement of the Government's Intentions* (Canberra: AGPS, 1983) p.7.

Government was intent on basing public administration on more open and democratic systems of organisation and management and believed that a more participative approach would improve decision making. Initially emphasis would be placed on such areas as occupational health and safety, introduction of new technology, the organisation of work and financial and human resource planning.³⁰ The proposals as they stand, are aimed at increasing employee participation in management but fall short of the accepted meaning in this paper of true industrial democracy.

The Victorian Labor Government also has been active in this field. It sees the development of industrial democracy as an integral part of its approach to industrial relations in that state.³¹ The Government regards overseas experience as being useful but having limited lessons for Australia; it gives support to the concept but has limited effect on the methods of implementation. It is not intended to introduce prescriptive legislation for a particular form of democracy but the Government sees the need for revision of existing legislation and for facilitative legislation. Legislative action required will become clear over time.³²

A number of Victorian public sector organisations such as the State Transport Authority, State Electricity Commission and Department of Labour and Industry have been subject to industrial democracy initiatives within the last five years or so. The general thrust has been towards the establishment of consultative mechanisms aimed at increasing employee participation in decision making, a better working environment and improved

30 Ibid., pp.34-35.

31 Susan Edwards, *Industrial Democracy as Seen Within the General Framework of Industrial Relations in Victoria* (DEIR, 1984) p.1.

32 Ibid., p.5.

efficiency. Developments in the SECV have received wide publicity and are seen by the Government as a model for the development of industrial democracy projects.³³ An assessment to determine if this optimism is justified can only be made over time. But these Victorian Government initiatives do lend support to the contention that there is renewed interest in employee participation and that the public sector is playing a leading role.

Subsequent to the announcement by the Australian Labor Party and the Australian Council of Trade Unions in February, 1983, of an Accord as a prices and incomes approach to economic management, the holding of the National Economic Summit in April, 1983, and the establishment of the Economic Planning and Advisory Committee (EPAC) and the Advisory Committee on Prices and Incomes (ACPI), Prime Minister Hawke observed in August, 1984, that "what we have been witnessing in Australia in the last sixteen months is the successful operation of industrial democracy at the macro, or national level".³⁴ The two latter bodies function at a high level, comprise representatives of government, employer organisations and the trade union movement and make recommendations to the Federal Government. There is thus employer and union involvement in the decision making processes of government, but the responsibility for final decision making however, lies with the Government.

³³ Deery and Plowman, *Australian Industrial Relations*, p.382.

³⁴ R.J. Hawke, "Industrial Democracy Within the Context of National Economic and Social Planning" in H. Ermacora (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings*, (Melbourne, August, 1984 (Canberra: AGPS, 1985) p.5.

Some progress towards democratic practices at the national level can be attributed to the Accord. Implementation of some provisions of the Accord has provided an improved environment for worker and union involvement in decision making.³⁵ But there have also been some substantive developments. Firstly, the Federal Labor Government has an obligation under the Accord to consult with unions about economic, industrial and social policies. Unions therefore have a greater input to more issues at the national level than previously. Secondly, the unions are now more involved in managerial decisions within the workplace about introduction of new technology and occupational health and safety. As a result of the Accord some degree of progress has been made but the resulting participatory developments have been more visible at the national level than at the workplace. Here, workers still are largely excluded from the critical decision-making processes.³⁶

In 1985, the ACTU adopted a new policy on industrial democracy.³⁷ This policy sees industrial democracy as being concerned with equalizing power within the workplace to include workers at the lowest level of the enterprise hierarchy. Democracy in the workplace is regarded as a fundamental democratic right which should be enshrined in legislation. The policy refers to effective participation and representation by and of union members but stops short of including control or government of the

³⁵ Ed Davis and Russell Lansbury, "Democracy and Control in the Workplace: An Introduction" in Ed Davis and Russell Lansbury (eds.), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986) p.22.

³⁶ *Ibid.*, p.25.

³⁷ Australian Council of Trade Unions, *Policies and Strategy Statements*, ACTU Congress 1985 (Melbourne: ACTU, 1985).

enterprise as one of its objectives. A number of principles are listed as the basis for any agreements and these appear to be the primary concerns of the trade union movement and include the need to ensure job security and avoid redundancy, the place of unions as a single channel of representation, the right of workers to receive relevant information about the enterprise or industry and resulting economic gains should be directed to the betterment of the workers.³⁸

In contrast to their somewhat passive role in the previous decade trade unions are now initiating many of the developments particularly in public sector unions and they are attempting to extend the agenda of decision making in management. As the union movement sees industrial democracy, it challenges the traditional managerial prerogative.³⁹ Their efforts are being directed towards specific issues such as health and safety and the introduction of new technology. But the concept of industrial democracy is not pursued with equal vigour by all unions primarily because they lack the resources to be active in the field. This is one of the problems which will need to be addressed in the coming years.

The Confederation of Australian Industry recently updated its official attitude towards employee participation because it recognised that the continuing changes in the internal and external environments confronting Australian enterprises were such that the traditional decision-

38 Ibid, pp.54-60.

39 Department of Employment and Industrial Relations, **Employee Participation News**, No.3, 1984, pp.9-10.

making processes within the enterprises should be subject to review.⁴⁰ While employer groups and management generally are becoming more supportive of moves towards participative practices, the view is not a completely homogeneous one. The major employer groups strongly prefer direct participation of employees and support in principle, schemes which improve communication and consultation in the workplace and which enable individual workers to have some influence in decision making on matters which affect their immediate working environment.⁴¹

One of the research projects for the Federal Government's Policy Discussion Paper on Industrial Democracy and Employee Participation found that in most of the organisations surveyed management did not see any formal role for trade unions within employee participation schemes and in fact, expressed a clear opposition. From this, the research team drew the conclusion that there was a general desire by organisations to keep participatory schemes separated from the industrial relations arena. Given the trade union movement's institutional strength, political influence, centrality to the majority of Australian employees and their efforts to expand their range of interests, it is difficult to see participation and democracy operating on a large scale in this country without the co-operation and formal involvement of unions.⁴² Results of a survey in Western Australia indicate that a number of the problems associated with

⁴⁰ Confederation of Australian Industry, *Employee Participation: A Guide to Realising Employee Potential and Commitment* (Melbourne: CAI, 1987) p.5.

⁴¹ DEIR, *Industrial Democracy and Employee Participation: A Policy Discussion Paper*, p.59.

⁴² Margaret Gardner, Craig Littler, Michael Quinlan and Gill Palmer, *Management and Industrial Democracy: Structure and Strategies* (Canberra: AGPS, 1986) pp.23-24.

failed participatory programmes may have been avoided by joint management/union action.⁴³

A further finding of this research conducted in 1984-85 is that managers are almost universally opposed to any direct government legislation aimed at promoting industrial democracy. But there has been obvious response from organisations to the requirements of the Australian Conciliation and Arbitration Commission's decision in August, 1984, on termination, change and redundancy and the comprehensive N.S.W. legislation on health and safety. While management is still opposed to legislative intervention, response to issues such as those mentioned above indicates that intervention can and does modify behaviour.⁴⁴

Some common ground has been established between union and employer groups and this gives some cause for optimism. A joint statement following a meeting between the Confederation of Australian Industry, Business Council of Australia and Australian Council of Trade Unions in September, 1986, provides evidence of peak body support for employee participation as a basis of improved productivity and more worthwhile and satisfactory work. The statement also promotes the development of consultative mechanisms at plant level, dispute resolution procedures and opportunities for improved education and skill development.⁴⁵

43 Lindsay Carlin and Peter Cannon, "Employee Participation - Experiences and Attitudes of Managers in W.A." *Work and People*, Vol. 7, No.2, 1981, p.8.

44 Gardner et al., *Management and Industrial Democracy: Structure and Strategies*, p.24.

45 DEIR, *Industrial Democracy and Employee Participation: A Policy Discussion Paper*, p.60.

4.5 Conclusions

Commissioned research for the Federal Government's Policy Discussion Paper on Industrial Democracy and Employee Participation has provided a significant amount of current information about the nature and extent of employee participation in Australia. These findings generally confirm previously held views on the subject. There is a lack of substantive evidence of any widespread application of participation but where schemes are operative neither workers nor their representatives, in most instances, have much influence on decision making. Nor have workers been given the opportunity to contribute their experience, skills and other abilities to help their organisations meet the challenges of a constantly changing environment. This under-utilisation of the capacity of human resources is adversely affecting the ability of Australian enterprises to compete effectively with overseas countries.

The majority of the developments are still management-initiated and while there seems to be a growing willingness to consult with unions and employees management continues to defend its prerogatives. Management shows few signs of changing its preference for direct forms of participation and its strong opposition to legislative intervention. In contrast to the 1970s when there was a pre-occupation with the concept-based approach to participation, the 1980s have seen a shift to issue-based initiatives. This approach facilitates formalisation through legislation, regulations and rules, an outcome which is of central importance to the trade union movement.

The role of trade unions in the 1970s generally was one of passiveness and apparent disinterest. They are now initiating a number of developments particularly in public sector unions and making efforts to

extend their involvement in the area of decision making in management. But many unions, particularly the smaller ones, lack the resources to contribute effectively to developments in the area, viz., lack of specialised knowledge about such areas as technology transfer; lack of personnel trained in industrial democracy; and lack of funds and personnel to provide the necessary training and education for members.

Governments have been active in the 1980s in generating and maintaining interest in industrial democracy after the decline of the late 1970s. There has been some progress towards the establishment of democratic practices at the national level relating to economic, industrial and social policies.

To supplement this overview of Australian experiences, the next chapter will focus on some specific examples of participatory schemes to gain some insight into the appropriateness and success of different forms in the context of the contemporary Australian industrial environment.

5. SPECIFIC APPLICATIONS OF PARTICIPATION IN AUSTRALIA

5.1 Introduction

There have been few initiatives in the field of employee participation developed in Australia comparable to the well established examples found in Western Europe and Scandinavia. Where programmes have been introduced they cover a wide range of participatory practices, are uneven in scope and development and frequently experimental in nature. Further, it seems that employers and employees have developed arrangements which are appropriate to the particular situation rather than adopt a single form or prescriptive approach.

An analysis of specific applications highlights the reasons for establishing participatory programmes in the first place and enables a comparison to be made of perceived and actual outcomes. Whatever level of benefits which accrue from schemes an examination is particularly useful for identifying lessons concerning the potential pitfalls of implementation.

This chapter will look at some applications in Australia of the three models of participation discussed in Chapter 3 with a view to obtaining a greater insight into contemporary Australian practices.

5.2 Joint Consultation

Over the past decade or so, joint consultation-based schemes, in one form or another, have occupied a relatively prominent place in Australia. In 1976, for example, a survey of Australian companies showed that some 25% of employers interviewed were using some form of consultation and another 25% were proposing to do so. Generally, however, the forms

being used involved no alteration to the traditional decision-making processes and industrial relations matters such as wages and hours of work were considered to be outside the scope of the consultative machinery.¹ Characteristic of many of the schemes at this time was union opposition, partly because they were not involved in the consultative process and this often contributed to the demise of schemes. But some schemes achieved a measure of success.

Various aspects of joint consultative schemes are illustrated in the examples which follow.

5.2.1 Goldsworthy Mining Ltd.²

The Company operates three iron ore mines in the North-West of Western Australia with a workforce in excess of 900 people, forty-eight percent of whom are migrants. Six Trade unions operate on the sites. Prior to early 1978 union and management relations were at a low ebb and the general industrial climate was poor. This was manifested by a lack of mutual trust between unions and management, confrontations, poor communications and low productivity. The low productivity was caused by a high level of lost time through strikes, high labour turnover, high accident severity rate and low morale.

¹ Ed Davis and Russell Lansbury, "Democracy and Control in the Workplace: An Introduction" in Ed Davis and Russell Lansbury (eds.), *Democracy and Control in the Workplace* (Melbourne: Longman Cheshire, 1986) p.18.

² Details of the case are extracted from: Lindsay Carlin, "Goldsworthy Mining Ltd." in *Industrial Democracy and Employee Participation: Digest of Case Studies Vol. 1* (Canberra: AGPS, 1985) pp.73-79.

In March 1978, a meeting of union shop stewards and officials and company managers was held to discuss and analyse the reasons for so many disputes. A list of restrictive work practices was developed as a result of the meeting and after debate on the issues involved resolution was effected either by the company or the Arbitration Commission. The meeting set up an industrial relations drafting committee to devise an improved system of industrial relations for the company sites. Subsequently, this committee produced an informal document which was not legally binding on the unions nor management but incorporated a general expression of interest.

The programme included the establishment of a Site Working Committee to make suggestions to management on matters relating to industrial relations, working conditions, safety, communications, production and maintenance. Normal day-to-day matters were to be resolved within the Department concerned. The Committee was to comprise a convenor from each union and a number of key company personnel from the sites.

Agreement was reached that each union could conduct meetings of its shop stewards and also that shop stewards from all unions might meet collectively. These meetings were to be held without loss of pay.

An All Sites Working Committee was also established to enable discussions to be held with senior management, site unions and state union officials. Issues common to the three sites were to be raised at these meetings. The meetings were to be held monthly with similar Company support and resources as for the Site Working Committees.

A Communication-Information Meeting was planned to be held monthly so that as many of the Company's employees as possible could be given reports from the Site Working Committees.

Initially, supervisors were not enthusiastic about the new scheme because they had no previous experience in solving industrial disputes nor did they possess negotiating skills. But they were involved in the early discussion on the proposed change.

Management is of the opinion that productivity has increased because of the virtual elimination of the negative factors discussed earlier. The average man days lost per employee due to industrial causes has dropped from 15.4 in 1978 before the programme was introduced to 1.92 in 1982. Accident severity rates dropped from 295.8 in 1976 to 8.3 in 1983 and the labour turnover dropped from 48 per cent in the financial year ending June, 1977, to 25 per cent for the financial year ending June, 1983.

The efforts made to improve communication and participation have led to significant increases in openness and trust by both management and unions. Union members themselves feel that their views, ideas, suggestions and criticisms are considered seriously and proper analysis and prompt responses have generated a confidence that the new system is working as planned and that the original objective of improving and maintaining good industrial relations has been achieved.

Conclusions³

A number of aspects can be identified which have contributed to the success (in terms of the objective) of the scheme introduced at

³ Conclusions are mine.

Goldsworthy Mining Ltd. The most important factor is undoubtedly the action taken by the Company to involve the trade unions from the beginning. The early involvement of unions in participatory programmes of any form is fundamental to success and this requirement has been identified and discussed previously in this paper. This case once again highlights the fact that employees do have experience, skills and abilities which can be used for the betterment of the parties concerned.

If unions and their members are to contribute effectively they must be given the support and resources to enable them to do so. In this instance, shop stewards were given the time, without loss of pay, to meet with other shop stewards to discuss matters of mutual concern and to prepare submissions for consideration by one of the Committees or management.

It is obvious that many company supervisors lacked experience in industrial relations matters. This deficiency could have been overcome partly by education and training and should have been addressed as a part of the proposed programme. This probably applies to union officials and members as well. Such action would have enhanced the contributions from the participants and minimised some of the early problems.

The joint consultative mechanisms established in this case are broadly typical of practices in Australia. The mechanisms at Goldsworthy Mining Ltd. primarily provided a forum where management and employees had the opportunity to discuss and appreciate the others point of view on a range of issues of common interest and also provided an environment which was conducive to a consensus being reached. Management, however, retained the right of final decision making. Communications were enhanced within the enterprise and an atmosphere of trust and understanding was developed.

These positive aspects of the changes at Goldsworthy provided a foundation for greater involvement and responsibility on the part of employees and ultimately could lead to a fully developed and integrated scheme of participation.

5.2.2 Victorian State Transport Authorities⁴

In June 1983, the Victorian Parliament passed the Transport Act 1983 which provided the legislative framework for the restructuring of the State's Transport system. The Act includes provision for a new system of consultative procedures designed to:

- be legitimate and genuine for all interested parties;
- shift the focus of conflict from the implementation to the planning stage of decision making;
- open up information about decision making to timely access and scrutiny by affected parties; and
- retain the authority of managers to take decisions while ensuring the right of employees, unions and users to be consulted before they are taken.

For a long period of time prior to this initiative, Victorian transport Authorities rarely consulted with user groups, unions or employees. Secrecy of decision making about a number of sensitive issues led to a high degree of mistrust between all groups. Continuing conflict

⁴ Details of the case are extracted from: Susan Edwards and John Alford, "Consultative Mechanisms in Victorian Transport Authorities" in *Industrial Democracy and Employee Participation: Digest of Case Studies Vol.1* (Canberra: AGPS, 1985) pp.179-183.

within the industry and in the public arena was evidence of the need for change.

The proposal is for the introduction of the consultative mechanisms to span a number of years. At the time of documenting this case, three major steps had been taken:

- a clearly defined structure for the mechanisms had been set up;
- changes had been made to the legislation; and
- initial education of participants had commenced.

The proposal to resolve the unsatisfactory situation within the State Transport Authorities was itself the subject of considerable research and discussion between unions and management prior to the passing of legislation. The major principles of the consultative processes are:

- tailoring consultation to the actual pattern and timescale of decision making within the Authorities;
- involvement of interested parties in both framing the way consultation is to occur and the actual consultation;
- "buffers" in the crucial information zone between the need of managers for autonomy in execution and the right of interested parties to genuine access; and
- recognition of the actual power-resources of, and power-relationships between, the interested parties as the basis for resolution of differences.

The mechanisms which have been put in place provide an opportunity for union officials and employees to examine and comment on the planning processes at all stages through the development of a two-tiered

structure in each of the Authorities. The first tier consists of the Standing Committee on Consultative Procedures which is made up from representatives of management, unions and users. The Committee determines the way in which consultation will occur. It has power, binding on management, to determine the specific areas in which consultation must occur and to lay down directives on how consultation must occur including who is to be involved and what specific items of information must be made available.

The second tier involves the implementation of the consultative processes as defined by the Standing Committee. The procedures which are followed under this two-tiered structure are mandatory in respect of information and comment, but not of decision making. After providing the requisite information and receiving comment as prescribed, a manager has the authority to make a decision as he sees fit. But provision of information to interested parties enables them to have input prior to the decision making stage.

The changes to legislation refers to amendments to the Freedom of Information Act so that some sections could be incorporated in the principal legislation. Access is thus available to planning and internal working documents but not to personal records and Cabinet documents, for example.

A key aspect of the proposal is the recognition that to enable the continuing development of the procedures to take place, education of the parties will be necessary. This may well be an on-going problem as development of the mechanisms places increasing demands on the resources, skills, research facilities and policy-making capacities of the participants, particularly union officials and employees.

Conclusions⁵

The introduction of consultative processes into the Victorian State Transport Authorities appears to have been facilitated by the decision to restructure the existing Authorities in the first place. But the key factor was the provision of enabling legislation as a formal foundation on which to develop and strengthen the processes of consultation. It explains quite clearly the basis of the consultative process, i.e. the prerogative of management to take the final decisions after input from interested parties.

It is obvious that considerable research and thought has been given to the structure of the consultative mechanisms which are designed to overcome the objective differences of interest between management, unions/employees and user groups. The establishment of consultative procedures should largely eliminate those disputes which are really communication problems and it brings back the focus of disputes to the planning rather than the implementation stage. Clearly, this is an efficient method of dispute resolution.

The new system brings with it the problems of profound change which will demand a modification to the attitudinal behaviour of all parties involved. It is certainly an exercise in the management of change. It is proposed, however, to phase in implementation over a period of up to five years. Periodic reviews of progress will allow necessary changes to be made before the next phase commences. The participating parties also will be given the opportunities to readjust their approach and institute remedial action to overcome deficiencies.

⁵ Conclusions are mine.

Essentially, the process provides the participants with well defined procedures within which they are constrained to work, but it is not so inflexible that it cannot be modified. The composition and formal power of the Standing Committee ensure that the consultative process works in reality. An official from the Australian Railways Union (Victorian Branch) sees these consultative mechanisms as a starting point in a process.⁶

5.3 Co-determination

Examples of co-determination in the West German model are extremely rare in Australia. Some general aspects of the model are found, however, in the operation of Fletcher Jones and Staff Pty. Ltd., a clothing manufacturer. The initiative came in 1945 from the founder of the company who believed that workers should share the profits of their efforts, be involved with the operation of the enterprise and regard their work as more than just a means of earning a living. The employees hold two-thirds of the shares and have the right to vote for representatives on the Board of Directors. Employees consistently have voted for management's nominees for these positions.⁷

A Junior Board of Directors is elected in each subsidiary company, of which nine are elected by the employees and nine are nominated by management. These Junior Boards make recommendations to the central Board of Directors and provide a channel for staff-management

⁶ John Alford, "Consultative Mechanisms in Victorian Transport Authorities", *Work and People*, Vol.9, No.2, 1983, p.31

⁷ Report of the Committee on Worker Participation in Management (Private Sector) 1973 (Adelaide: South Australian Government Printer, 1973) p.15.

communications.⁸ If management does not accept the recommendations of a Junior Board, and it is not obliged to do so, then it must give reasons for such rejection. It is this right of veto which has caused critics of the system to claim that the Junior Boards have little power in running the enterprise and attract only minimal interest amongst the employees.⁹

Management takes a somewhat paternalistic approach to its employees and this seems to be due mainly to a lack of interest by employees when things are going well. This style of management has persisted for many years and appears to have general employee support.¹⁰ While it may be argued that employee interest in the participative machinery available is at a relatively low level, there is a high degree of job satisfaction and standard of workmanship and industrial relations within the company and with trade unions are harmonious.¹¹

As well as the Fletcher Jones example, there are instances of employee representation at board level in the public sector. In 1972-75 several union officials were appointed by the Whitlam Government to the boards of statutory authorities and corporations, e.g. Qantas, the Reserve Bank and Australia Post. Generally, these board members were appointed and thus were not directly responsible to the employees. One exception is the Australian Broadcasting Corporation which has on its board a staff-elected member. Since the mid-1970s the N.S.W. Labor Government has adopted the

8 Ibid., p.16

9 Davis and Lansbury, "Democracy and Control in the Workplace: An Introduction", p.19.

10 Ibid.

11 D. Plowman, S. Deery and C. Fisher, *Australian Industrial Relations* (Sydney: McGraw-Hill, 1980) p.384.

practice of appointing worker directors to the boards of some state-owned enterprises.¹²

5.4 Worker Management

The establishment of self-managed enterprises has generated little apparent interest in this country probably because our political structure and philosophies are so different to those in the countries where it has been introduced. So examples of this model are comparatively rare in Australia and this shortage of significant local examples has inhibited debate about its appropriateness. Some of the most publicised examples of self-management are at NVC, Sydney, Modern Maid and Staff Ltd., Melbourne, and Dynavac Pty. Ltd., Melbourne. The Dynavac scheme will be discussed briefly.

Dynavac Pty. Ltd. manufactures and imports specialised vacuum equipment which it markets to scientific and industrial organisations. The enterprise, which employs some forty persons, operates with a horizontal structure which has no position titles, no official levels of authority and is described as being the most advanced form of industrial democracy in Australia.¹³ The system is an internally derived form of self-management and is based on the philosophy that employees should be assigned responsibility and authority to manage their work in accordance with their

¹² Davis and Lansbury, "Democracy and Control in the Workplace: An Introduction", p.19.

¹³ Les Cupper, "Self-Management: The Dynavac Experience" in Russell D. Lansbury (ed.), *Democracy in the Workplace* (Melbourne: Longman Cheshire, 1980) p.83.

respective talents and that the responsibility for company management should be shared by all interested employees.¹⁴

One of the most important aspects of the establishment of a democratic scheme at Dynavac was that the owner of the company supported the desire by the employees to exercise greater control over their working lives. The company structure is not a profit-sharing arrangement but an arrangement to ensure that Dynavac employees collectively remain in control of their own future by having control of their own company.¹⁵

General management of the company is carried out on a group basis and all employees are encouraged to participate. Functional management groups broaden the scope for participation and undertake day-to-day co-ordination and control of various areas of management. One of the critical aspects of the self-management concept at Dynavac is that those employees who wish to take part in the decision making processes are given paid leave so that they can prepare themselves properly before participating in management decisions.¹⁶

Generally, employees have adapted well to the requirements of managing their own jobs. While return on investment is low by some standards, the company's main concern is that the working environment allows abilities to be recognised and encouraged. This philosophy does not

14 Ibid.

15 Ibid., p.84.

16 Peter Rawlinson, "Dynavac Pty. Ltd." in *Industrial Democracy and Employee Participation: Digest of Case Studies Vol.1* (Canberra: AGPS, 1985) p.60.

preclude, however, efforts to improve efficiency and profitability as funds must be accumulated to provide for future growth.¹⁷

A number of factors are seen as contributing to the success of the initiative taken at Dynavac. Some of these are:

- the development of self-management was supported by Dynavac's owner;
- the system rests on a philosophical or attitudinal rather than a structural tenet;
- the size and initial stability of the workforce contributed to the ease with which the change was made over a relatively long period;
- the company was not strongly unionised and this meant that there was one less veto point to be accommodated during implementation; and
- the technology employed in the company lent itself to job autonomy.¹⁸

Conclusions

The successful experience at Dynavac shows that full participation in an enterprise can meet the needs and aspirations of most of its employees and still compete in the market place. Success in this case seems to rest on a number of special circumstances peculiar to the enterprise. So the Company's management style should not be seen as a blueprint for the democratisation of industry per se. Clearly, any attempt to duplicate a model from one organisation, however successful it may be, would present many difficulties and, in reality, may not be appropriate because of different internal and external environments. Rather, the Dynavac

17 Ibid., pp.61-62.

18 Cupper, "Self-Management: The Dynavac Experience", p.97.

experience should be seen as one of the possible avenues for extending full participation to the employees of an enterprise.¹⁹

5.5 Conclusions

This chapter finalises our examination of Australian experiences and it is evident that progress with employee participation schemes lags far behind that of many overseas countries. Should we follow successful overseas trends or attempt to develop systems which are uniquely Australian? Probably the solution lies somewhere between these two extremes for employee participation schemes do seem to be influenced and shaped by cultural considerations. Obviously, there are aspects of overseas experiences, both positive and negative, from which we can learn. "Perhaps more importantly we can see the direction of the changes that are occurring, which may help us to decide, as a society, whether that is the direction we want to take".²⁰ Due attention must be given to the pressures, barriers and the varying environments which impact upon the workers, managements and enterprises in this country.

The next chapter of this paper will examine the future of industrial democracy and employee participation in Australia, identify the barriers to further expansion and strategies needed to ensure that the concepts of participation and democracy contribute effectively to the industrial and social well-being of both employees and enterprises.

¹⁹ Ibid., p.98.

²⁰ Doron Gunzburg, *Industrial Democracy Approaches in Sweden* (Melbourne: Productivity Promotion Council of Australia, 1978) p.viii.

6. FACTORS DETERMINING THE FUTURE

6.1 Introduction

It has been demonstrated that the resurgence of interest in employee participation in the 1980s brought with it a shift in the direction of the activities of the previous decade. The new initiatives are quite different in character, form and intent and are, to a significant degree, union initiated and issue-based. The tendency has been to move from aspects such as job redesign and consultative processes to substantive workplace issues such as the introduction of new technology, job security, occupational health and safety, disclosure of information, equal opportunities, participation in enterprise-level planning, and so on, around which unions are organising campaigns, education programmes and collective bargaining.¹ Employers, particularly those in the private sector, have not disappeared from the arena, but their actions lack the high profile of the earlier period.

The role of governments during the 1980s has been significant. In 1980 the Federal Government established the Employee Participation Research Grants Scheme to encourage and assist the development of employee participation in Australia. Then twelve months ago the Federal Government released a Policy Discussion Paper which is intended to inform and focus public discussion on the issues involved and the actions the Government may take to accelerate the application of participative practices at the

¹ Reg Cole, Alastair Crombie, Alan Davies and Ed Davis, **Future Directions in the Democratisation of Work in Australia: Employee Participation Research Report No.5** (Canberra: AGPS, 1985) pp. 81-82.

workplace. The intention of the Federal Government to intervene in this area of industrial relations is clear.

It seems that the way ahead will be predicated on the basis of a number of factors including the attitudes and actions of governments, employers, unions and their numbers and the Australian Conciliation and Arbitration Commission; the experiences of the last decade and a half; and the barriers to an expansion and sophistication of participatory practices. Certainly, the approach in Australia since the early 1980s has been more broadly-based and mature but are we merely in another cycle of interest or can we look to something more permanent which will meet the needs and aspirations of society at large?

This chapter will examine the factors which will have a significant influence on the future of the democratisation of work in Australia as well as some of the strategy options available to encourage and facilitate an expansion of participatory practices.

6.2 Barriers to Employee Participation

It is appropriate to consider first in this chapter some of the barriers to the establishment and development of participation as removal or minimisation of these will greatly facilitate progress. A number of these barriers have been identified by the research commissioned for the Federal Government's Policy Discussion Paper on Industrial Democracy and Employee Participation.

6.2.1 Union and Employer Bodies

The advantages, or perhaps more realistically, the necessity of securing union co-operation and involvement in the planning and implementation of employee participation schemes has been mentioned

previously. But the multiplicity and structure of unions is a significant barrier to the introduction of democratic work practices to individual workplaces.² The problem is magnified when the possibility of industry and nation-wide agreements is considered. The difficulty is further compounded because unions are organised on state and national bases although in some instances the ACTU negotiates on behalf of member unions.

There are some possible solutions to this problem of structural diversity of our trade unions. One is rationalisation of the union movement through wide-spread amalgamations³ These could take the form of amalgamation of like occupational unions, e.g. The Amalgamated Metal Workers' Union and the Federated Shipwright's Union in 1976. Or there could be the formation of industry unions to cover all workers in a particular industry, irrespective of the work they do. Rationalisation of trade unions would seem to be essential as a long-term strategy and a necessary prerequisite to the effective linking of the various levels of participation from the workplace to the national level.

As a short-term measure, the formation of inter-union shop committees would enable employees in an enterprise to speak with a single voice. Indeed, there may be the possibility of unions introducing democratic procedures themselves by developing workplace structures of job

² Alastair Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting from our Experience" in H. Ermacora (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings*, Melbourne, August, 1984 (Canberra: AGPS, 1985) p.50.

³ Sue Elderton, "Job Reform and the Concept of Worker Participation" in Jennifer Aldred (ed.), *Industrial Confrontation* (Sydney: George Allen and Unwin, 1984) p.91.

representatives with defined responsibilities and authority to participate and make decisions about issues at the shop floor level.⁴

A somewhat similar situation exists among employer associations. Most associations have national bodies but autonomy tends to remain at State level. Peak organisations such as the Confederation of Australian Industry (CAI) seem to lack authority over their affiliates.⁵

Finally, if unions and their members are to play an effective role in expanding democratic practices in the workplace, they will need to have access to a greatly increased level of resources to carry out the education and training programmes which are so necessary. In the final analysis, the partnership between management and the unions and their members can only "proceed and succeed if unions can find a way of being able and willing to become accountable in that process".⁶ The need for education, training and information applies also to managers at all levels, but is critical in the case of unions who, in very many instances lack the people with experience and research capacity to even start to consider the issues. Sharing of resources, including specialised personnel, between

⁴ Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting from Our Experience", p.50.

⁵ D.H. Plowman, J.H. Adams and C.T. Burke, "Employer Associations and Industrial Democracy and Employee Participation" in Bill Ford and Lorna Tilley (eds.), *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia* (Canberra:AGPS, 1986) p.162.

⁶ Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting from our Experience", p.50.

unions has been suggested together with the establishment of a centralised computer-based data system for use by all unions.⁷

6.2.2 Management and Union Attitudes

Recent research has confirmed the general attitude of Australian management towards the democratisation of work and the following comments are taken from that research which was conducted in 1984-85.⁸ The types of participation practiced are partial and restricted and there has been little change in this area in the last decade or so. Management prefers direct forms of participation at local levels of decision making where issues are restricted. Essentially, participation consists of the communication of management decisions and policies and does nothing to alter the authority structure of the enterprise. Formal union involvement and bargaining over workplace issues is avoided.

There seems to be little indication that management is undertaking any innovative practices or making much progress towards the concept of democracy in the workplace. The subject is invariably seen by management as a low-cost and relatively risk-free method of improving economic performance. The researchers conclude that it is difficult to imagine a rapid change towards industrial democracy given the current attitudes and structure of management. It seems then, that management is unlikely to significantly alter its attitude to employee participation and

⁷ Lorna Tilley, "Unions and Industrial Democracy: A Survey" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, pp.192-3.

⁸ Margaret Gardner, Craig Littler, Michael Quinlan and Gill Palmer, *Management and Industrial Democracy: Structure and Strategies* (Canberra: AGPS, 1986).

industrial democracy without being subjected to some form of external stimulus and this will probably have to come from government.

There is a general feeling of hostility by unions towards employers brought about partly by the traditional adversarial attitude of the parties and also by management's attempts to exclude union involvement in any participatory activities. This was substantiated by a research project⁹ for the Federal Government's Policy Discussion Paper. Unions cited employer opposition as the major obstacle to industrial democracy. Both public and private sector unions reported that employers still regarded industrial democracy as interfering with managerial prerogative. Unions complained that management refused to give information and to consult.

Respondent unions to the survey conducted by Tilley identified a range of prerequisites for union involvement in industrial democracy matters. These included the recognition that the role and authority of union representatives is central to union co-operation; the stipulation that they be the sole channel of representation; and the necessity for job security.

Many Australian unions are as conservative as management in their attitudes and approaches to innovation and have relied on the traditional methods of protecting job security. Some unions continue to apply anachronistic occupational demarcations at a time of great

⁹ Tilley, "Unions and Industrial Democracy: A Survey", pp.183-197.

technological change and when other approaches may bring more learning opportunities to their members.¹⁰

It is clear that attitudes and approaches of both management and unions must be modified if their respective goals are to be brought closer together and the experience, abilities and capacities of the parties directed towards the achievement of mutually acceptable outcomes. The strategies to achieve this require further research.

6.2.3 Special Groups of Workers

The research shows that not all workers have equal opportunities to benefit from involvement in decision making at the workplace. Some groups such as outworkers and subcontractors,¹¹ women¹² and migrants¹³ face many barriers to their involvement in participatory processes. These barriers come from aspects such as working location; difficulty with the English language, hours of work and the design of the job; difficulty of access to training; lack of experience; and a lack of

¹⁰ Bill Ford and Lorna Tilley, "The Forces of Change Confront the Forces of Tradition" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, p.4.

¹¹ Karen Cummings, "Outworkers and Subcontractors: Non-Standard Employment and Industrial Democracy" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, pp. 97-108.

¹² Frances Baldwin and Susan Walpole, "Women, Affirmative Action and Industrial Democracy" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, pp.111-120.

¹³ Michael Morrissey, "A Multi-Ethnic Workforce: Implications for Industrial Democracy" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, pp. 123-131.

effective union representation. Social and attitudinal factors also can disadvantage these groups.

Some industries have a large casual, part-time workforce with a high level of young workers. The difficulties of introducing employee participation to such workers is highlighted by research involving the retail industry.¹⁴ The industry has a large proportion of females, a relatively high turnover of labour and low union membership.

The research quoted here indicates that work patterns and the make-up of the workforce are changing. Part-time and women workers, now make up a significant proportion of the workforce. Allowance must be made to accommodate these changes when participatory programmes are being implemented otherwise the needs and interests of people in these special groups may not be taken into account.

6.3 Australian Conciliation and Arbitration System

The conciliation and arbitration system, by centralizing dispute settlement procedures, exerts an influence on Australian industrial relations which cannot be ignored. But the system is essentially reactive and tribunals conciliate and arbitrate only on those matters brought before them. It is overly legalistic and relies greatly on precedents but, within these constraints, innovation in the resolution of matters has occurred on occasions.¹⁵

¹⁴ Stewart Carter, "Industrial Relations and Industrial Democracy in the Retail Industry" in *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*, pp. 83-93

¹⁵ Cole et al., *Future Directions in the Democratisation of Work in Australia: Employee Participation Report No.5*, p.111.

Generally, the main thrust of both unions and employers has been the resolution of disputes relating to awards and both have preferred to negotiate on an industry level rather than at a plant level. There have been few attempts by unions to develop strong shop floor organisations, preferring instead to centralise power at the state or national level. This has acted as a disincentive to employee initiatives for increased involvement in decision making at the workplace.¹⁶ The centralisation of the industrial processes also has discouraged such development.

By and large, the Australian Conciliation and Arbitration Commission has tended to protect and support the manager's right to manage as he wishes in relation to planning, organisation and control of work. This protection of managerial prerogative has become a feature of Australian industrial relations.¹⁷ Further, High Court of Australia interpretations of what constitutes an "industrial matter" under the Conciliation and Arbitration Act seem to have prevented the Commissioners from "exercising their arbitral powers in relation to matters associated with the right of employees to participate in managerial decision making"¹⁸ This situation may result in many participation agreements being negotiated through collective bargaining. The parties can then apply to Conciliation and Arbitration Commission to have the agreement registered as a consent or certified agreement.

¹⁶ D. Plowman, S. Deery and C. Fisher, *Australian Industrial Relations* (Sydney: McGraw-Hill, 1980), p.381.

¹⁷ Robert Pritchard, "Legal Perspectives on Industrial Democracy in Australia" in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Sydney: CCH Australia, 1976) p.121.

¹⁸ Elderton, "Job Reform and the Concept of Worker Participation", p.90.

One authority on the conciliation and arbitration system sees the most important cases of worker participation being the result of negotiations between the parties at least for the immediate future. The role of the tribunals will continue to be related to mediation where the parties request this.¹⁹ Although unions have started to challenge the concept of managerial prerogative, substantive change to the stance of the Commission may only be brought about by including in the Australian Conciliation and Arbitration Act a specific provision to encourage and facilitate the development of democratic control and participation. Until this occurs, the conciliation and arbitration system, by its statutes and mode of operation, tends to be an impediment to the establishment and development of many forms of worker participation. The legislative aspect is further considered in Section 6.5.

6.4 Summary of Lessons 1970-1985

A number of lessons emerge from our experiences over the last decade and a half and many of these should be heeded if errors and omissions are to be avoided in the future and if appropriate remedial action is to be put into effect. A number of these have already been referred to in the text of this paper and others have been identified by recent research.^{20,21} A

¹⁹ J.E. Isaac, "Industrial Democracy in the Context of Conciliation and Arbitration" in Russel D. Lansbury (ed.), *Democracy in the Workplace* (Melbourne: Longman Cheshire, 1980) p.50.

²⁰ Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation: A Policy Discussion Paper* (Canberra: AGPS, 1986).

²¹ Cole et al, *Future Directions in the Democratisation of Work in Australia: Employee Participation Report No.5.*

brief summary of these lessons will highlight their importance to future approaches to the subject.

The Australian industrial relations arena has many unique features as have the structures of enterprises, the trade union movement and the composition of the workforce. Similarly, individual workplaces are quite distinctive. All such factors which go to make up the internal and external environments at the workplace, enterprise, industry and national levels are variables which have to be given appropriate consideration. One imposed form of participation across the nation stands little chance of being successful.

There is now a better appreciation of the timeframe to establish and develop participatory processes at the plant and enterprise level let alone an industry or national approach. Success will not be achieved overnight but will be the result of an incremental process by which more and more people become involved progressively and increase their involvement in decision making.²²

There has been a strong confirmation that democratic practices which relate to worklife must involve a redistribution of power. And when this takes place the agreement should be secured in such a way that the agreed extension of decision making power becomes a right rather than a privilege.²³ Registered industrial agreements would secure the necessary protection against change of enterprise ownership, etc.

²² Ibid., pp.3-4.

²³ Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting From Our Experience", p.47.

The role of trade unions as the single channel of representation is central to the success of participatory processes for they alone can express the collective views of their members. The introduction of changes to the organisation of work must be jointly determined by management and unions and their members.

Experiences from participatory processes which have been put in place show that conflict is not eliminated. The processes do provide, however, alternative and more effective methods for dealing with the conflict and should be regarded as a part of the industrial relations system.

Finally, there is a demonstrated need for the democratisation of work to extend from individuals and the individual workplace through enterprises and industries to the national level. These levels need to be linked together to form a comprehensive system throughout the nation with each level contributing to the whole.²⁴ This in no way advocates a single inflexible form of democratic work practices for the nation.

6.5 Legislation and Government Options

The Commonwealth Parliament has no direct power under the Constitution to legislate in relation to industrial democracy matters. The Commonwealth's power in the industrial relations field is derived from s.51 (XXXV) of the Constitution under which the Parliament may make laws with respect to conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State. Although the point is still debatable, recent judicial decisions indicate

²⁴ Ibid., p.48.

that there may be a possibility that the High Court may consider disputes about employee participation issues as being "industrial disputes".²⁵

If this was established, the Parliament could legislate to bring employee participation disputes within the scope of the Conciliation and Arbitration Act 1904. If such legislation relied on S.51 (XXXV) it could extend only to conciliation and arbitration for the prevention or settlement of disputes which cross state boundaries. Consequently, while s.51 (XXXV) may permit the vesting of tribunals with jurisdiction to devise and apply participation schemes as part of dispute settlement, it will not support legislation directly establishing employee participation schemes. The Commonwealth is able to legislate on such matters in respect of its own employees and for all areas of employment in Australian Territories.²⁶

State Parliaments can regulate industrial democracy matters within their own State except where overriding federal legislation or awards apply.²⁷

One group of researchers found that there is a falling off of enthusiasm for legislated industrial democracy as such and legislation similar to that enacted in Western Europe lacks support in Australia. On the other hand, they found that it is appreciated that some form of enabling or facilitating legislation could be invaluable and that

25 Department of Employment and Industrial Relations, *Industrial Democracy and Employee Participation: A Policy Discussion Paper*, p.183.

26 *Ibid.*, p.184.

27 *Ibid.*, p.183.

prescriptive legislation relating to some specific matters is desirable and likely to occur.²⁸

Other researchers suggest that because of existing management attitudes in Australia, some external stimulus from the Federal Government is necessary to bring about appropriate change which will ensure the growth of democratic work practices. Legislative change should therefore be instigated but it should occur within the existing industrial relations infrastructure.²⁹ While management is strongly opposed to legislative intervention of any kind they have reacted positively to recent legislation and tribunal decisions, e.g. the Australian Conciliation and Arbitration Commission's preliminary decision in August, 1984 on termination, change and redundancy which requires employees to be consulted about the introduction of technological change.³⁰

Finally, in its Policy Discussion Paper the Federal Government considers that, in the light of overseas experience, some degree of government action will be required if employee participation is to be expanded. Such a catalyst is needed to overcome entrenched resistance to participatory processes. The Government sees that there are three broad options available to it. The Government could legislate for or encourage recourse to other regulatory approaches to industrial democracy; encourage it through incentives and financial assistance; or facilitate its introduction through education, research and provision of resources. These

²⁸ Cole et al., *Future Directions in the Democratisation of Work in Australia: Employee Participation Report No.5*, pp. 92-93.

²⁹ Gardner et al., *Management and Industrial Democracy: Structure and Strategies*, p.28.

³⁰ *Ibid.*, p.24.

strategy options are not mutually exclusive and each option covers a wide range of possibilities.³¹ Whatever options are finally selected by the Government, they will not be able to deal with them simultaneously. Strategy will probably consist of a series of measures which will be classified into short, medium and long term approaches to implementation. For their part, the Government intends that the decisions about which strategy or strategies they adopt will be the result of comprehensive consultative processes as will the priorities allotted to the various phases.³²

The factors identified and discussed in this chapter will play an important role in shaping and influencing the future of democratisation of work in Australia. A synthesis of these and other aspects included in the paper will form an assessment of the way ahead in the final chapter.

31 Department of Employment and Industrial Relations, **Industrial Democracy and Employee Participation: A Policy Discussion Paper**, p.100.

32 *Ibid.*, pp. 162-163.

7. THE WAY AHEAD - CONCLUSIONS

7.1 Introduction

A summary of progress over the last decade and a half shows that participatory practices in Australia have been unco-ordinated, uneven in application and generally not well developed. Where employee participation has been established it is usually based on some form of the joint consultation model. The use of other models of participation or their variants is quite rare in Australia as the concepts lack support. In terms of innovation and sophistication Australia lags far behind many other industrialised countries. There is a pressing need for more effective use to be made of the capacity of the country's human resources and to improve the quality of worklife and the justification for these is well established.

There are clear indications that renewed interest and enthusiasm have been building up since the beginning of the 1980s after an earlier period of decline. Given our experiences of the past, and current interest and knowledge of employee participation and industrial democracy, the question now seems to be where do we go from here and how? The findings of intensive research conducted in recent years assist in giving direction and determining strategies for the next decade.

Several salient points have been made during the course of this paper and these cannot be subjected to diminution without affecting the quality of the outcomes. These points are:

- Central to the notion of democratic work practices is the redistribution of power and responsibility in enterprises;
- Where decision making power is shared it must be accompanied by an appropriate level of responsibility and accountability which must be borne by the parties to a decision;
- The co-operation and involvement of trade unions in the establishment and development of participatory processes is essential to success. Unions must be recognised as the sole channel of representation of the interests and views of workers;
- The establishment of democratic work practices cannot stand alone outside the industrial relation system and must be part of normal management activities; and
- Systems of participative work practices must be based on trust, commitment and goodwill by all parties.

Despite the upsurge of interest in employee participation in the eighties, the cause lacks the strong and dynamic community support so necessary to initiate and sustain cultural change. In the past there has been a preoccupation with the material aspects of worklife such as maintenance of income, but it appears that the concept of industrial democracy - and the activities which lead to it - is slowly gaining support as a social issue. A stimulus is required to provide evidence of real progress and thus generate support and commitment within the community. This will require a co-ordinated strategy if the energies of the nation are not to be dissipated in a piecemeal approach.

Based on the current state of experience and knowledge in Australia, the following gives some indications of the directions which employee participation is likely to take over the next decade and the actions required to facilitate progress.

7.2 A National Approach

In order that employee participation be effective and credible a co-ordinated and unified approach needs to be adopted on a national basis. This is not advocating the imposition of a single form of participation across the country, but rather a national plan based on agreed objectives with priorities, phases of implementation and target dates. Such a plan would contain principles and a broad framework within which action can proceed to achieve the objectives over say, the next decade, rather than an inflexible and detailed approach. There needs to be commitment at top level on a tripartite basis to the principles included in the national plan. Such a plan needs to link the individual and individual workplace to the national level through enterprises and industries.

The catalyst for such a national approach may well exist in the form of the Federal Government's Policy Discussion Paper on Industrial Democracy and Employee Participation issued in December, 1986. The Paper is intended to "inform and focus public discussion on the issues involved and the actions the Government may take to accelerate the application of participative practices at the workplace."¹ Commissioned research for this Paper supports the Government's appreciation that there is unlikely to be a simple or single strategy; active and decentralised strategies are needed; fundamental changes in attitudes and organisational structures will not occur quickly; changes will need to be evolutionary in nature; the processes selected should be aimed at increasing the rate of change; emphasis needs to be given to practical issues of relevance and meaning to

¹ Department of Employment and Industrial Relations, Industrial Democracy and Employee Participation: A Policy Discussion Paper (Canberra: AGPS, 1986) Preface.

both employers and employees; and if reform is to be sustained it will require understanding, co-operation and consultation at all levels.²

The programme of consultation which has followed the issue of the Policy Discussion Paper provides an excellent opportunity for governments, the ACTU and employer organisations to negotiate what has been referred to by one research team as an "Industrial Democracy Accord"³

7.3 Legislation

A legislated change to provide for greater involvement of the Australian Conciliation and Arbitration Commission would be a stimulus for the establishment and development of workplace reforms. Currently at least, the Commission constitutes an impediment to the introduction of employee participation but there is an increasing likelihood that this situation will change because of recent High Court decisions relating to the powers of the Commission.

It seems that some form of legislation is required to accelerate the introduction of employee participation and industrial democracy, particularly in view of the very conservative attitudes generally adopted by employers towards these concepts. A legislative approach, however, should not impose a fixed formula because of the variables which exist within enterprises and industries. Legislation then requires to be enabling and facilitative rather than prescriptive. Legislation covering some specific workplace issues is already in force and

² Ibid., pp.95-96.

³ Alastair Crombie, Reg Cole, Alan Davies and Ed Davis, "Industrial Democracy in Australia 1972-1992: Profiting from our Experience", *Work and People*, Vol.11, No.2, 1985, p.32.

appears to be successful. There is probably further potential for the use of this approach. In keeping with democratic principles, any legislative change should be based on acceptance by the parties involved and reflect the unique characteristics of Australian industrial culture.⁴

Legislation brings with it two distinct advantages. One is that with legislation in place any gains can be secured and are less likely to be lost. The other is that modifying attitudes is a very slow way of introducing change particularly when many people have had no experience with and perhaps do not understand the system to which we are trying to change.⁵ Legislative support for workplace reform seems necessary and inevitable but in the meantime collective bargaining is increasing and gaining strength as a method of achieving reform.

7.4 The Facilitation of Progress

In previous chapters a number of barriers and other aspects of participatory work practices which adversely impact upon the development of the concept have been identified. The removal of barriers and the presence of other conditions are not prerequisites in the sense that nothing can be achieved without these factors being completely favourable to progress. The presence of a number of conditions, however, will facilitate development of employee participation and help ensure that it takes place

⁴ Robert Pritchard, "Legal Perspectives on Industrial Democracy in Australia" in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Sydney: CCH Australia, 1976) p.132.

⁵ Peter Wilenski, "Industrial Democracy in the Public Sector-Current Myths and Future Directions" in H. Ermacora (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August, 1984* (Canberra: AGPS, 1985) p.67.

on a rational basis and can be sustained. Briefly, some of these conditions are:

- Restructuring of unions including amalgamations and the formation of industry unions;
- Increasing union resources so they can contribute more effectively to the debate and more adequately service the needs of their members;
- Disclosure of information so that unions and employees have a better understanding of the conduct of the enterprise as a business;
- The provision of education will enable unions, employees and managers to better participate in the development of democratic workplace activities;
- The recognition of unions as the sole channel of representation for worker involvement in the democratisation of work, and the provision by employers of appropriate support facilities for plant representatives; and
- Job security so that effective employee participation can be undertaken without anxiety about the future. This may well be a precondition for the effective democratisation of work.⁶

7.5 Likely Forms and Models of Participation

Specific outcomes from democratic work practices are more important than the means of achieving such outcomes. This should be reflected in the national approach suggested earlier - the achievement of objectives relating to identifiable issues within the workplace. At the lower levels employee involvement, in the main, can be expected to be based on direct participation on the shop floor for that is where employees feel

⁶ Crombie et al., "Industrial Democracy in Australia 1972-1992: Profiting from our Experience", pp.29-32.

that they have most to contribute as they are comfortable in an environment with which they are familiar. Central to the functioning of democratic practices on the shop floor will be work groups with some form of self-management.

There needs to be provision for the direct form to be complemented by indirect or representative participation to give a comprehensive system of task and power-centred participation to be implemented as appropriate. Having both forms available gives the system flexibility and credibility and should ensure that the traditional structure of decision making at enterprise level undergoes change.

It seems appropriate in Australia to concentrate initially on direct forms of participation as most of our experience lies in this area. Phased implementation should take place over a number of years. This will allow experience and support for change to build up before moving into the upper levels of decision making.

It is expected that participation will continue to be issue-based and that unions will increase their efforts to have legislated changes made. The public sector will continue to be in the forefront of change as governments are able to legislate in respect of their own employees.

Because of the unique political, social and industrial culture in Australia, it seems unlikely that a model from overseas could be transferred directly and operate successfully in our environment. It is more likely that we would use selected ideas from other countries. To the extent that we do borrow, ideas are more likely to come from the United Kingdom and Western Europe rather than from America or Japan because our

culture is strongly influenced by that part of the world. This will lead to the development of a uniquely Australian system of participation.

Employee participation increasingly will become the subject of collective bargaining with the outcomes consisting mainly of participative work re-design and some degree of autonomy for organic work groups. Support for the concepts of co-determination and self-management is too weak for them to be considered as acceptable models for use in Australia at this time except in rare cases where the prevailing conditions are very favourable.

The foregoing makes some suggestions on how employee participation might develop over the next decade or so. The key to accelerated and sustained achievements in this area seems to be the formulation of a tripartite approach at national level. Given the diversity of views this will not come easily or quickly and will require some external stimulus, but with genuine commitment, co-operation and consultation problems can be resolved. There are some encouraging developments at the shop floor and at the national level, but all levels need to be linked to form a comprehensive and co-ordinated system extending from the lower to the upper level in both public and private sectors. In the opinion of one researcher, this gives rise to the following questions:

- How do we achieve articulation between the enterprise and the industry level?
- How, within a democratic pluralist market economy, can we get that articulation between competing enterprises at the workplace level and effective participation and consultation at the industry level? and
- How can we better elaborate and develop participative mechanisms and structures which link the industry and sectoral level in both the

private and public sectors into, and consistent with, a process of participatory national economic planning?⁷

These questions pose fundamental challenges which need to be addressed. The way ahead is likely to be slow but provided objectives are realistic and clearly defined, an improved quality of worklife for Australian citizens can be expected.

⁷ Alastair Crombie, "Industrial Democracy in Australia 1972-1992 - Profiting from our Experience" in H. Ermacora (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings*, Melbourne, August, 1984 (Canberra: AGPS, 1985) p.49.

BIBLIOGRAPHY

- Alford, J. "Consultative Mechanisms in Victorian Transport Authorities", *Work and People*, Vol. 9., No.2, 1983.
- Anderson, G. "The South Australian Initiative", in Pritchard, R.L. (ed.), *Industrial Democracy in Australia*. Sydney: CCH Australia, 1976.
- Australian Council of Trade Unions, *Consolidation of ACTU Policy Decisions 1951-1982* Melbourne: ACTU, 1982.
- Australian Council of Trade Unions. *Policies and Strategy Statements, ACTU Congress, 1985*. Melbourne: ACTU, 1985.
- Baldwin, F. and Walpole, W. "Women, Affirmative Action and Industrial Democracy" in Ford, G.W. and Tilley, L. (eds.), *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*. Canberra: AGPS, 1986.
- Bentley, P. and Wang, K. *Bringing About Industrial Democracy Within the Public Service - a Radical South Australian Response*. Adelaide: Unit for Industrial Democracy, 1979.
- Bentley, P. *Industrial Democracy Developments in Western Industrialised Societies During the Next Two Decades*. Adelaide: Unit for Industrial Democracy, 1979.

- Bentley, P. "Relevance of European Experiences to Australian Developments" in Wood, R. (ed.), *Proceedings of the International Conference on Industrial Democracy, Adelaide, 1978*. Sydney: CCH Australia, 1978.
- Blauner, R. *Alienation and Freedom*. Chicago: University of Chicago Press, 1968.
- Blumberg, P. *Industrial Democracy: The Sociology of Participation*. London: Constable, 1968.
- Broekmeyer, M.J. (ed.) *Yugoslav Workers' Self-management*. Proceedings of a Symposium, Amsterdam, January, 1970. Dordrecht, Holland: Reidel, 1970.
- Burnstein, M., Tienhaara, N., Hewson, P. and Warrander, B. *Canadian Work Values - Findings of a Work Ethic Survey and a Job Satisfaction Survey*. Ottawa: Information Canada, 1975.
- Carlin, L. "Goldsworthy Mining Ltd.", in *Industrial Democracy and Employee Participation: Digest of Case Studies, Vol.1*. Canberra: AGPS, 1985.
- Carlin, L. and Cannon, P. "Employee Participation Experiences and Attitudes of Managers in W.A." *Work and People*, Vol. 7, No.2, 1981.
- Carter, H.C. "Industrial Relations and Industrial Democracy in the Retail Industry" in Ford, G.W. and Tilley, L. (eds.), *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*. Canberra: AGPS, 1986.

Clarke, R.O., Fatchett, D.J. and Roberts, B.C. **Workers' Participation in Management in Britain.** London: Heinemann, 1972.

Cole, R., Crombie, A., Davies, A. and Davis, E. **Future Directions in the Democratisation of Work in Australia: Employee Participation Research Report No.5** Canberra: AGPS, 1985.

Commonwealth of Australia. **Reforming the Australian Public Service: A Statement of the Government's Intentions.** Canberra: AGPS, 1983.

Confederation of Australian Industry. **Involving Employees in the Enterprise (Workers' Participation): A Guide for Employers.** Melbourne: CAI, 1978.

Confederation of Australian Industry. **Employee Participation: A Guide to Realising Employee Potential and Commitment.** Melbourne: CAI, 1987.

Crombie, A. "Industrial Democracy - Job Satisfaction or Social Transformation" in Pritchard, R.L. (ed.), **Industrial Democracy in Australia.** Sydney: CCH Australia, 1976.

Crombie, A. "Industrial Democracy in Australia 1972-1992 - Profiting from our Experience" in Ermacora, H. (ed.) **Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August, 1984.** Canberra: AGPS, 1985.

Crombie, A., Cole, R., Davies, A. and Davis, E. "Industrial Democracy in Australia 1972-1992: Profiting from our Experience", **Work and People, Vol.11, No.2, 1985.**

Cummings, K. "Outworkers and Subcontractors: Non-Standard Employment and Industrial Democracy" in Ford, G.W. and Tilley, L. (eds.), **Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia**. Canberra: AGPS, 1986.

Cupper, L. "Self-Management: The Dynavac Experience" in Lansbury, R.D. (ed.), **Democracy in the Workplace**. Melbourne: Longman Cheshire, 1980.

Davis, E. and Lansbury, R. "Democracy and Control in the Workplace: An Introduction" in Davis, E. and Lansbury, R. (eds.), **Democracy and Control in the Workplace**. Melbourne: Longman Cheshire, 1986.

Deery, S. and Plowman, D. **Australian Industrial Relations**. 2nd ed. Sydney: McGraw-Hill, 1985.

Department of Employment and Industrial Relations. **Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia**. Canberra: AGPS, 1986.

Department of Employment and Industrial Relations. **Employee Participation News**, No.3, 1984.

Department of Employment and Industrial Relations. **Industrial Democracy and Employee Participation: A Policy Discussion Paper**. Canberra: AGPS, 1986.

Dunphy, D. "Industrial Democracy - The Implications for Management" in Pritchard, R.L. (ed.), **Industrial Democracy in Australia**. Sydney: CCH Australia, 1976.

Edwards, S. **Industrial Democracy as Seen Within the General Framework of Industrial Relations in Victoria.** Melbourne: DEIR, 1984.

Edwards, S. and Alford, J. "Consultative Mechanisms in Victorian Transport Authorities" in **Industrial Democracy and Employee Participation: Digest of Case Studies, Vol.1.** Canberra: AGPS, 1985.

Elderton, S. "Job Reform and the Concept of Worker Participation" in Aldred, J. (ed.), **Industrial Confrontation.** Sydney: George Allen and Unwin, 1984.

Emery, F. and Phillips, C. **Living at Work.** Canberra: AGPS, 1973.

Ford, G.W. and Tilley, L. "The Forces of Change Confront the Forces of Tradition" in Ford, G.W. and Tilley, L. (eds.), **Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia.** Canberra: AGPS, 1986.

Furstenberg, F. "West Germany: Developments in Co-determination" in Davis, E. and Lansbury, R. (eds.), **Democracy and Control in the Workplace.** Melbourne: Longman Cheshire, 1986.

Furstenberg, F. "West German Experience with Industrial Democracy" in Lansbury, R.D. (ed.), **Democracy in the Workplace.** Melbourne: Longman Cheshire, 1980.

Furstenberg, F. "Workers' Participation in Management in the Federal Republic of Germany" **International Institute for Labour Studies Bulletin, 6/1969.**

- Gardner, M., Littler, C., Quinlan, M. and Palmer, G. **Management and Industrial Democracy: Structure and Strategies.** Canberra: AGPS 1986.
- Gillies, E. **Employee Participation and Decision Making Structures: Employee Participation Research Report No.3.** Canberra: AGPS, 1983.
- Gorupic, D. "Tendencies in the Development of the Workers' Self-Management System in Yugoslavia". *Ekonomist*, Vol. 20, No.1-2, . 1969.
- Gunzburg, D. **Industrial Democracy Approaches in Sweden.** Melbourne: Productivity Promotion Council of Australia, 1978.
- Hawke, R.J. "Industrial Democracy Within the Context of National Economic and Social Planning" in Ermacora, H. (ed.), **Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August, 1984.** Canberra: AGPS, 1985.
- Hespe, G. **Employee Involvement in Organisational Decision Making** (Unpublished paper). Sheffield: University of Sheffield, 1974.
- Isaac, J.E. "Industrial Democracy in the Context of Conciliation and Arbitration" in Lansbury, R.D. (ed.), **Democracy in the Workplace.** Melbourne: Longman Cheshire, 1980.
- Jenkins, D. **Job Power.** Baltimore: Penguin, 1974.
- King, C.D. and van de Vall, M. **Models of Industrial Democracy.** The Hague: Mouton, 1978.

- Lammers, C. "Two Conceptions of Democratisation in Organisations" in Pusic, E. (ed.), *Participation and Self-Management* Vol. 4. Zagreb: University of Zagreb, 1972.
- Lansbury, R.D. and Prideaux, G.J. "Democracy in the Workplace: Some Basic Issues" in Lansbury, R.D. (ed.), *Democracy in the Workplace*. Melbourne: Longman Cheshire, 1980.
- Lansbury, R.D. and Prideaux, G.J. *Improving the Quality of Work Life*. Melbourne: Longman Cheshire, 1978.
- Likert, R. *New Patterns of Management*. New York: McGraw-Hill, 1961.
- McGregor, D. *The Human Side of Enterprise*. New York: McGraw-Hill, 1960.
- Miller, R.F. "Worker Self-Management in Yugoslavia: A System Under Stress" in Davis, E. and Lansbury, R. (eds.), *Democracy and Control in the Workplace*. Melbourne: Longman Cheshire, 1986.
- Morrissey, M. "A Multi-Ethnic Workforce: Implications for Industrial Democracy" in Ford, G.W. and Tilley, L. (eds.), *Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia*. Canberra: AGPS, 1986.
- Noakes, B. "An Employer Perspective of Industrial Democracy" in Ermacora, H. (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings Melbourne, August, 1984*. Canberra: AGPS, 1985.
- O'Brien, G. "The Success and Failure of Employee Participation - A Longitudinal Study", *Work and People*, Vol.1, No.2, 1982.

- O'Brien, G. "The Evidence for Industrial Democracy" in Wood, R. (ed.)
Proceedings of the International Conference on Industrial Democracy,
Adelaide, 1978. Sydney: CCH Australia, 1978.
- O'Brien, G.E., Dowling, P. and Kabonoff, B. Work, Health and Leisure:
Research Report No.1 National Institute of Labour Studies, Flinders
University, 1978.
- Pasic, N. "Self-Management as an Integral Political System" in Brockmeyer,
M.J. (ed.), Yugoslav Workers' Self-Management Dordrecht, Holland:
Reidel, 1970.
- Pateman, C. Participation and Democratic Theory. London: Cambridge
University Press, 1970.
- Plowman, D.H., Adams, J.H. and Burke, C.T. "Employer Associations and
Industrial Democracy and Employee Participation" in Ford, G.W. and
Tilley, L. (eds.), Diversity, Change and Tradition: The Environment
for Industrial Democracy in Australia. Canberra: AGPS, 1986.
- Plowman, D., Deery, S. and Fisher, C. Australian Industrial Relations.
Sydney: McGraw-Hill, 1980.
- Ponsford, N.R. and Carpenter, P.J. "An Analytical Approach to Employee
Involvement and Participation", Personnel Review, No.7, Spring, 1968.
- Pritchard, R. "Legal Perspectives on Industrial Democracy in Australia" in
Pritchard, R.L. (ed.), Industrial Democracy in Australia. Sydney: CCH
Australia, 1976.

- Qvale, T. "Current Overseas Trends and Developments" in Ermacora, H. (ed.), **Industrial Democracy and Employee Participation Seminar Proceedings, Melbourne, August, 1984. Canberra: AGPS, 1985.**
- Rawlinson, P. "Dynavac Pty. Ltd." in **Industrial Democracy and Employee Participation: Digest of Case Studies, Vol. 1. Canberra: AGPS, 1985.**
- Report of the Committee on Worker Participation in Management (Private Sector). Adelaide: South Australian Government Printer, 1973.**
- Robson, M.P. **Worker Participation in the United Kingdom. Bradford: MCB Publications, 1982.**
- Taylor, D.W. **Employee Information Sharing. Canberra: AGPS, 1982.**
- Tilley, L. "Unions and Industrial Democracy: A Survey" in Ford, G.W. and Tilley, L. (eds.), **Diversity, Change and Tradition: The Environment for Industrial Democracy in Australia. Canberra: AGPS, 1986.**
- Vaughan, E. "Industrial Democracy in Australia: Some Day Still Far Away" in Davis, E. and Lansbury, R. (eds.), **Democracy and Control in the Workplace. Melbourne: Longman Cheshire, 1986.**
- Walker, K.F. "Concepts of Industrial Democracy in International Perspective" in Pritchard, R.L. (ed.), **Industrial Democracy in Australia. Sydney: CCH Australia, 1976.**

Walker, K.F. "Towards the Participatory Enterprise: A European Trend" in Lansbury, R.D. (ed.), *Democracy in the Workplace*. Melbourne: Longman Cheshire, 1980.

Wall, T.D. and Lischeron, J.A. *Worker Participation: A Critique of the Literature and Some Fresh Evidence*. London: McGraw-Hill, 1977.

Watkins, M. "Experience with Joint Consultation", *Work and People*, Vol.2, No.2, 1976.

Wilenski, P. "Industrial Democracy in the Public Sector - Current Myths and Future Directions" in Ermacora, H. (ed.), *Industrial Democracy and Employee Participation Seminar Proceedings*, Melbourne, August, 1984. Canberra: AGPS, 1985.