

NEW FORMS OF EMPLOYER-WORKER RELATIONSHIPS IN AUSTRALIAN UNIVERSITIES

Vien Nguyen and Robyn Johns

University of Technology, Sydney

This paper aims to investigate if the “high-performance paradigm” and a Unitary Strategic HRM approach of WorkChoices has brought about new forms of employer-worker relationships within Australian universities. In the context of these developments, this paper will first set out to examine the literature to help explain the transition of Australia’s industrial relations system. The paper will then proceed to outline the qualitative research design before reporting and discussing the results gathered through the undertaking of semi-structured interviews with Human Resource Managers/Directors and/or representatives from Australian universities as well as acclaimed academics within the field. The results highlight that whilst WorkChoices did bring forth a new form of work practice, the new practice did not necessarily promote innovative HRM practices nor did it encourage or cultivate new forms of employer-worker relationships within Australian universities.

Introduction

In 1996 Australia’s workplace relations landscape took its first major step away from its traditional pluralist roots with the introduction of registered individual agreements, otherwise known as Australian Workplace Agreements (AWAs). This step was further advanced in 2006 when the then Coalition Government expanded the push by promoting AWAs as the primary bargaining instrument through its regulatory reforms, titled WorkChoices. The WorkChoices reforms embraced much of the Strategic Choice (Kochan et al. 1984) ideology by ostensibly promoting new Human Resource Management (HRM) practices. The approach moved Australia’s industrial relations system away from unions and collective bargaining, towards the creation of cooperative employer-worker relations, in the pursuit of “mutual gains” for both parties (Nyland 1998).

The HRM dimension of the legislation concerned “the promotion of a unitarist view of the employment relationship” (Ainsworth et al. 2006:10), thus assuming no underlying differences of interest between management and workers (Waring 1999). Consequently embracing what Godard (2004:349) refers to as the “high-performance paradigm” (HPP), a paradigm that is often “promoted as ‘best practice’ for employers on the grounds that the practices associated with it yield performance levels above those associated with more traditional workplace and employment relations practices”. This HPP approach was not exclusive to corporate Australia. In fact, universities throughout Australia were also targeted as part of the reform, under umbrella the HEWRRs (Higher Education Workplace Relations Requirements) reform package.

This paper will seek to investigate whether the “high-performance paradigm” and a Unitary Strategic HRM approach of *WorkChoices* has brought about new forms of employer-worker relationships within Australian universities. In the context of these developments, this paper will first set out to examine the literature to help explain the transition of Australia’s industrial relations system. The paper will then proceed to outline the qualitative research

design before reporting and discussing the results. The paper will conclude by recapping the main findings from the research.

High Performance Paradigm Of *Workchoices*

Strategic Choice theory is the paradigm of IR promoting new work and HRM practices, the approach moved IR away from unions and collective bargaining towards the creation of more cooperative labour-management relations, in the pursuit of “mutual gains” for employers and employees (Nyland 1998). It was also an approach typical of the “high-performance paradigm” (HPP) which was “promoted as ‘best practice’ for employers on the grounds that the practices associated with it yield performance levels above those associated with more traditional workplace and employment relations practices” (Godard 2004:349). The HPP functions by firstly accounting the relevant external forces that influence the employment relationship, since the variation of external situations were the primary cause of organisational strategies (Kochan et al. 1984; 1986). Therefore, the IR processes and outcomes were determined by the recurrent interaction between environmental pressures and organisational responses. This was why the Strategic Choice theory was popular amongst advocates, as it projected under the disguise of ‘mutual gains’ (Kochan and Osterman 1994) or a partnership style (Guest and Peccei 2001). Becker and Huselid (1998:75) recorded considerable performance improvement at high level of HPP adoption, in their study of high performance work practices and firm performances. This study demonstrated that HPP does promote ‘mutual gains’. However, Godard (2004:355) noted one of the fallacies of this study was that it failed to look at any job design practices. Therefore, other areas are needed to be explored further before the assuming that, HPP will definitely promote ‘mutual gains’ for all.

The HPP has moved beyond the IR realm, the core focus of organisations are now a combination of IR and HRM practices which adopt “new policies and strategies aimed at enhancing competitiveness by supplanting the adversarial “job control” model of unionism dominant in the postwar era with a more cooperative and participative one ... the new model of management contains many work and HRM innovations” (Godard and Delaney, 2000:483). As Ichniowski (1996) noted, the strategic choice paradigm was about creating performance advantages such as efficient work processes and cost savings strategy that induce employees to work harder and smarter in sharing their ideas. One of the key frameworks of the strategic choice theory was the three-tier IR model. The main components of this framework were (1) management – the top tier of strategic decision making; (2) labour – the middle or functional tier of enterprise bargaining; and (3) government – the bottom tier or workplace level where policies were played out and in the process affecting individual workers, supervisors, and union representative on a day-to-day basis (Sekiguchi 2005). Australia’s IR system has largely been influenced at the bottom tier or workplace level, led by the state institutions, the Government of the day. In the case of *WorkChoices* and AWAs, the former Government has suggested that:

AWAs give employers and employees flexibility in setting wages and conditions, and enable them to agree on arrangements that suit their workplaces and individual preferences. AWAs offer an employer and employees the opportunity to make an agreement that best suits the specific needs of individual employees. An existing employee cannot be forced to sign an AWA. (Australians 2005:1)

Nevertheless, the other prevalent lobbying force in Australia pushing for *WorkChoices* has been at the top-tier level, by organisations such as the Business Council of Australia (BCA),

Australian Retailers Association (ARA) and HR Nicholls. These were the type of organisations that continually encouraged the former Coalition government in reforming the IR system to allow employers more flexibility and choice to enhance business performance and competitiveness. Without a doubt, the implementation of *WorkChoices* by the government was not only directly influenced by the transformation of the global business environment, new technology and changing societal values, but also by the lobbying power of the top-tier strategic decision makers, corporate management and employer advocates such as the BCA, ARA and HR Nicholls.

The rationalisation for *WorkChoices* was about promoting 'high trust' strategy, strategic HRM approach emphasising on "tapping the creativity and commitment of the workforce, to ensure that products and services consistently meet or exceed customer expectations" (Hamberger 1995:6). According to proponents of the HPP (for example, Kochan and Osterman 1994; Marshall 1992), innovative HRM 'best practice' was not only good for organisations, but their employees and potentially unions who were willing to cooperate with the new scheme, by playing a more advisory role and not adversarial one (Hesksher 1988; Marshall 1992; Kochan and Osterman 1994; Ichniowski et al. 1996). Therefore, new HRM procedures were about generating performance advantages such as efficient work process and cost saving strategies by inducing employees to work harder and smarter in sharing their ideas. The assumption was that, by empowering employees, organisations would create more loyal workers and in the process enhance their decision making capability. Using performance pay schemes, employers hope workers would be motivated to improve their performance, training and commitments levels (Godard and Delaney 2000). This was basically the core ideals of what the former Australian government had been promoting through *WorkChoices*, and in particular AWAs (Andrews 2004a; Andrews 2004b; Andrews 2004c; Andrews 2004d). Such ideology was also prevalent in the Huselid and Becker (1997:14-17) study on HRM practices, which found that high-performance work systems were effective in aligning strategies with enhanced performances.

The general problem with new HRM was the difference between rhetoric and practice (Keenoy and Anthony 1992; Legge 1995). Keenoy (1997) analogized the new HRM to a hologram, in which much of what one saw was an illusion and the nature of the illusion depended on one's vantage point or relationship to it. It could be argued that this was similar to the view that many opponents of *WorkChoices* considered of the legislation. Nonetheless, there evidence was put forward showing the positive impacts of *WorkChoices*. Though, this was not a perspective both employers and employees concurred. The sentiment among workers and unions was that, *WorkChoices* resulted in "greater flexibility in the utilisation of labour outside the standard model" (Walsh et al. 1998: 237).

King and Stilwell (2005: 6) noted in their research that Australia's labour market was heading down the 'Walmart route' for greater profits by "keep[ing] unions out, cutting wages, stripping entitlements and employing the working poor". It was unambiguous that when the former Coalition government introduced the *WorkChoices* reform, their intentions were about giving employers and employees more 'choice' and 'flexibility' and like every other industrialised nations, this was the path of high performance practices and strategic HRM. However, not many organisations have fully implemented such strategy. Instead most organisations have selectively chosen strategies that would further boost profitability, and thus creating confusion and insecurity for employees.

The HRM Dimensions

The HPP was a “unitary” strategic HRM approach that assumed no underlying and inevitable differences of interest between management and workers. It essentially individualistic values emphasising the individual and organisation structure in preference to the group and representative systems - these values underpin little scope for collective arrangements and believe in little need for collective bargaining (Guest 1989:43). The approach was more closely linked to human relations ideology that promoted anti-union belief (Bendix 1956). Though, the human relations school was not utterly anti-union, the *WorkChoices* concept was ambivalent towards unions (Kaufman 1998). While the HPP does not fully embrace the unitary assumptions of human relations school, it does entail a shift away from IR’s traditional pluralist framework (Voos 1996). The new work and HRM practices were viewed as the best practices by scholars of the new paradigm, while collective bargaining was seen as the second-best option and old hat (Kochan and Cutcher-Gershenfeld 1989). This new work practices moved traditional “pluralist” IR in at least three ways. Firstly, there were less emphasis on organisational conflicts and more on “mutual gains” (Nyland 1998). Secondly, collective bargaining has become less prominent in the employment relationship, and the role has shifted from union involvement to direct employee participation in the negotiation process. Finally, government policies prioritised managerial and organisational initiatives over unions and workers (Godard and Delaney 2000). However, the idea of enhanced workers flexibility were not always realistic, there was a clear issue between concept and practices (Storey and Bacon 1993). Some scholars contrasted it to the “hard” and “soft” versions of HRM, as the new work practices theoretically promoted “soft” HRM involving “development humanism” to enhance employee commitment and capabilities (Guest 1989). However, in practice there were more “hard” scenarios entailing “utilitarian instrumentalism” which was intended for the increase of HRM direct contribution to the “bottom line” (Legge 1995:35). This was seemingly the case with Australia’s IR reform, *WorkChoices*. The former government and proponents ostensibly preached flexibility and choice, but most workers were stuck with employment agreements that would repudiate these claims.

The logic of rhetoric and reality have been noted in various scenarios, with academics voicing concerns about HPP situations which outwardly seemed to promote ‘soft’ HRM, yet workers end up with neither union nor progressive HRM. This is evident by the “Bleak House” (Sisson 1993) or “Black Hole” (Guest 1995) observations in the British cases. British researchers have shown that the decline of unionism has led to the widespread adoption of progressive HRM but not necessarily for the good of both employers and employees. Legge (2005:175–208) argued that, there was little evidence that the ‘low road’ flexibility strategies were completely the fault of the HRM departments. In fact, the bleak house scenario engaged neither professional HRM nor union activity. Guest (1989) observed that, the new paradigm practices have become more widespread because of its association with the “American Dream” ideals. However, others (for example, Ramsay 1977; Marchington et al. 1993) have observed the HPP as a cycle in managerial thought resulting from global economic conditions. Management were the primary actor in the employment relationship, and they were also the one who dictate the adoption of appropriate strategic practices as a way of producing gains for the organisations (Hecksher 1988; Godard 1992). Yet, researchers seemingly believed that the effects of innovative HRM and firm outcomes were linked with employees. Some studies have examined the relationship between voluntary participation in these programs and union commitment (Eaton et al. 1992; Verma and Mckersie 1987; Verma 1989). There were some confirmations showing workers were looking for new form of work

practice innovations (Freeman and Rogers 1999) and that such approaches can be positively associated with job satisfaction (Cotton 1993; Batt and Appelbaum 1995).

However, one analysis overlooked by HPP scholars undertaken by Barker (1993:434) noted that the “powerful combination of peer pressure and rational rules [in a team environment] creates a new iron cage whose bars are almost invisible to the workers it incarcerates”. Godard and Delaney (2000:492) felt that “work intensification offers few advantages to workers”. Drago (1996) even discerned that, the new paradigm created a “disposable workplace” environment, whereby, employees fear job loss, given that the organisation may simply move operation or because of external pressures of competitions. Therefore, the workers might be “coerced to cooperate” ignoring the need for high levels of empowerment and trust building. The increasing demand of international economics has resulted in many different levels and arrangements of individualism/collectivism and unitarism/pluralism. Though, the ‘mutual gains’ concept has been positive for the ‘direct’ perspective of employers and employee involvement, the ‘indirect’ model of union representation has not been negative either (Boxall and Purcell 2003:168–72; Kochan and Osterman 1994). However, practitioners of ‘sophisticated HRM’ have moved beyond the, with or without unionism approaches, but rather together with and/or even through unions, as well as around or against them. In Australia, as well as overseas, the relationship between HRM strategy and unions has enabled a balance of the right business strategy (Sheldon and Junor 2006). In the corporate sector, direct employee involvement can either be a response to or a cause of union decline so that the ‘high road’ may have union and non-union options. Many ‘low road’ employer strategies of high insecurity and low pay emanated from the ‘bleak house’ sector of the labour market that is characterised by low levels of explicit HR or IR activity (Sisson 1993).

WorkChoices was built on the HPP of strategic HRM, by moving from the pluralist to a unitary approach, the former government hoped to encourage more flexible workplace environment that would enhanced Australia’s competitiveness on the world scale. Fox’s (1974) noted the main difference between the ‘unitary’ and ‘pluralist’ management approach were around the difference between individualism and collectivism (see Purcell 1987; Storey and Bacon 1993). In Australia, the central tool of this reform package was the AWAs, built to individualise Australia’s IR landscape. The former government and proponents advocated that, these policies promoted ‘high trust’ strategic human resource management (HRM) with an emphasis on “tapping the creativity and commitment of the workforce, to ensure that products and services consistently meet or exceed customer expectations” (Hamberger 1995:6). Labour flexibility envisioned the transfer of pluralist to unitary IR understanding – from collective agreements to individual contracts (AWAs), from multi-industrial relations systems to a singular centralised industrial relations system, from a states and federal industrial relations system to only a Federal workplace relations system (Harbridge and Walsh 2002).

Outwardly, AWAs avoided the adversarial relationships and promoted the ‘common purpose’ ideals that highlighted simplicity and flexibility. This was also reflective of strategic HRM/Total Quality Management (TQM) philosophy of giving workers greater responsibility and discretion, with less supervision, through flatter hierarchies or organisations and the greater use of self managing teams (Hamberger 1995). AWAs were intended to be brief and considerably less detailed than the State or Federal awards, which were excessively long and prescriptive. Ideally, individual contracts promoted the ‘soft’ dimensions of strategic HRM by emphasising active employee participation in the management process and placing

importance on people-oriented approaches. Basically employees were viewed as a 'valued asset' "with a significant contribution to make to organisation governance" (Roan et al. 2001:389). However, in reality, many organisations seemingly exploit AWAs as a way of minimising labour costs, increasing numerical flexibilities, intensifying managerial control and profit-maximisation. These were typical characteristics of the 'hard' approach of strategic HRM and the 'unitary' understanding of organisations theory that epitomised managerial prerogative of the 'bottom line' (Legge 1995:35) success which regarded employees as mere passive production factors (Roan et al. 2001). Previous research of AWAs by Deery and Walsh (1999) observed that the key traits of the typical AWA employers were private sector, full-time employees and higher profitability. They inferred that AWA employers were calculative, influential and corporation orientated (Deery and Walsh 1999). The focus appears to be directed at performance management of employees and union avoidance mechanisms, which are more of the 'hard' HRM rather than the 'soft' HRM for progressive management (Morgan and Zeffane 2003).

Unmistakably the perceptions of simplicity and flexibility envisioned of *WorkChoices* and AWAs would be advantageous for both employees and employers, if applied accordingly. However, the pluralist dimensions of organisational practices and 'soft' strategic HRM were mere rhetoric that management, advocates and the former government tried to promote. Basically, if the correct individualisation processes had taken place, then the workplace would be an environment with a closer employer-worker relationship creating 'high trust' that would improve the firms overall performances (Waring 1999). However, in reality AWAs offered procedural terms and conditions used for control rather than providing substantive elements of 'high-trust' (Waring 1999), typical of the unitarist approach and 'hard' HRM philosophy. Clearly, the *WorkChoices* policy had promoted a form new work and HRM practices, but it was definitely not the one indicated by the government.

HEWRRs and *WorkChoices*

While *WorkChoices* was a national agenda across all industries and sizes, the university sector was singled out for further IR reforms with the introduction of HEWRRs or the Higher Education Workplace Relations Requirements. The HEWRRs reform was introduced in 2003 to "encourage a commitment to workplace reform and reflect the government's focus on workplace flexibility, direct relationships with employees and individual relationships" (DEST 2003, 4). Rather than having a 'on size fits all' workplace arrangements in higher education, HEWRRs was about encouraging sector diversity and allowing each higher education institution the right to tailored individual workplace arrangements in accordance to the circumstances and the needs of its stakeholders. According to the Government, this was "designed to support a workplace relations system in universities focused on greater freedom, flexibility and individual choice" (Walters 2005:4). Thus, ostensibly it appeared that the HEWRRs reform package was very similar to that of the *WorkChoices* agenda of flexibility and individualism. HEWRRs made a portion of the Commonwealth Grant Scheme funding, the 40% of block funding provided by government to Australian universities, contingent on the implementation of the Government's industrial relations agenda (DEST 2007). The agenda covered five key areas:

- HEWRR 1 - Choice in agreement making
- HEWRR 2 - Direct relationships with employees
- HEWRR 3 - Workplace flexibility
- HEWRR 4 - Productivity and performance

- HEWRR 5 - Freedom of association (DEST 2007)

In essence the HEWRRs reform agenda required that all staff be offered AWAs. This was to be implemented over two phases. In the first phase all new staff commencing from the 30th November 2005 were to be offered AWAs and in the second phase all existing staff were to be offered AWAs (August 2006). It also required that Enterprise Agreements (EAs) include a provision that allowed for AWAs to override the collectively negotiated Agreements and that restrictions limiting the use of fixed-term and casual employment be removed from EAs. What's more agreements were not to limit managements' capacity to make decisions and unions were not able to be involved in industrial matters except at the request of an affected employee (NTEU, 2006). To ensure universities cooperated and accepted the HEWRRs reform, all universities were assured future increases in Government funding for full compliance (Percy and Beaumont 2008: 146).

The National Tertiary Education Union, “a specialist national union solely representing staff in tertiary education” (www.nteu.org.au/about) within Australia, argued that the HEWRRs requirements gave the “Federal Education Minister unprecedented power to micromanage industrial relations in universities” (NTEU, 2006) as the reforms gave the Minister “effective power of veto over any negotiated settlements between management and staff and unions by making funding conditional on meeting the HEWRRs to Ministerial satisfaction” (NTEU, 2006) . Thus many claimed that HEWRRs would undermine the quality of teaching and research, weaken the capacity of staff to collectively bargain for improvements to their wages and conditions, limit the ability to regulate fixed-term and contract employment, represent an unprecedented interference in the day-to day operations of university management and thereby threaten the autonomy of universities and limit the capacity of management to negotiate with staff about a range of issues (Cahill, 2006; NTEU, 2006).

Aims and Methodology

In Australia, since its introduction in 2005, *WorkChoices* has primarily been the target of numerous academic research, such as studies by Peetz (2005a, 2005b), Evesson et al. (2007) and Wanrooy et al. (2007) on how the legislation has negatively or positively impacted employees and employers. While there have been many studies looking at the negative and positive impacts of the legislation and in particular on AWAs, not as many studies have investigated the impact of the external environment such as global economics on Australia or governmental policies as a result of these external environmental factors. This paper seeks to investigate how the *WorkChoices* legislation, promoted as the new paradigm of innovative HRM practices has impacted tertiary institutions, particularly universities. Therefore, the primary aim is to clarify is how the HPP of *WorkChoices* has impacted universities.

Given the primary objective of this article is concerned with finding out how the HPP framework of *WorkChoices* and particularly AWAs has impacted the university sector; the paper employed a qualitative research design. By utilizing semi-structured interviews with management representatives from five (5) New South Wales universities and with IR academics who are considered experts from the IR field. Secondary data analysis of interview transcripts from television programs such as Lateline on the ABC (Australia's national public broadcaster) were also reviewed as well as Hansard transcripts; official recordings of the proceedings from the Australian Parliament. The two methods were integrated in order to gather information in order to address the objectives of this research.

Results

From the data collected and the qualitative data analysis undertaken, it was undeniable that the *WorkChoices* and the HEWRRs reform was dominated by four prevalent themes as follow:

(1) *the type of framework resulted from WorkChoices*

Firstly, though AWAs have always been promoted as the new form of agreements that would encourage the one on one relationship between employer and individual employees. However, what was transparent from the interviews were that, *WorkChoices* has made the use of standardised template AWAs more widespread. It was unambiguous that *WorkChoices* was not aimed at promoting flexibility and choice for all Australians, but rather a reform package aimed at the simplification of agreement making process for businesses even if it meant pushing the borderline of patterning bargaining, which is illegal. Rarely were AWAs being offered on an individual basis. The majority of AWAs offered were standard template agreements made for many and not one individual. According to the General Manager of the Corporate Group in the Hansard Committee interview, “*once we became aware that WorkChoices was coming into effect*” (Hansard 2006), template AWAs were revised to be adopted into *WorkChoices* regime. Universities all had template AWAs for all current and new staff members. However, the universities did not force AWAs onto new staff or existing staff, since all feared this would strain and damage their management and staff relationship.

(2) *the flexibility and performance aspect of the IR reform*

If *WorkChoices* and particularly AWAs were meant to promote flexibility, choice and performance, how would standard template AWAs fit into the equation? Thus the theme of advantages and disadvantages were examined. All of the universities interviewed in undertaking this research felt that *WorkChoices* had not affected them greatly, as many had chosen not to adopt the strategic reform agenda put forward under *WorkChoices*. However the Deputy Director of one university felt that *WorkChoices* had “*helped in a couple of areas...But that’s not something we’ve taken on in significant respect*”. The Change Manager at another university suggested their method of dealing with *WorkChoices* involved “*deliberately set[ting] out to minimise any impact it would have on staff...we didn’t want to be forcing a new dynamic in a workplace relationship... it really wasn’t something that suited us*” and the Senior Workplace Relations Specialist of yet another university felt that the reform had “*in some respect it’s diminished it [flexibility and choice]*”. The Director of the Graduate School of Business, at one regional New South Wales University, felt that “*employers were given the opportunity to reduce labour costs and strip back employment conditions and they did*”.

(3) *the purpose of the reform*

Therefore it was not possible that the purpose of *WorkChoices* was actually to promote flexibility, choice and performance for any of the universities. According to many respondents it was lucidly plain that the former government used AWAs as a way of taking out the third party from the negotiation table, which in Australia’s case happened to be the union. Both management representatives and academics interviewed implicitly and explicitly accepted that *WorkChoices* and AWAs were all in an effort to leave unions out of the context of the bargaining process. A Senior Workplace Relations Specialist at an inner Sydney university said “*I think certainly the philosophy of the government at the time was to try and reduce the role and power of the union in the workplace*”. The Director of the Graduate

School of Business, at the regional university also stated that *WorkChoices* was “clearly anti-union”, and an Associate Professor specialising in *WorkChoices* and feminine studies at an inner Sydney university further suggested that the former government used *WorkChoices* “to undermine the Unions”. Therefore, there was little doubt from the data collected in this research that *WorkChoices* was there to discourage union activity in the workplace thus altering the employer-employee relationship.

(4) *the complexity of WorkChoices*

The last the dominant feature of the *WorkChoices* and HEWRRs was the extent of uncertainty and confusion created by the increased complexity of the so called ‘simplified’ industrial relations system. All universities expressed confusion over the application, especially given the uncertainty surrounding what was exactly meant by meeting “*Ministerial satisfaction*”.

Discussion and Conclusion

It was clear that *WorkChoices* has created a new form of agreement structure in the form of standardised template AWAs. *WorkChoices* embraced the strategic choice ideology by ostensibly promoting HRM practices. The approach moved IR away from unions and collective bargaining and apparently in the pursuit of “mutual gains” for employers and employees (Nyland 1998). However, the Australian IR reforms seemingly prioritised managerial and organisational initiatives over workers. The HPP perspective of enhancing workers’ flexibility, choice and performance were mere rhetoric preached by the former government, realistically there were clear distinctions between conception and actual practice. The rationalisation of *WorkChoices* being the promotion of ‘high trust’ strategic HRM emphasising on “tapping the creativity and commitment of the workforce, to ensure that products and services consistently meet or exceed customer expectations” (Hamberger 1995:6) were rarely applied. In fact, it seemed clear that the other key objective of the reform was to make union redundant in the negotiation process; overall, *WorkChoices* was ambivalent towards unions. However, interview results and analysis of secondary data demonstrated that the *WorkChoices* approach did not provide new flexibility, choice or enhance performance. In fact, according to HR managers of three of inner city universities, *WorkChoices* has diminished a certain level of flexibility and burdened them with new administrative requirements. Therefore, unmistakably *WorkChoices* has created a new form of agreement making through the standardised template structure. Though AWAs were meant to be individual agreements serving individual needs, it was evident that the rhetoric of ‘flexibility’ and ‘choice’ did not realistically exist, as AWAs were generally template format agreements dealt out individually.

In conclusion, it was clear that *WorkChoices* was beyond the embracement of the strategic choice ideology that merely promoted HRM innovations and practices. In fact, the HPP approach of the legislation moved IR practices away from unions and collective bargaining, towards the creation of more cooperative labour-management relations, in the pursuit of “mutual gains”. Whilst the reform marked the beginning of a new era of Australia’s IR it was reflected in the transformation of Australia’s workplace relations landscape from collective to individualistic, as Wooden (2001) noted, the IR revolution was the result of changes in the competitiveness of international business, advancement of technology and the increasing demands of social factors as a consequence of the expansion of global market. Prior to the late 1980s, Australian employment conditions were heavily dependent on highly prescriptive, multi-employer awards, determined on their behalf by an arbitral tribunals and commissions

which had little or no direct knowledge of individual enterprises (Hamberger 1995). Thus it was not surprising that the centre-piece of the IR reform package was registered individual agreements, AWAs. Outwardly AWAs promoted a new form of agreement that would allow employers and employees more flexibility, choice and freedom to mould employment conditions according to respective needs. As Jonathan Hamberger, Employment Advocate, OEA (now Workplace Authority) *“One of the important benefits of AWAs is the capacity to tailor the AWA to meet the particular circumstances of an individual business”* (Hansard 1999). Therefore rhetorically, *WorkChoices* and AWAs were instruments for the future of Australia’s workplace relations landscape which promoted flexibility, choice and performance.

As the Director of the Graduate School of Business, at the regional university noted *“The template was there to just simplify things for employers”*. Clearly most universities did not feel the need to completely change their current enterprise agreement structure to AWAs or interfere with their current employer-worker relationship. Thus it was clear that not all organisations felt *WorkChoices* had given them new strategic framework and incentives to pursue new HPP strategy. In addition, the interviews undertaken with the five universities showed that they felt that if they had forced AWAs into the workplace environment, this would have alienated staff and only served to damage the employer-worker relationship. The other reason tertiary institutions did not fully embrace *WorkChoices* was due to the fact that the new legislation was confusing, complicating and in the words of the Deputy Director of HR, at an inner city university *“I think it [WorkChoices] has given us less flexibility”*. Clearly, the freedom of ‘flexibility’ and ‘choice’ advocated by the government merely exists theoretically. The rationalisation of *WorkChoices* was the promotion of ‘high trust’ strategy and HRM innovation of ‘best practice’, which was supposedly not only good for organisations, but their employees and potentially unions who were willing to cooperate with the new scheme. However, it was clear from the results that by making AWAs as the principal tool for agreement making, the government was trying to, if not eliminate, alleviate union involvement in workplace relations landscape, especially within the university sector. Though *WorkChoices* policies were not utterly anti-union, the concept was definitely ambivalent towards union involvement, this was because the former government and proponents of *WorkChoices* have always believed that by removing union from the bargaining process, this would enhance flexibility, choice and speed up the negotiation process. A point of view not shared by university institutions, as the Manager of Change Management at a suburban university, explained *“whether we’re public or private enterprise we have to make strategic decisions based on the direction the organisation wants to go and bring our staff along with that, now if the university were to ...decided we’re going to go on quite a major workplace reform approach it could have been extremely damaging and...have quite a serious deterioration of workplace relationship”*. Therefore, it did not matter if the company was public or private, the main objective of any enterprise was to keep the workers happy, because as the old saying goes happy employees are productive employees. The strategic promotion of AWAs being the ‘best practice’ was unrealistic if the agreements themselves were standardised templates that did not vary between workers, as this was merely the separation of the collective agreement without the collective power. Finally, the complexity of the legislation has made it difficult for some universities to fully understand and implement the changes. As the Director of the Graduate School of Business, at a regional NSW university noted *“I think employers maybe aren’t necessarily taken with the new legislation, because one of the clear features of the legislation is that it’s extraordinarily complex...the legislation itself is 1500 pages and there maybe another few hundred pages of explanatory memorandum, so this is really complex, it’s difficult to disentangle and find a*

how to apply". Therefore, it is obvious that *WorkChoices* moved IR away from unions and collective bargaining in the pursuit of "mutual gains" for employers and employees. This approach prioritised managerial and organisational initiatives over workers. The idea of HPP enhancing workers flexibility, choice and performance were mere rhetoric preached by the former government, realistically there were clear distinction between conception and actual practice. The *WorkChoices* reform created standardised template AWAs and marked the beginning of a new era for Australian industrial relations landscape that reflects the transformation of Australian IR, the move from collectivism towards individualism.

REFERENCES

- Ainsworth, S. Baird, M. and Cutcher, L. (2006). 'WorkChoices and Word Choices', *National Conference on Women & Industrial Relations*, Proceedings of the first Biennial Conference of the network of working women's centre, Brisbane July 12-14.
- Andrews, K. (2004a). WA Companies Reaping Rewards of AWA's. *Media Release 17104*. Canberra, Department of Employment and Workplace Relations.
- Andrews, K. (2004b). WA Australia's 500, 000th Australian Workplace Agreement. *Media Release KA 14404*. Canberra, Department of Employment and Workplace Relations.
- Andrews, K. (2004c). 40 Million Reasons Why Labor Will Abolish AWAs. *Media Release 13304*. Canberra, Department of Employment and Workplace Relations.
- Andrews, K. (2004d). Record Number of Approvals for Australian Workplace Agreement. *Media Release 12704*. Canberra, Department of Employment and Workplace Relations.
- Australians, E. W. S. f. (2005, 9th March 2005). 'Employment & Workplace Services for Australians.' <http://www.workplace.gov.au/workplace/Category/Legislation/WRAAct/Part+4+-+Making+an+Australian+Workplace+Agreement.htm> Retrieved 2nd April, 2006.
- Barker, James R (1993). 'Tightening the Iron Cage: Concertive Control in Self-Managing Teams.' *Administrative Science Quarterly* **38**(3) September: pp. 408-37.
- Batt, Rosemary, and Eileen Appelbaum. (1995). 'Worker Participation in Diverse Settings: Does the Form Affect the Outcome, and If So, Who Benefits?' *British Journal of Industrial Relation*, **33**(3) September, pp. 353-78.
- Becker, G. and Huselid, M. (1998). 'High-performance work practices and firm performance: a synthesis of research and managerial implications'. In G. Ferris (ed.) *Research in Personnel and Human Resources*, vol. 16. Stamford, Conn.: JAI Press.
- Bendix, Reinhard. (1956). *Work and Authority in Industry*. New York: Wiley.
- Boxall, P. and J. Purcell (2003). *Strategy and human resource management*. Basingstoke: Palgrave Macmillan.
- Bray, M., S. Le Queux, P. Waring and D. Macdonald (2001). 'The 'representation gap' in Australia'. *ESC discussion paper*. Newcastle., Employment Studies Centre, University of Newcastle.
- Cahill, John (2006) *Higher Education Workplace Relations Requirements.....How they Affect You*, Public Service Association of NSW, Sydney. <http://www.psa.labor.net.au/campaigns/files/HEWRR.pdf>
- Callus, Ron. (1997). 'Enterprise Bargaining and the Transformation of Australian Industrial Relations', *Asia Pacific Journal of Human Resources*, **35** (2): 15-25
- Cotton, John L. (1993). *Employee Involvement*. Newbury Park, Calif.: Sage.
- Deery, S. and J. Walsh (1999). *The character of individualised employment arrangements in Australia: a model of 'hard' HRM*. Employment Relations: Individualisation and Union Exclusion, Sydney, Federation Press.
- DEST 2003. *Newsletter No. 3*. June 1, 2007, DEST, Canberra. <http://backingaustraliasfuture.gov.au/implementation/pdf/news3.pdf>
- DEST 2007. *Higher Education Workplace Relations Requirements (HEWRRs): 2007 Compliance Assessment Process*. DEST, Canberra.

http://www.dest.gov.au/sectors/higher_education/programmes_funding/programme_categories/professional_skills/hewrrs/hewrrs2007.htm

- Drago, Robert (1988). 'Quality Circle Survival: An Exploratory Analysis.' *Industrial Relations* 27(3) Fall: pp. 336-51.
- Eaton, Adrienne E., Michael E. Gordon, and Jeffrey H. Keefe. (1992). 'The Impact of Quality of Working Life Programs and Grievance System Effectiveness on Union Commitment.' *Industrial and Labor Relations Review* 45(3) April: pp. 591-604.
- Evesson, J., J. Buchanan, et al. (2007). 'Lowering the standards': From Awards to Work Choices in Retail and Hospitality Collective Agreements. Sydney, Workplace Research Centre: 1-66.
- Fox, Alan (1974). *Beyond Contract, Work, Power, and Trust Relations*. London: Farber & Farber.
- Freeman, Richard B., and Joel Rogers. (1999). *What Workers Want*. Ithaca, N.Y.: ILR Press.
- Godard, J. and J. Delaney (2000). 'Reflections on the 'High Performance' Paradigm's Implications for Industrial Relations as a Field.' *Industrial and Labor Relations Review* 53(3): 482-502.
- Godard, John (2004). 'A critical assessment of the High-Performance Paradigm'. *British Journal of Industrial Relations* 42(2) June 2004 0007-1080: pp.349-378.
- Godard, John. (1992). 'Contemporary Industrial Relations Ideologies: A Study of Canadian Academics.' *Relations Industrielles* 47(2) Spring 1992:pp. 239-66.
- Gollan, P. (2004). 'Australian Workplace Agreements: An Employer Response.' *The Journal of Industrial Relations* 46(1): 116-124.
- Grozier, D. (2001). 'Do Individual and Collective Agreements make a difference?' *ACIRRT Working Paper* 65. Sydney, University of Sydney: 12.
- Guest, D. (1989). Human resource management: Its implications for industrial relations and trade unions. In *New perspectives on human resource management*, ed. J. Storey, 41–55. London: Routledge.
- Guest, D. (1995). 'Human resource management, industrial relations and trade unions'. In J. Storey (ed.), *Human Resource Management: A Critical Text*. London: Routledge.
- Guest, D. and Peccei, R. (2001). 'Partnership at work: mutuality and the balance of advantage'. *British Journal of Industrial Relations* 39: 207-36
- Hamberger, J. (1995). Individual Contracts: Enterprise Bargaining. *ACIRRT Working Paper* 39. Sydney, University of Sydney.
- Harbridge, R. and P. Walsh (2002). 'Globalisation and Labour Market Deregulation in Australia and New Zealand: Different Approaches, Similar Outcomes.' *Employee Relations* 24(4): 423-436.
- Heard Mackinnon, B. (1996). 'The Struggle for Managerial Prerogative: Ramifications of the CRA Weipa Dispute'. AIRAANZ, Association of Industrial Relations Academics of Australia and New Zealand, Perth.
- Heskscher, C. (1988). 'The New Unionism: Employee Involvement in the Changing Corporation', New York, Basic Books.
- Huselid, M. and Becker, G. (1997). 'The impact of high-performance work systems, implementation and effectiveness, and alignment on shareholder wealth'. Paper presented at the 1997 Academy of Management Annual Conference, Boston, Mass.
- Ichniowski, C., T. A. Kochan, D. Levine, C. Olson, et al. (1996). 'What Works at Work.' *Industrial Relations* 35(3): 356-74.
- Kaufman, Bruce (1998). 'The Origins of Strategic HRM and Participative Management.' Paper presented at the 6th Bargaining Group Conference, University of Illinois, May 2-3.
- Keenoy, T. (1997). HRM as Hologram: A Polemic, Unpublished manuscript.
- Keenoy, T. and P. Anthony (1992). *HRM: Metaphor, Meaning, and Morality*. In Paul Blyton and Peter Turnbull, eds., *Reassessing Human Resources Management*, London, Sage.
- King, J. and F. Stilwell. (2005). 'The industrial relations 'reforms': An introduction.' *Journal of Australian Political Economy* 56: 5–12.
- Kochan, T. A. and J. Cutcher-Gershenfeld (1989). 'Innovation or Confrontation: Alternative Directions for American Industrial Relations'. In Wei-Chao Huang, ed., *Organized Labor at the Cross-roads*, Kalamazoo, Mich., M.E Upjohn Institute.
- Kochan, T. A. and P. Osterman (1994). 'The Mutual Gains Enterprise' Boston, Mass., Harvard Business School Press.

- Kochan, T. A., H. C. Katz and R. B. McKersie (1986). 'The Transformation of American Industrial Relations' Ithaca, NY, ILR Press.
- Kochan, T. A., R. B. McKersie and P. Cappelli (1984). 'Strategic choice and industrial relations theory.' *Industrial Relations* **23**(1): 16-39.
- Legge, K. (1995). 'HRM: Rhetorics, Reality and Hidden Agendas. In John Storey', ed., *Human Resource Management: A Critical Text*, London, Routledge.
- Legge, K. (2005). *Human resource management: Rhetorics and realities*. Anniversary edition. Basingstoke: Palgrave.
- Lewis, P. (2006). Editorial. *Workers Online*, 299, 17 March
http://workers.labor.net.au/299/editorial_editorial.html (accessed 20 March 2006).
- Marchington, Paul, P. Armstrong, P. K. Edwards, and J. Purcell. (1993). 'The Control of Industrial Relations in Large Companies.' *Warwick Papers in IR*, 45. IRRU, University of Warwick.
- Marshall, R. (1992). 'Work organization, unions and economic performance'. In L.Mishel and P. Voos (eds.) *Unions and Economic Competitiveness*, Armonk, N.Y., M.E. Sharpe.
- Mitchell, R. and J. Fetter (2003). 'Human Resource Management and Individualisation in Australian Law.' *Journal of Industrial Relations* **45**(3): 292-325.
- Morgan, D. E. and R. Zeffane (2003). 'Individualism in Organisations: Does employment contract innovation make a difference.' *Employee Relations* **25**(6): 536-556.
- Nassif, R. and K. van Barneveld (2003). 'Motivations for the Introduction of Australian Workplace Agreements.' *Labour and Industry* **14**(2): 17.
- NTEU (2006) *The Higher Education Workplace Relations Requirements: Media Briefing*, National Tertiary Education Union, Melbourne.
- NTEU (2006) <http://www.nteu.org.au/about> (accessed 25 March 2006)
- Nyland, C. (1998). 'Taylorism and Mutual Gains Strategy.' *Industrial Relations* **37**(4): 519-542.
- Peetz, D. (2005a). 'The Impact on Workers of Australian Workplace Agreements and the Abolition of the No-Disadvantage Test'. *Report Card on Industrial Relations*. Sydney, Sydney University.
- Peetz, D. (2005b). 'Is Individual Contracting more Productive?' *Industrial Relations Report Card ACIRRT*. Sydney, Sydney University.
- Percy, Alisa and Beaumont, Rosemary (2008) 'The casualisation of teaching and the subject at risk', *Studies in Continuing Education*, 30:2, 145-157.
- Plowman, D. H. (2002). 'Awards Certified Agreements and AWAs - Some Reflections'. *ACIRRT Working Paper 75*. Sydney, University of Sydney: 17.
- Purcell, John (1987). 'Mapping Management Style in Employee Relations.' *Journal of Management Studies* **24**(5) September: pp. 533-48.
- Ramsay, Harvie. (1977). 'Cycles of Control.' *Soczoology*, Vol. 11, No. 3, pp. 481-506.
- Roan, A., T. Bramble and G. Lafferty (2001). 'Australian Workplace Agreements in Practice: The 'Hard' and 'Soft' Dimensions.' *The Journal of Industrial Relations* **43**(4): 387-401.
- Sekiguchi, T. (2005). 'Strategic Choice Model and Industrial Relations in Japan.' *Osaka Keidai Ronshu* **56**(4): 91-102.
- Sheldon, P. and A. Junor (2006). 'Australian HRM and the Workplace Relations Amendment (WorkChoices) Act 2005.' *Asia Pacific Journal of Human Resources* **44**(2): 153-170.
- Sisson, K. (1993). 'In search of HRM'. *British Journal of Industrial Relations* **31**(2): 201-10.
- Storey, John, and N. Bacon (1993). 'Individualism and Collectivism.' *International Journal of Human Resource Management* **4**(1) March:pp. 63-70.
- van Wanrooy, B., S. Oxenbridge, J. Buchanan and M. Jakubauskas (2007). 'Australia @ Work: The Benchmark Report'. Sydney, Workplace Research Centre: pp113.
- Verma, A. (1989). 'Joint Participation Programs: Self-Help or Suicide for Labor?' *Industrial Relations* **28**(3): 401-411.
- Verma, Anil, and Robert B. McKersie. (1987). 'Employee Involvement: The Implications of Noninvolvement by Unions.' *Industrial and Labor Relations Review* **40**(4) July: pp. 556-68.
- Voos, P. (1996). 'Labor Law Reform: Closing the Representation Gap'. In Todd Schaefer and Jeff Faux, eds., *Reclaiming Prosperity*, Armonk, N.Y., M.E. Sharpe.

New Forms of Employer-Worker Relationships in Australian Universities

- Walsh, P., C. Allan and P. Brosnan (1998). 'Non-standard working-time arrangements in Australia and New Zealand.' *Journal of Manpower* **19**(4): 234-249.
- Walters, Colin (2005) Seminar on 'Governing bodies of higher education institutions: Roles and responsibilities', University Governance, 1-20.
- Waring, P. (1999). 'The Rise of Individualism in Australian Industrial Relations.' *New Zealand Journal of Industrial Relations* **24**(3): 291-318.
- Waring, Peter and John Burgess. (2006). WorkChoices the Privilege of Individualism in Australian Industrial Relations' *International Journal of Employment Studies*, **14**(1): 61-80, April 2006.