

Reforming The Australian Workplace Through Employee Participation

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Abstract

The past decade witnessed a wide range of industrial relations reforms in Australia. Employee participation and industrial democracy was espoused by the Labor government (1983-96) as a key element in its workplace reform program. It was also embraced by the trade union movement and, to a lesser extent, by leading employers and their associations. A case study of employee participation in the Ford Motor Company is used to illustrate the process of workplace reform in Australia during this period. While Ford Australia provides a positive example of workplace change, it is argued that the promise of employee participation has not generally been fulfilled in Australian industry. Contributing factors identified in the paper include economic recession, the decline of trade union membership and a lack of 'people' skills in managerial ranks.

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Introduction

There has been considerable debate about workplace reforms in Australia and the importance of consultation, employee participation and industrial democracy in achieving these reforms (see Davis and Lansbury, 1996). Within the higher councils of employers' organisations, trade unions and government there has been broad consensus about the need for greater employee involvement in decision-making. Yet, as this paper demonstrates, there was a discrepancy between policy pronouncements and reform at the level of the enterprise. A landmark government report, entitled *The Global Challenge: Australian Manufacturing in the 1990s*, lamented that Australian managers lagged 'in their appreciation of employee participation' and did not make the link to improved performance (AMC, 1990). Furthermore, the *Report of the Industry Taskforce on Leadership and Management Skills* (the Karpin Report) in 1995 drew attention to the slow pace of implementation of higher levels of consultation and employee participation (Karpin, 1995). Nonetheless, the decade since the unveiling of the federal government's policy paper on *Industrial Democracy and Employee Participation* (DEIR, 1986) has witnessed some of the most extensive industrial relations reforms this century.

This paper seeks to gauge the extent to which employees and their unions have been involved in decisions at the enterprise level and to explore the kinds of issues which they have influenced and the nature of their involvement. A case study of the experience of the Ford Motor Company with workplace reform is used to illustrate a positive example of employee participation in Australian industry over the past decade. This paper will seek to clarify the issues in the broad debate and to ascertain why greater progress has not been made in implementing employee participation at a time of unprecedented dominance by Labor and trade union influence at the national level.

Conceptual Issues

During the mid 1980s the term 'industrial democracy' was common currency in both political and academic discourse (see Davis and Lansbury 1986: 23). Yet it was rarely favoured by employers who indicated that it smacked of a challenge to managerial prerogative. Their preference was for 'employee participation'. In their report *Industrial Democracy and Employee Participation* (DEIR, 1986) the Australian government concluded that industrial democracy and employee participation were different aspects of the same concept:

Industrial democracy is the ideal, the goal to work towards Employee participation describes the processes that lead to a greater degree of employee influence and is an essential part of the process for achieving industrial democracy. Employee participation means employees having the opportunity to have a genuine say and influence on decision making (DEIR, 1986: 4).

During the 1990s there was less reference to industrial democracy and greater emphasis on employee participation and consultation. The unions indicated that they were less concerned with the label and more with the substance. Their focus remained on the influence employees exert on decision making at work. Crucial are employees' rights and their actual experience of consultation and participation.

The importance of management-employee consultation at the workplace lies in the opportunity for employees to discover more about workplace issues and to influence their determination. The nature of consultation can vary widely. It may be direct, from manager to employee, or indirect, from manager to employee representatives. It may be informal, reflecting a 'walk the talk' style of management, or it may be formal, as within a joint consultative committee.

Allen (1987) argued that workers benefited more from consultation over matters that had not already been determined and that they preferred to consult with managers who had the authority to make decisions. The formalisation of consultation carried the advantage that employees could put issues on the agenda, statements were recorded in the minutes and undertakings could be monitored and checked.

In sum, consultation and participation have been regarded as important processes, often linked to workplace performance. Both may take a variety of forms and guises. Their significance and, in turn, the level of industrial democracy, may be gauged by an analysis of the degree of employee influence and of the sorts of matters capable of being affected. The traditional processes of industrial relations, involving the making of awards and enterprise bargaining, are themselves critical examples of consultation and participation.

Policies During the Labour Government Era (1983-96)

The first Accord was drafted between the Australian Council of Trade Unions (ACTU) and the Australian Labor Party (ALP) before the ALP won national government in March 1983. Thereafter followed a further seven Accords. The Accords were of enormous economic and political significance during the Labor governments of R J Hawke and P J Keating. They

also played an important part in focusing attention on industrial democracy and employee participation.

The economic significance was underlined by Accord Mark 1. It was designed as an instrument to tackle high levels of unemployment and inflation simultaneously. A mutually agreed prices and incomes policy would allow the ALP, on attaining government, to stimulate the economy to reduce unemployment while unions would exercise moderation in their wage claims to counter inflationary tendencies. Key features of the original and subsequent Accords were first, their breadth, encompassing prices, wages, non-wage incomes, taxation, education, health and a raft of social welfare matters; second, the fact that the Accord partners committed themselves to consultation and cooperation. The policies determined were agreed not imposed. In this sense, workers through their representatives at the peak union council, played a part in determining key economic, industrial and social welfare issues. The weakness, however, was that the process involved only a relatively small number of very senior union representatives.

In 1984 the Department of Employment and Industrial Relations hosted a conference on Industrial Democracy and Employee Participation. The then Minister, Ralph Willis, stressed that the greater application of industrial democracy provided a means of 'harnessing Australia's major resource – its people – to the task of achieving economic recovery and better employment prospects' (DEIR, 1984: 13). It also meant more satisfying work and opportunities for employees and increased flexibility, greater efficiency and improvements in productivity, performance, reliability and product quality for organisations. Minister Willis foresaw a further period of debate and discussion on strategy to promote higher levels of employee participation.

The somewhat delayed outcome was the policy discussion paper, *Industrial Democracy and Employee Participation* (DEIR, 1986) mentioned above.¹ It was not a green paper, outlining the government's legislative intentions but rather the presentation of strategic options and a call for more debate. The paper indicated government's reluctance to impose legislation prescribing a particular model for industrial democracy. It considered more favourably potential legislation outlining basic rights and principles to be followed in information sharing and consultation and obliging organisations to develop appropriate processes.

Fluctuations in the economy have often been considered an important determinant of levels of consultation and employee participation. Put simply, low growth and high levels of unemployment have been assumed to strengthen managerial bargaining power and encourage the assertion of managerial prerogative. In any case, difficult economic conditions have often induced a 'backs to the wall' response from managers. Their struggle

is to maintain production and retain customers; little energy or inclination is left over for the niceties of consultation and participation. An alternative scenario can be sketched. For some workplaces, crises represent the trigger for greater consultation and participation. They are sought as desperate remedies for difficult times. The former reaction may well be the more prevalent.

During the 1980s and 1990s leaders in government, business and unions deliberated over the adjustments required to lift performance in Australia's industries and enterprises. All parties recognised the complexity of the task. The point was well made by the Business Council of Australia in its report, *Developing Australia's National Competitiveness* (BCA, 1991). It asserted that 'private enterprises need to make better use of people, of innovation, of the capital stock and to look outward more aggressively' (p. vi). Improved human resource management was therefore one of several issues which required attention.

Preoccupation with the economy and the search for strategic options spawned a number of missions (usually overseas visits) and reports. All highlighted the importance of greater consultation and participation at the workplace, among other things. The ACTU dispatched a mission comprising union factional leaders to Western Europe in 1986 to explore and evaluate economic and industry strategies in several countries. Its goal was to make recommendations which would assist enterprise competitiveness, reduce the balance of payments constraint and enhance productivity through improved management and work practices. One of the six chapters in the detailed report, *Australia Reconstructed* (ACTU, 1987), was devoted to industrial democracy, production consciousness and work and management organisation.

The processes of consultation and participation were therefore seen to be necessary ingredients in improved performance. The latter was broadly rather than narrowly conceived. Also emphasised was the need to develop a production consciousness and culture; to encourage employee and union input into 'wealth creation'. Overseas examples of employee input into workplace decision making were cited with approval. *Australia Reconstructed* recommended the formulation of a national agreement on industrial democracy involving the ACTU, peak employer organisations and the government. It also suggested the enactment of legislation to provide a floor of rights for employees to gain access to workplace information and to consultation (ACTU, 1987: 158).

Australia's then peak employer council, the Confederation of Australian Industry (which was revamped as the Australian Chamber of Commerce and Industry in 1992) published a response. It acknowledged much common

ground on employee participation. Both the CAI and the ACTU sought higher levels of consultation and participation at the workplace and linked these to improved performance. Nonetheless it disliked use of the term 'industrial democracy' as suggesting a political system where decisions are taken by votes rather than managers. It opposed the imposition of employee participation through legislation; the process 'must grow organically at the workplace'. The CAI wished to see all employees involved, not just union members. Unions should not be the sole channel for consultation and participation although in unionised workplaces they would obviously play a part (CAI, 1988: 12-14).

The degree of consensus among the industrial relations parties was reflected in an important joint statement. This involved the CAI, BCA and ACTU and considered *Issues Related to Productivity Improvements*. It was published in September 1986. The familiar context was Australia's economic woes. The statement called for cooperation and consultation in the implementation of change.

As Australia entered the 1990s, leaders in government, business and unions appeared almost to compete in their declared commitment to consultation and participation in the workplace. The publications of two influential tripartite think-tanks reflected this. The Economic Planning Advisory Council (EPAC) reproduced a paper by John Prescott, then Chief Executive Officer of BHP Steel. The story told was of the grim fate facing the Australian steel industry in the early 1980s. Demand had plummeted and many plants, burdened by outdated technology and inefficient work practices, were unable to compete effectively on either the domestic or international market. The 1983 Steel Industry Plan began to turn this around. Pivotal was agreement between management and unions to consult and cooperate on industry and workplace strategy. One outcome was the near doubling of production of tonnes of raw steel per employee from 1983-1989 (Prescott, 1990: 22). Fred Argy, Director of EPAC, described the account as 'an example of Australian initiative and management-employee cooperation turning an ailing industry into one which is profitable, expanding and internationally competitive' (Prescott, 1990).²

The work of the Australian Manufacturing Council (AMC) supported and complemented that of EPAC. In its report *The Global Challenge: Australian Manufacturing in the 1990s*, the AMC advocated the dissemination of a new workplace culture. Traits of the new desired culture included the incorporation of workers' ideas to lift productivity and quality, and teamwork and HRM strategies to foster worker commitment (AMC, 1990: 58-59). But the report also noted that Australian firms appeared to have

responded slowly in the adoption of new design and production systems. Calls for a new workplace culture might similarly fall on deaf ears.

The AMC report stated that the significance of impediments to improved performance had been neglected (p. 70). In particular managerial, union and employee attitudes towards work and workplace relations had been shaped over a long period. These would not easily change. The report also found that Australian managers lagged in their appreciation of employee participation and did not make the link to improved performance (p. 73). A further factor was that many middle managers perceived consultation and participation as threats to their position and prerogative.

The Extent of Consultation

The federal Department of Industrial Relations commissioned a comprehensive survey of industrial relations in Australian workplaces (Callus et al, 1991). The Australian Workplace Industrial Relations Survey (AWIRS) was of 2353 workplaces with 5 or more employees and this represented 87 per cent of the workplaces approached. The survey has been of immense value in providing detail on day-to-day workplace practice, attitudes and perceptions. It cast an interesting light on consultation.

The survey painted a picture of Australian enterprises as beset by change. Some 86 per cent of managers reported experience of one or more of the following: major change in product or service; major restructuring of how work was done; new ownership of the workplace; change to a more commercially oriented operation; reorganisation of management structure; change in senior management personnel; or introduction of major new plant, equipment or office technology. (Callus et al, 1991: 186)

Yet the survey also found that in nearly three quarters of the unionised workplaces, unions were not consulted or even informed about the organisational changes which would affect employees. It was noted however that public sector workplaces were twice as likely as private sector to consult with unions (p.135). The survey concluded that management did not widely or consistently use consultation as a method of interaction with unions and employees (p.136).

A more recent survey of the use of joint consultative mechanisms under the federal enterprise agreements process revealed a continuing low level of consultation between management and the workforce (Mitchell et al, 1996). Amendments by the federal Labour government to the Industrial Relations Act 1988 required parties to any registered agreement to establish 'a process ... to consult each other about matters including changes to the organisation or performance of work'. This requirement was clearly aimed

at encouraging the extension of employee involvement in decision making at the enterprise level. However, an analysis of all agreements certified by the Australian Industrial Relations Commission in 1994 and 1995 revealed a disappointing outcome. The research revealed that 'in a large proportion of cases the Commission certified or approved agreements on the basis of flimsy evidence at best of the existence of a consultative process or ignored it altogether' (Mitchell et al, 1996, p.21).

Management Style

The Department of Employment, Education and Training (DEET) commissioned a report on the state of leadership and management skills in Australian enterprises. The Committee, chaired by David Karpin, submitted its findings in 1995 in the *Report of the Industry Task Force on Leadership and Management Skills*. These help to make sense of the uneven and often slow pace of implementation of higher levels of workplace consultation and participation.

The Karpin Committee described old and new management paradigms. Features of the old paradigm included assumptions that most employees were untrustworthy, and that their disempowerment was appropriate. There was an emphasis on managerial prerogative; 'the local knowledge of all employees must be disciplined by managerial prerogative' (p.21). Features of the new, desired paradigm are the trusting and empowering of employees and recognition that the 'local knowledge of all employees is critical to success and creativity creates its own prerogative' (p.21).

The Committee asked 91 management experts to identify the strengths and weaknesses of Australian managers. Among the weaknesses listed were: lack of open-mindedness and rigidity towards learning; poor at teamwork and empowerment; inability to cope with differences and poor 'people skills' (p.69). Pulling these threads together, Australian managers lacked adequate education and preparation in the management of people and the level of skill involved was underestimated. Rhetoric pointing to the importance of higher levels of consultation and participation has either never filtered through to the bulk of Australian managers or on arrival has found few willing to listen.

The Ford Motor Company of Australia: A Case Study

A case study of Ford Motor Company of Australia examined the issues associated with employee participation in the workplace (see Simmons and

Lansbury, 1996). Ford Australia has placed considerable importance on this issue. In 1993 the then Vice-President of Employee Relations at Ford Australia, stated that without such an ability to involve Ford's employees the company 'wouldn't have a hope in hell of developing and producing a competitive product' (Simmons 1994). Their success in involving their employees was partially evidenced in obtaining two Australian Quality Awards (AQA), one for its plastics plant in 1992 and one for the entire organisation in 1994. An important element in the judging process for the AQAs was the effective involvement of employees (cf. AQA 1994).

Ford Motor Company began exporting to Australia in 1904 and began local production of Model T automobiles on 31 March 1925. After the Second World War, General Motors Holden (GMH) led Ford, Chrysler, Leyland and Volkswagen in market share. After the 1970s Japanese producers replaced all except GMH and Ford. The car industry was protected from competition through import restrictions, but critics of protectionism argued that it induced inefficient production. The Federal government released a two-stage Motor Vehicle Plan (the Button Car Plan) in 1984 and 1988 which had major implications for the industry. Import quotas were abolished in 1988 and tariffs were reduced from 57.5 per cent in 1985 to a level of 35 per cent in 1992 with a reduction to 15 per cent scheduled by the year 2000. This policy had a major impact on the industry and in 1992 Nissan ceased production of cars in Australia. Across the industry, sales of new domestically produced passenger motor vehicles stagnated during the 1980s and early 1990s, but have recently improved. Ford gained market leadership in 1982 and held that leadership nine years until being overtaken by Toyota in 1991. By the end of 1994 Ford was market leader in passenger motor vehicles (PMV) but ranked behind Toyota in total passenger and commercial sales.

Ford Australia's workforce is highly unionised. Before 1993 the main union was the Vehicle Builders Employees Federation (VBEF) which covered approximately 80 per cent of the blue collar work force. In 1993 the VBEF was amalgamated with the Metal and Engineering Workers' Union (MEWU) to form the Automotive, Metals and Engineering Union (AMEU). The AMEU, which through subsequent amalgamations formed the Amalgamated Manufacturing Workers' Union (AMWU), created a more unified union approach to change at Ford.

Various programs were developed by Ford Australia in the early 1980s to involve employees and improve communication within the organisation. These programs included quality circles (QC)s, a suggestion scheme, alterations to organisational structure and an Employee Involvement (EI) scheme. The QCs and suggestion scheme were not successful and sub-

sequently fell into disuse. Neither were well conceived. Among the problems were that the QCs were not effectively integrated with broader organisational strategies (cf. Shadur 1994) and the suggestion scheme focused on and rewarded mainly large suggestions. This focus was in contrast to Japanese methods which tend to reward all suggestions no matter how small.

The EI program was adopted in 1983 and achieved considerable success in increasing labour-management consultation. This program originated in the US parent company from the recognition that there was a need for greater labour-management cooperation to improve the company's performance (Lansbury and Macdonald 1992: 167). An industrial dispute in the Broadmeadows plant that halted production for 6 weeks was the primary impetus for management's attempts to improve employee relations through the adoption of EI. The EI program was developed in collaboration with the relevant unions and gained the support of the Australian Council of Trade Unions.

The EI program was based upon the voluntary weekly meetings of Ford employees and was guided by plant level steering committees that comprised of management and union representatives. The EI groups attempted to resolve issues relative to production and work environment. Issues for discussion required approval by the steering committee and could not overlap with areas covered under normal union and management negotiations.

Although the EI program was initially adopted as a means to improve labour-management relations, it subsequently was directed to improving Ford's performance. By 1993 Ford had approximately a 30 per cent participation rate in the EI program with an over 50 per cent rate in the Sydney plant. In addition to some resistance by middle managers and supervisors, there were other criticisms of the programs including the union's perception that the EI groups lacked autonomy and were limited in scope to issues prescribed by management's agenda. According to Lansbury and Macdonald (1992: 169) the EI program did not meet the expectations that were portrayed by advocates of the system. The low participation rate in the larger plants limited the broad benefits of the program. EI had also not lead to the improvements in absenteeism and labour turnover that management had hoped.

Management judged the EI program as successful and argued that it had not produced a general change to a more participative labour-management relationship and had also assisted in improving productivity and quality (Simmons 1994). A study conducted in 1988 by Lever-Tracy (1990), at Broadmeadows argued that the EI program had lead to 'moderate benefits'

for employees and the enterprise. This included improved communication among employees and improved product quality.

After deliberations with the relevant unions, a pilot program was established in Ford's Brisbane assembly plant in 1991 under the name Natural Work Groups (NWGs). From management's perspective, this new system differed from the EI program, in that involvement in EI groups was voluntary, and the EI groups were more concerned with environmental problems, such as the condition of the work area, than the quality of the product. Several team members also mentioned that under the EI system employees tended to uncover problems which were the responsibility of work areas other than their own. A former employee relations manager claimed that the EI program reaped only modest changes. The lack of broad success, he argued, was the fault of management and management did not want to be substantially involved in the EI process (Simmons and Shadur 1995). By contrast, under the new system, the NWGs became the most basic unit of work and participation in teams became mandatory. Trainers stressed the need for NWGs to help identify and solve problems which were under their direct responsibility, and participation as a whole became more organised and proactive. The NWG program was run by a steering committee consisting of managers, union shop stewards and the plant NWG facilitator and is chaired by the area manager (Simmons 1994).

Teams in the Ford Broadmeadows plastics plant have considerable autonomy and influence over work organisation. Teams allocate tasks, carry out their own scheduling, make adjustments to their commencement and finishing times, obtain the supplies they need from stores, and participate in continuous improvement activities. Teams monitor their own performance and record the running time of machines operated by the team, the rate at which parts are produced first time without defects, and other cost measures (e.g. cost of scrap per part produced). The objective of these strategies has been to develop the teams as an identifiable small business centre in its own right (Pettigrew 1993; see also Mathews 1991). Mathews (1991) found that, in the plastic plant, progress had been made in the two years from Lever-Tracy's study (1990). Modest gains had been turned into more substantial changes. Mathews (1991: 48) argued that there is a 'clear transition' to a team orientated work organisation.

The coordinator of these programs at the Broadmeadows plants stated that Ford's method of adoption was guided by its desire to give 'ownership' of the NWG process to those who were involved in it. According to management and unions officials, there was an effort to make this process 'non-prescriptive'. They wanted the NWG program to evolve according to the needs of the plant involved and the needs of the group itself (Simmons

and Shadur 1995). In a variety of workplaces in Australia there have been negative reactions from shopfloor employees and unions to systems of employee participation which they regard as rigid, imposed from above, and designed in other countries without taking into account Australian conditions.

Ford chose a non-prescriptive approach to teams so as to avoid the problems associated with these rigid participation systems. Thus the aim was to develop a flexible system that would respond to the immediate needs of shopfloor employees and their work environment. Allowing the members a role in deciding how the NWGs will function also helped to give ownership of the system to the shop floor employees. In addition, according to managers, the non-prescriptive approach was taken to alleviate the concerns of union officials who were suspicious of a rigid system of participation simply imported from outside Australia. However it appeared that the union and management had different impressions of 'non-prescriptive'. According to one union official, they did not want Ford to 'go off and do whatever they felt like doing with the NWGs'. On the other hand Ford did not want the direction of the NWGs to be dictated by the unions. Nevertheless unions, especially at the plant level, play an important role in the development of NWGs e.g. through the joint steering committees (Simmons 1994).

From our research it would appear that the NWG programs at Ford Australia have been successful. Shopfloor participation has become more organised; and although it is difficult to get an exact estimate of their impact on the financial performance of the company, anecdotal evidence from the majority of employees interviewed suggests that the NWGs have had a positive influence upon the quality and productivity of Ford's automobiles. Management stressed that Ford's employees were primarily responsible for these improvements. However the NWGs are more of an expansion of the earlier developments at Ford than an independent undertaking. Therefore their exact impact upon employees will be difficult to gauge. Some employees stressed that there had been vast improvements in working conditions and employee-management relations since the early 1980s. Many employees argued that NWGs had allowed them a greater scope to use their talents. According to one shop steward, 'the work is more challenging and we [shop floor employees] have more responsibility, but don't get the idea that it is more interesting'. The EI did not reap the rewards that management and shop floor leaders reported as possible, therefore employees were generally cautious in their comments towards the success of NWGs. Most agreed that there were positive benefits from these programs, however they preferred to adopt a wait and see attitude. The impact of NWGs on the bottom-line

are difficult to estimate, for a cost-benefit analysis of this program has not been scheduled, nor was one undertaken of the EI system.

Has the involvement program lead to improvements in Ford's performance? The quality of Ford vehicles have shown substantial improvement since the adoption of involvement programs. The Automotive Research and Marketing Services conducted an independent survey of PMV quality and found that the number of faults per vehicle for the Falcon had been reduced from a high of 4.4 in 1988 to 2.1 in 1992 (AIA 1993: 27). The number of faults per vehicle for Lasers and Capris had declined from a high of 2.3 in 1985 to 1.7 in 1992. Despite these improvements imported vehicles still averaged fewer defects than Australian built vehicles. The imported equivalent to Laser that is assembled in Japan by Mazda had 1.3 faults per vehicle in 1992 (AIA 1993: 27).

The degree of change at Ford has not been as extensive as might be expected from the amount of organisational resources which were devoted to the various worker involvement programs. There do not appear to be any moves away from a traditional union-management relationship. Management still maintains control over the majority of decisions at the workplace. However Ford appears to have consolidated the 'modest' changes of the 1980s and some employees have greater control over daily operational activities. Involvement, and specifically team working, has facilitated a broader approach to work organisation. Evidence from this case as well as from other companies has shown that advocates of involvement programs frequently approach the evangelical. Yet it is sometimes difficult to reach the lofty goals set in the early stages of adoption. This can lead to disappointment among managers and employees. It may be more appropriate to set more attainable and modest goals.

Legislation, decentralisation of bargaining, new production techniques and the efforts to improve labour-management relations influenced the adoption of workplace reform at Ford. There was also an influence by the parent company, as EI was initially conceived in the US. Each issue influenced Ford at different times and left its particular mark on involvement at Ford. For example, efforts to improve labour-management relations were initially a primary factor in the adoption of EI. The implementation of TQM and management's realisation that involvement can improve quality and productivity were important for spreading involvement through NWGs.

The involvement programs did not usurp the power of unions. Rather, a number of union officials were involved in the development process and some stewards played an active role in the operation of the schemes; sometimes acting as team leaders. However the system did lead to a changed

role for the unions. Yet there was potentially a greater scope for officials and stewards to influence work organisation.

Workplace reform at Ford Australia has played an important role in improving labour-management relations. Involvement can also have an important influence on productivity and quality. However, this case highlights the need for caution when assessing the impact of employee involvement schemes. At Ford these schemes were not equivalent to industrial democracy programs nor were they extensive in their coverage. Involvement schemes appear to have been most successful in the smaller workplaces where they were supported by informal communication between management and employees. These programs are not a guarantee of profitability, but they do provide benefits to the organisation and appear to provide employees with a modest influence on their daily activities and the organisation of work. The gains from workplace reform, however, are likely to be long term rather than immediate, both for employees and the organisation as a whole

Conclusions

The economic turbulence of the last decade may well have had a two-fold effect on employee participation. On the one hand, difficult economic conditions have provided the backdrop for debate on strategies to lift performance. Such debates frequently considered the benefits to be gained from greater employee involvement. On the other hand, economic difficulties distracted attention away from matters such as improving consultation as managers have battled to survive the crisis. The paradox for many enterprises in the early 1990s was that while speeches, reports and mission statements referred to employees as the greatest asset of organisations, swathes of employees were being made redundant; HRM and training budgets were being cut. In this respect, Ford Australia fared better than many other manufacturers.

The impact of forces countervailing consultation and participation was revealed by AWIRS which showed that the majority of workplaces studies did not regularly provide information to employees. It concluded, 'that management at a range of workplaces does not widely or consistently use consultation as a method of interaction with unions and employees' (Callus et al, 1991: 136). The shift to enterprise bargaining and the provisions for consultation in the amended *Industrial Relations Act 1988* may facilitate more regular consultation over a relatively broad array of issues. But enterprise bargaining, at least in terms of registered agreements, has been slow to develop and spread. Research by Mitchell et al (1996) cast doubt

on the effectiveness of requirements that registered agreements include joint consultative mechanisms. The quality of bargaining has also been of concern with many agreements reflecting a narrow agenda and the limited involvement of employees.

The low level and decline in union membership are of additional concern. It has often been assumed that unions play an important role as a channel and resource for employee opinion. The fall in union membership may well carry implications for the quality of employee participation in the workplace. An alternative account designed to allay such fears might argue that more direct manager-employee involvement has offset the need for unions and limited the negative side effects of the decline in union membership.

The findings of the Karpin Committee did little to substantiate this last thesis. Rather, the Committee reported on the relative neglect of people skills in Australian enterprises. These skills have commonly been undervalued and there has been a widespread failure to prepare managers adequately for the challenging business of motivating and engaging in cooperation with their people.

In conclusion, the last decade has witnessed changes facilitating higher levels of consultation and employee participation in workplace decision making as demonstrated by the Ford case study. But there have also been strong countervailing forces which have limited progress. Champions of more consultation and participation face the task of convincing organisational leaders to take these processes more seriously; to go beyond bland comments about the 'importance of our people'. Where they succeed, employees will experience a greater say over their worklife. For many organisations, such as the Ford Motor Company, this has and will be linked to higher levels of performance.

Notes

1. The policy discussion paper was accompanied by the publication of extensive research commissioned by the DEIR. The research findings are summarised in *Diversity, Change and Tradition*, edited by Bill Ford and Lorna Tilley (Ford and Tilley, 1986).
2. BHP has continued to strive for higher levels of consultation and employee participation. BHP Whyalla implemented a program, 'Business Improvement through Employee Involvement' in 1993 which meant a focus on teamwork and the dedication of resources to information sharing and training. BHP report significant increases in performance which they link to the new program (*Human Resources Report* No. 96, 1995: pp. 1 and 7-8).

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