

THE AUSTRALIAN NATIONAL UNIVERSITY
CENTRE FOR CONTINUING EDUCATION

INDUSTRIAL RELATIONS SEARCH CONFERENCE

INTRODUCTION

These notes summarize the main themes discussed, and various suggestions brought forward, during a Search Conference on the future needs of industrial relations in Australia which took place from 1 to 3 February 1973. The record was drafted by staff of the Centre for Continuing Education (C.C.E.) of the Australian National University which organized the Conference, and was reorganized and edited by a group of three participants drawn from the membership of the conference.

The conference, deferred from its original date in September 1972 because a number of those invited found themselves in the days immediately preceding unable to attend, brought together in an informal and confidential setting about twelve senior participants each from the unions and (employer) management, together with a small resource group from universities and government. Conference and syndicate discussions took the following pattern, being modified from the original plan as need dictated:

Thursday	afternoon	:	session 1
"	evening	:	" 2
Friday	morning	:	" 3
"	"	:	" 4
"	afternoon	:	" 5
"	"	:	" 6
"	evening	:	" 7
Saturday	morning	:	" 8
"	"	:	" 9
"	afternoon	:	" 10

The intention of the Centre in proposing the conference was to bring together key personnel able to influence the present and future shape of Australian industrial relations, on a personal rather than a representative basis, to explore areas of agreement and difference while making projections for

the future. Although a number of those invited were again unable to clear the days from pressure of other commitments (thus exposing a chronic difficulty in industrial relations where human resources are severely stretched, particularly on the union side, and trouble-shooting tends constantly to displace long-term planning) the Centre considered the exercise to have been useful and successful. In its final sessions the conference determined that these notes should be prepared and circulated to those who took part and to others who were invited, to form the basis for a second, slightly larger and more specific, conference to take place in October 1973. These notes conclude with a tentative agenda for that second meeting.

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SESSION 1.

The opening session consisted of short statements from the resource people. These were given in an informal atmosphere where questioning was possible. Major themes opened up included that of the proper scope of industrial relations and the implications of social and technological change. Speakers discussed the need for decentralization of the information base for decision making in the industrial relations field, outlining the use of social indicators to guide solutions to major future problems.

The problems arising from the multi-dimensional and turbulent nature of change were summarized as the greater need for information on changes in the labour market, the communications gap between people in different age groups, and a certain lack of receptivity to innovations in methods of problem solving.

Questions were raised of the interrelations between employment and industrial relations given that men need to work and need a quality of work life which ensures personal growth. It was seen that new government planning is necessary for three main projects.

- a. A new and broader concept of training which is tied closely to work and community needs and which is sufficiently available and flexible in its implementation to provide real growth in quality and quantity of manpower.
- b. An enquiry into the long term system of industrial relations of which changes in the narrow area of conciliation and arbitration procedures are a first step.
- c. Investigating the frontiers of thought in industrial relations and setting goals for society which may or may not be systematized and quantified in terms of community ideals and values. The work of O.E.C.D. was mentioned as an example of early attempts in this area.

New ways of looking at industrial relations in Australia for the seventies have become imperative because the traditional area of exchange at the factory gate is being supplemented or paralleled by contact at the work place. Previously an area of managerial prerogative the 'shop floor/work face' is now of concern to all parties as the quality of work determines the nature of industrial relations. Managers need more from their employees insofar as quality of product and efficiency of production is determined by the men on the job, particularly in the increasing proportion of science-based industries. Workers expectations have increased bringing rejection of traditional authoritarian job designs. This is expressed by absenteeism, irresponsibility and carelessness on the job, and in some extreme cases deliberate sabotage of production.

Although negotiations concerning traditional conflicts of interest will persist as a key area of industrial relations and although there is disillusionment with the recent fantasies of escape through automation in blue collar jobs and increasing shifts to white collar jobs, there is a solution. This solution which denies the use of persons as replaceable cogs in an impersonal production oriented machine requires an awareness of common interests as the basis for collaboration. Experiments in implementing this solution in Norway, Sweden and the U.S.A. have shown the need for top level cover for and multi-initiatives to discussion.

A current Australian example of this new approach to industrial relations was discussed in terms of the problems encountered in separating traditional industrial relations processes from the concern with the person in production. Fears and distrust of the motives of management in attempting to apply the 'deep slice seminar' technique to job restructuring, i.e. simultaneously and from the start involving all classes of persons concerned from plant management to operation and maintenance had shown the need for education, particularly education of management and union officials.

Emphasis was placed on workers concern with poor quality consumer goods as an index to dissatisfaction with the nature of work and some basic premises were questioned. These included:

"The share of the cake is fixed",

"There will be continued economic growth",

"Profitability is the first priority of workers and management",
"Resistance to change comes mainly from management",
"Planning and decision making for industry is the role of only
top officials in management, unions and government", and
"There is a role for the government in the wider system of
industrial relations".

The group also searched around the questions of the role of market shifts in rate of unemployment, what are the values of the community that should guide planners, the degree of change that could be effected by individual employers experimenting and setting examples, the role of resource reallocation as a determinant of policy changes, the value of training which is essentially technical - the nature of the gaps in our thinking about training, and the possibility of defining a common starting point for leadership in various sectors of the community.

SESSION 2.

As the first plenary session had done some wide ranging thinking towards the future the second session broke into two syndicates. The first explored the nature and implications of the actual changes taking place in society, and the second focussed specifically on the nature of industrial relations and its boundaries.

A

Critical components of social change discussed included:

the changing social aspirations of the work force with a context of increasing affluence and decreasing economic motivation to work;

moves towards the "global village";

increasing size of all types of organizations and greater use of expert staff by unions and employers which both increase the psychological distance between men and their work;

market shifts and expectations of a new concept of education; rejection of traditional authority bases with an emphasis on "do your own thing" individualism; and pervasive technological change.

The increasing rate of change in all aspects of society with a decrease in the power to predict the pattern of change has led to growing insecurity which is psychological rather than economic.

To overcome these trends towards fragmentation of society other changes must be initiated. Central to those changes is that of structuring opportunities for involvement of men with their work and work mates by providing real participation in decision making about their own job organization.

B

The Dunlop model of industrial relations was presented using a broad scheme of actors, processes and rules or issues as they interact within a specific environmental context. This model caused a questioning of the assumptions underlying such a model. These included the inevitability of continued economic growth, the ability to study separately any given part of such a system in isolation from the whole, and the value of reliance on narrow formal industrial relations procedures.

SESSION 3.

This plenary session was presented with a framework for exploring the nature of production within which the narrow past scope of industrial relations could be isolated; and some of the basic elements in the new approach identified.

While the traditional area of industrial relations was concerned with negotiating the balance of needs of men and machines in the area of distribution of costs and profits, industrial relations in the future would place more emphasis on future building.

The discussion made clear that the relationship between ownership and management is being attenuated to the point that all are simply employees. There are very few "capitalists" left which means a necessary revision of the worker/capitalist framework for thinking about industrial relations. This is happening against a background of uncertain demand and uncertain economic growth. There will be therefore less of a part for Trade Unions and employers to play in industrial relations processes as the community through its life in the work place participates more in both planning and dispute settlement. The role of good industrial relations in promoting economic growth will ensure that responsibility for the allocation of resources to future building will be decentralized. Because decision making in these areas will become less remote from the community there will be increased demands for access to information which has previously been confined to management, government and union officials.

SESSION 4.

After some models of decentralized management function had been discussed in the previous session the conference went on to examine more comprehensively the nature and expectations of work.

It was accepted that real participation and greater flexibility in organizational operations are necessary in both union and industry, although there have been some experiments in unions already in handing down decision making. There was agreement on the underlying assumption that men are interested in their work and that financial incentives, while a unifying force, cannot displace the need for satisfying jobs in providing people with confidence recognition and the feeling of personal worth. It was similarly accepted that the quality of work is at the core of the quality of life and that the main product of industry is people. Transfer of the benefits of job satisfaction to community development was also noted.

Various examples from Australia and overseas demonstrated that quality of work problems are often built in at the design stage, and that both the

socio - and the technical requirements of a job need to be concomitantly considered by a planning group. Although the initiative for democratization of work is that of management in the first instance this needs the support of leadership at the top union level. Management is best placed to gain the necessary information and design criteria from the men on the job, but unions could be granted easier access and be better integrated into these meetings. Obstacles to these projects are often posed by middle management and rank and file union officials, but could be overcome to some degree by an improved and enlarged system of trade union education.

As a successful example of a socio-technical design the group discussed the nature of work at an Australian metal processing plant, now in the fifth year of operation. In groups of six, workers all equally skilled in each job and all equally paid a flat rate of pay operate the plant without the usual first line supervision. The group organises its own operating arrangements so as to fit in with the constantly changing needs of its members, and selects from a short list new members of the team. The lack of competition, constantly changing leadership in the group, and the guide-lines provided by the values of the group, serve to create an environment in which the worker creates his own satisfaction. This latter consideration is now demonstrating itself through worker responses best identified in such things as labour turn over, competence and effort etc.

SESSION 5.

The conference split into two randomly selected syndicates to discuss strategies for implementing the types of changes approved in the previous session.

Syndicate A concentrated on ways of overcoming obstacles to change, particularly in an existing plant where the major resistance stems from the security generated by established practice.

Shop committees were seen as critical in the process of change, but as reliant on sanctioning from the national leaders.

Economic and legal restrictions on industrial relations officers were discussed together with the implications for change of the move towards increasing involvement of top management in industrial relations matters.

Syndicate B discussed what the unions could do both in industry generally, and within their own organizations to improve the quality of life for their members. Mass meetings were rejected as a communication and decision making mechanism in favour of a system of local representatives relaying decisions made by small groups at the site of an issue. This method although more time consuming does provide for self determination in dispute and grievance settlements, and may in the long term be less costly of time and money. It is effectively democratic and guarantees openness and commitment.

SESSION 6.

This session proceeded with two homogeneous groups of union and management members concluding the discussion on strategies for implementing change.

Union

Anxieties were expressed about the role of shop stewards in contributing to a loss of control by top leadership, as areas of responsibility increasingly overlap. Means of keeping in touch more effectively with the work face as the servant/master relationship is rejected throughout society include better documentation of agreements, dismissal mechanisms and secret ballot. There are advantages in collective bargaining as a force in integrating Trade Unions in management function. Leadership should be essentially a planning process involving anticipation, and mobilization of resources to meet the anticipated need, together with the accepting of responsibility to all sectors, particularly in the area of up-holding agreements reached. There is a need in the union movement for resolution of conflict of interests by a national ordering of priorities and statement of philosophy. State Trade Union councils play a critical role in determining the extent of progress

achieved by implementation of A.C.T.U. decisions on national goals, and the organization of top level management of the Trade Unions needs restructuring in order to move towards its ideals.

Management.

Communication problems are common in the industrial relations field. Frequently there are misperceptions of both who is the right person to contact for negotiation and of the nature of access to top management of personnel, particularly industrial relations officers. There is a widespread need for Trade Union education and an upgrading in the quality of union leadership. Various training schemes were investigated.

SESSION 7.

The conference conducted a plenary discussion on an appropriate system of industrial relations for the seventies. This revolved around two main issues. The first was the question of mediation in dispute settlement. It was agreed that direct negotiation between the parties involved, without a third party, was the best method, and that conciliation and arbitration procedures should be considered only after direct negotiation had definitely failed. On the question of who mediates there was some agreement that persons in other than capacities as professional mediators could be useful if chosen by agreement of both parties to the dispute. There was consensus on the fact that this was in no way an attempt to bolster up the present system of formal legislated procedures. The role of the Commonwealth as mediator lead to the second issue; the implications of changes being currently planned by the Department of Labour. Abolition of penal clauses was generally favoured and there was speculation as to whether there now need be a phase two of the change programme, particularly as more and more disputes will be solved on the spot where they arise, by the parties involved.

SESSION 8.

Working in six small groups of three and four members each, the conference drew together in the form of brief reports a programme for development

across the spectrum of industrial relations. These reports follow as they were presented in plenary sessions.

Group No. 1

During the Conference one of the several working groups was allocated the task of spending approximately one hour looking at the processes of industrial relations in Australia.

In the time that was available, the group prepared a chart listing the following:-

- (a) Identifiable processes.
- (b) Whether or not the process was formal, informal or ad hoc.
- (c) Weaknesses associated with the process.

Regrettably the group had insufficient time to be able to develop new processes and systems in detail, but it is considered that the table prepared paves the way for this to be done, in that identifying weaknesses in the current processes is an essential major step.

CHART

INDUSTRIAL RELATIONS SYSTEM, AUSTRALIA.

MAJOR COMPONENT PROCESSES

Processes	Degree of Formalisation.	Weaknesses
1. Independent Negotiations	Informal)))))))	(a) Ensuring that these 3 steps are followed and in the order listed, and that measures to reach agreements are reasonably exhausted at each step before proceeding to the next step.
2. Conciliation	Formal, on both a) Commonwealth and) State basis.))	(b) Ensuring by enforcement if necessary, that both sides to disputes follow the system and decisions and awards of the system.
3. Arbitration	Formal, on both a) Commonwealth and) State basis.)))	

Processes	Degree of Formalisation	Weaknesses
4. Dispute ("strike") Settlement processes	Some informal procedures. Some formal procedures exist in Conciliation and arbitration formal processes.	Procedures do not adequately cover all types of disputes that arise.
5. Price justification (fixing) processes.	Some few systems exist, and others are emerging	Perhaps not sufficiently formalised for the achievement of adequate inflation and economic control. More experience with the newly-emerging systems will be necessary before deciding on need for change.
6. Economic policy processes.	ad hoc	More national goals and guidelines should be laid down.
7. Legislative processes	Formalisation at the Commonwealth and State levels.	
8. Social Welfare processes.	Formalised.	
9. Community Quality of Life processes.	Largely informal	Much more attention needs to be given to this increasingly important subject.

The group considered that it was unwise and unnecessary to highly formalise all processes. Informal processes, particularly with independent negotiations and to an extent dispute settlement processes could result in greater freedom and exchange of views, and result in ability to reach agreement on new awards in dynamic industrial relations situations.

There was agreement that much more attention would need to be given to Quality of Life processes by those involved in industrial relations.

Group No. 2

1. The development of one system in Industrial Relations is a necessity. This would require the elimination of the State industrial commission as "state" bodies but because of the entrenchment of the N.S.W.

industrial commission it was felt that this will not be practicable in the foreseeable future.

2. The large and strong organisations will have little use for a formalised system but the smaller and weaker organisations will require the maintenance of such systems. It appears that the two activities will exist side by side for sometime.
3. The development of agreements in large industries will add to the sense of responsibility of the parties. Agreements made at rank file level of the unions will have a greater chance of survival than if the agreements are made purely by the top management of unions and employer organisations.
4. It was felt that where a third party is required it is desirable that the individual should be selected by agreement between the parties.
5. One of the greatest problems enforcing agreements in large industries is the multiplicity of unions and it was felt that the amalgamation of unions was of national importance. One industrial union covering a large establishment appeared to have many desirable features viz:- eliminating demarcation problems and having agreements accepted by the whole of the establishment rather than by various segments.
6. It was felt that at the present time delays in handling them tendered to allow the dispute to magnify out of proportion. It was the opinion of the group that there should be "trouble shooters" who could be available at very short notice to deal with the problem on the spot.
7. The group was of the view that "investigation panels" could be established by agreement between the union and management. The panels being manned by top level members of either body who could meet and discuss the problem with the disputing parties on the job and give guidance in solving the problem without the matter being referred to a third party in a formal system.
8. In respect of Dr. Ian Sharp's request for views on the proposed Investigation Committee into Industrial Relations the group was of the view that the Committee should include some persons who were practitioners in the field of Industrial Relations as well as some academic (s).

GROUP No. 3

The practitioners in the system - what do we see happening to them in the future?

UNIONS

- . freer rules of eligibility for trade union officials
- . trade union officials' jobs being advertised in much the same way as industrial relations etc. officers are at present - this should lead to development of more highly skilled officials
- . the trade unions will stick to their traditional roles representing the interests of their members. The move into business activities will be separate from the industrial activities of the trade unions and will be a source of funds rather than a means of securing significant benefits by way of lower prices etc.

EMPLOYER ASSOCIATIONS

- . role will change
- . with emphasis on settlement of disputes at the work face employer associations will become less and less involved in disputes at individual factories
- . will become involved in disputes when they are more or less out of hand
- . will retain a major role in centralized wages and conditions negotiations, submissions to tribunals and governments
- . more involved in education and training for their members

EMPLOYERS

- . will develop 2 kinds of industrial officers
- . there will be industrial officers skilled in negotiating techniques with background disciplines of economics, accounting and statistics - these industrial officers will take part in negotiations about wages and conditions of work
- . there will also be industrial officers with skills to enable them to advise management on matters relating to employees at work.

GOVERNMENT

- . we do not see a significant increase in the participation of government in industrial disputes
- . there is some sort of inevitability that the Commonwealth tribunals will increasingly dominate the State tribunals to the extent that there may develop a regional system under Commonwealth control rather than a number of separate systems
- . the Government, through the Department of Labour will take a more positive role in training, education and experimentation and will influence industrial relations by encouraging and promoting the flow and exchange of ideas.

GROUP No. 5A VIEW OF FUTURE TRENDS AND ISSUES

1. We predict unions will seek a change in their role of protecting and improving the earnings and more recently, the conditions, of union members, and will seek wider control (in an executive sense) to influence the quality of work and life of union members.

We believe greater emphasis will be placed on the right to work and union representatives will seek greater involvement in the restructuring of job content in an endeavour to meet the wishes of members for job satisfaction. A side-effect on this we believe, will be the development of broader skills in the work force and greater flexibility in employment.
2. We believe the present system of negotiations between employers and employees will continue to change, moving towards direct bargaining and within the union, decentralised control will develop to permit greater participation by the individual union member (the wish of individual union members to have a greater voice in union decisions) and through involvement of local committees, closer contact with rank and file. The development of local committees which will bargain or negotiate on local issues will no doubt be controlled within the guidelines of a central policy framework.
3. Central national policies are likely to develop through a joint or tripartite negotiation, involving union and employer organisations and

the Government (or Department of Labour). These organisational groups will continue to analyse, evaluate and identify the major social issues and national standards in the community. Effective national guidelines, policies and procedures are likely to be developed for the respective groups. Whilst continuing their traditional roles in the area of wages and conditions, the three groups will also concentrate on methods of making work more meaningful and improving the quality of life.

4. The above work would entail a great deal more research and planning, and it would appear an advantage if this could be undertaken jointly by the three interested groups.
5. There would be restructuring of organisation concepts within all three groups, but particularly within companies and unions. Particular reference has been made to the changing roles of supervisors and shop stewards, but we envisage organisational changes will be much wider than this. Flatter organisations will develop providing shorter and better communication and greater participation at all levels. This development will require broader education and understanding and will lead to the development of extended educational programmes. Organised labour will seek much greater voice and perhaps control in these educational programmes.
6. Whilst seeing unions demanding more control and involvement in major social issues (we would agree they should be), we do not see a similar desire to become involved in the economic consequences which may evolve. This has serious implications for the nation and hopefully will change with increased education and participation allied with more openness by companies in disclosing appropriate financial data.
7. There will be changes in emphasis from monetary demands (this of course will continue) to those related to a better way of life and to meeting individual aspirations in respect of occupations and activities external to the work place, working and leisure time, early retirement, etc.

We foresee further conflict developing between individual conscience and the Government in areas of community, security and protection - law and order. If the community is to survive, then its interests should not be subordinated to matters of individual conscience.

8. We believe there will be a change of emphasis from a work orientated society to one that is more evenly balanced between work, and for want of a better word - "living". Work will not have such an over-riding impact on life, and greater interest will develop in living conditions and standards.
9. We see pressure from some sections of organised labour for "worker control", but believe responsible union leadership will work towards greater participation and involvement in work and planning, rather than control.

GROUP NO. 6

SYNDICATE

The Syndicate considered that three considerations should be looked at as a whole, that the inter-relationships and inter-action between the three considerations were such that, in this short exercise, they should not be separated.

1. As a threshold matter this "buzz" group felt that the Emery definition of the two main areas of industrial conflict was valid, that is, that there are two basic issue areas in "factory gate" (the macro issues) and workplace (the micro issues). It seemed that the "factory gate" issues were capable of further sub-division:
 - i) Community/society standards.
 - ii) Local application of those standards.

The Group saw the present trends in industrial relations continuing with the growing emphasis on direct negotiation, conciliation, mediation, or whatever terms are used to describe the continuing emphasis on the direct relationship. Consequently, the Group sees the system becoming supportive to the processes in the direct relationships with decreasing authoritarianism.

The future model for the formal system will probably reflect its supportive role through new activities in anticipating conflict and this must bring the system into more complex areas of process, design and understanding.

2. The Actors

An imperative identified by the Group was the view that the participants in the future system will, in their supportive role, contribute through their status rather than their power and this implied participants properly educated and informed for the role they will play. Clearly the trade unions had an education gap to close but this of itself does not exclude the need

for employers and those in the formal system to be exposed to further processes of education.

The future role of the supervisor/manager was considered briefly to be important for special identification, it being considered that the degree of industrial conflict arises from the particular insecurities of these people.

SESSION 9

Discussion of the reports to plenary in the previous session lead to points to be taken into account when planning future search conferences in this area. There was agreement on the design of the next exercise.

The main issues raised included the need to bring in from outside trouble shooters when there will be an increasing level and breadth of skills available inside organisation, the value of an enforced cooling off period after notification of a dispute, the obvious implication that as employers are more cohesive than unions there is a need to look again at the design of the central co-ordination function within the union structure, the past and present therapeutic values of strikes for both sides, the necessity to speed up the education of top management in industrial relations and the most effective ways of doing this, the necessity to move away from the definition of employer/union meetings as win-lose situations, the need for adequate background information to serve planning on both sides, and the essential nature of the search conference.

From the discussion of these issues consensus was achieved on the following:-

that the next conference should follow similarly unstructured lines where the material and decisions about direction come from the body of participants themselves;

that the next conference should continue to search into the future without pressures to make binding decisions, particularly of a short term nature;

that the people present at the next conference should similarly be able to express personal views rather than be tied to a representative position which inhibits free communication;

that there should be blue collar unionists present;

that there should be a future-looking group of managing directors present.

that a member of the arbitration commission also be present at the next,

that there will be interim circulation of material to all members of the group, including a summary of the proceedings of the first meeting,

that planning the next steps is a function of the present meeting as it now constitutes a resource group;

that the present membership of the conference, as far as possible, be reconstituted as the core of future meetings to preserve a closed shop for effective working in session;

that optimal timing for the next meeting would be approximately September/October 1973.

that the next exercise be similarly coordinated and administered by C.C.E. and its selection of available resource staff.

SESSION 10.

The conference then considered the agenda outline of the next meeting. This was considered under three main headings:

the composition and differentiation of the work force;

dilemmas in moving from present to future organization of work;

and the notion of structure to facilitate adaptive responses to change.

Composition and differentiation of the labour force.

Fragmentation of the labour force into self delineated groups such as "female", "young", and "migrant", each becoming more demanding of equality and participation has clock-work orange potential if such demands for maturity are ignored.

Dilemmas.

Western society has a traditional acceptance of the need for donkey workers which is being questioned by labour with a rising level of education, skill and expectation. Those in highly skilled operations and crafts are fighting to preserve these skill barriers against moves towards a multi-skilled task team approach to work design. Conversely, there are new skill barriers stemming predominantly from the education system which by its regulations and entry requirements precludes a lot of workers from re-tooling, or updating

their present skills. Redundancy, caused in the main by market shifts, is creating a further pressure for implementation of the concept of continuing education.

Structure.

As the rate of change from primary through secondary to tertiary education, and industry, continues in line with the movement from blue collar - unskilled to skilled through white collar unskilled and skilled to professional, there are forces operating to decentralize large organizations into smaller units which incorporate more human values. There are also pressures towards reduced working hours and increased real income levels across all strata of society the effects of which need to be measured against the meaningfulness of work. The role of multinational organizations in the implementation of national goals will similarly be a factor in the need to restructure not only the shop floor of industry but also policy making bodies within both unions and management. A new appreciation of the function of management as a long term planning function for the total organization, in its context of community values, and the greater size, wealth and professionalization of unions should lead to more flexible and sophisticated negotiations. The results of this new style of negotiation will be transferred through parallel changes at the work place, to community organization and growth.

[The conference realized that this joint exploration of areas of common interest meant that there will be a shared future for all involved in industrial relations.
