The declining trend of unionism in australia

Parts of the World, Australia

In Australia today, almost all labour industries have a supporting board, known as a trade union. Trade unions have existed for over 150 years and currently there are over 1. 8 million union members (Australian Bureau of Statistics 2002). A trade union is an organisation consisting mainly of employees, who act together to negotiate their conditions of employment (Huntley & Huntley 1976). Unions use the power of a large collective membership to offset the superior economic power of employers and push to improve the wellbeing of their members in the workplace (Pocock 1994).

There are numerous perspectives on the labour movement and the role of unions. The Australian Government assumes a unitarist view, which states that the employment relationship is based on mutual cooperation, a shared goal and a harmony of interests between employees and employers. They see unions as an unwanted disturbance to the organisation's unified structure that compete for the loyalty and commitment of employees (Wishart 1992).

In contrast, pluralism recognises that conflict is inevitable within the workplace and employees are likely to create common interest groups outside the membership of their organisation and develop a loyalty and membership to leaders other than the workplace management. Trade unions are viewed as the legitimate representatives of employee interests at work, with the right to challenge management (Deery, Plowman, Walsh & Brown 2002).

The radical perspective of industrial relations shares the pluralist idea that fundamental and inherent conflicts of interest exist between workers and

employers, however, while pluralists believe that the conflict is not total and parties share at least some common goals, those with a radical view believe that conflict derives from the unequal distribution of income and wealth in capitalist society and underlies everything that occurs in industrial relations.

The radical perspective states that the vulnerability of employees as individuals leads them to form unions so that they can challenge management and the inequality of society (Deery et al. 2002). The history of unions stretches back to the gold rush days of the 1850's. The discovery of gold brought many immigrants to Australia who were sympathetic to unionism, and economic prosperity created labour shortages giving the workers bargaining power.

Skilled workers were the first to form unions and rallied for the eight-hour workday, believing that a fair day involved eight hours work, eight hours rest and eight hours leisure (Horsely, Martin, Winzar, Mattarozzi & Weate 1983). When the gold ran out in the 1860's, the economy was depressed and demands for improved wages and conditions were much less successful. When economic conditions improved in the 1870's and 1880's, unions were able to make significant gains and union popularity grew. By 1885 there were over 100 unions, across both skilled and unskilled industries, and membership had grown to almost 50, 000 members.

The economic depression that hit in 1890 reversed most of the gains obtained by the unions and employers pushed for their ability to negotiate directly with workers rather than the unions. The depression was disastrous for the unions, employers employed non-union 'scab' labour to break strikes

and reduced the capacity for employees to bargain collectively. To combat their loss of power, unions formed their own political party, the Labour Party, and priority was placed on enacting legislation which protected working conditions and created a social welfare system (Deery et al. 2002).

In the early 1900's, the development of the state and federal conciliation and arbitration systems provided unions with a degree of stability and security. The Arbitration Court encouraged the organisation of workers and gave incentives for individuals to become union members. From 1901 to 1921, the proportion of union members rose from 6% to 52%, and 382 unions existed. In 1927, the Australian Council of Trade Unions (ACTU) formed as a consolidation of many existing unions and engaged in regular consultation with the government over key aspects of policy making in Australia.

Union membership peaked in the 1950's, when 60% of employees were union members, but has fallen significantly in recent years (Linehan 1997). In the early 80's, union membership had fallen to 45% (Cook 1992), and in 1999 this had declined to 24%, but over the past few years membership has begun to level out. In 2001, membership had crept up to 25% (Bombig 2001), but in 2003 this figure had dropped to 23% (AAP Australian National News Wire 2004). The decline in union membership has been echoed internationally, in Europe, America, New Zealand and the UK (Berry 2004; Dolliver 2004; Dolvik & Waddington 2004; Kosters 2004; May 2003; Reid 2004).

There are several reasons for the decline in union membership, including structural change of the workforce, changes in legislation and a shift in the

attitudes of employers (Evans, 1990). Firstly, there have been dramatic changes to the structure of the labour market over the past 50 years. Blue-collar and public sector industries typically high in union membership such as manufacturing, energy, public service and transport are declining, and there has been growth in employment where union density has typically been poor- in service industries, retail and finance, amongst women and amongst part-time workers (George 1997).

From 1966 to 1996, the number of women in the workforce increased from 31% to 43% (Nightingale 1991). Across the same time frame, full-time employees declined from 90% to 72% in 1996 (Union membership gains very positive 2002). And in 2002, part-time employment represented 29% of the labour market (AAP Australian National News Wire 2004). Casual employment now stands at 26% (Deery et al. 2002). Since the election of the Howard government, legislative changes have been made limiting the power of unions and their ability to represent the interests of members (Linehan 1997).

In 1997, the government introduced the Workplace Relations Act (Amended), which made detrimental changes to unionism in industrial relations (Coulthard 1999). The Act eliminated the National Accord agreements, which were created with the objectives of reducing unemployment and integrating economic and social policy, and allowed for consultation between the unions and the government on economic policy issues. The Accord gave the unions great power to create policies that aimed for a fairer, more equitable society (Mansfield 1996).

The Workplace Relations Act also introduced penalties for union involvement in industrial disputes, restricted rights of entry to workplaces for union officials, weakened unfair dismissal protections and made provisions encouraging industrial contracts to be made between employees and employers (George 1997). The government has also changed centralised wage fixation of minimum rates from being an industry process to a government process, and state governments continue to legislate with the apparent aim to reduce the union movement in Australia to an insignificant force (Crosby 2002).

Employers today are much more considerate in their practices than employers in the past. The Trade Practices Act and the outcomes from landmark legal cases have increased employers' awareness of their legal responsibilities and the caution they take when dealing with their workers (Linehan 1997). Employers now aim for a 'win-win' situation, as although they try to get the most out of their employees, they know that staff will leave if conditions are not ideal. Most workplaces today have union-substitution policies including improved communication, and incentives such as employee share schemes.

Union-avoidance policies are also utilised, which deny unions a collective role in the workplace. Human resource practices that have been introduced to organizations effectively act to remove the collective voice of the people that unions provide (George 1997). This switch in attitudes has decreased workers' need for unions and their support. The popularity of unions has been affected by substantial negative media coverage. The media

emphasises the disruption that unions cause, rather than supporting their actions.

Union members receive 15% higher wages in some industries, however this figure and other positive achievements are rarely mentioned by the media (Mansfield 1996). Many union structures have changed in recent years and the amalgamation of many smaller unions has led to member dissatisfaction in some cases, which has also led to the decline in membership. Although larger unions can better service the needs of their members, union amalgamation has tended to lead to top-heavy structures as all the former officials have to be accommodated in the new organisation (Linehan 1997).

Amalgamated unions have been reported as insensitive to workers needs and workers have stated that they can no longer identify with a union that is truly reflecting their industry or occupation. It has also been argued that changes with the Accord have decreased member satisfaction (George 1997). In terms of theoretical explanation, the decrease in unionism changes the slant on unions offered by the pluralist and radical perspectives.

The pluralist view states that unions are the legitimate representatives of employee interests with the right to challenge employers, so perhaps the decline in membership can be explained by employees gaining power in the workplace to be able to represent themselves. The radical view, which states that unions challenge the class struggle and inequality of employer and employee, could explain the decline of unionism through the decreasing class differences in society today. Compared to 1960, when union

membership was as its peak, workers and employers are treated much more equally, and employees are treated fairly, with respect (Cook 1992).

From a unitarist perspective, the decline in union membership supports the theory that conflict is not inherent and that every workplace is a harmonious and integrated entity. The decline in unionism could be seen as a move towards the way that organisations should operate, from a unitarist view (Deery et al. 2002). Unions that have maintained or increased their membership over recent years are those which have the capacity to deliver quality services to members consistently, have communications of a high standard and maintain close contact with membership views.

These unions are capable of taking a strategic approach to the membership issues, are planning for the future, and are utilising new technology such as the Internet for member communications (Linehan 1997). In order to attract new members, the union movement as a whole and the services and discounts that they offer need to be valued higher than the $200 yearly membership fee. The APESMA is a union that represents engineers, scientists, professionals and managers. It has over 20, 000 members and is growing about 5% each year.

The measures APESMA has taken to increase membership include offering extra services and finance advice, and sponsoring the largest MBA program through distance learning and Deakin University (Griffin 2002). The Nurses unions are growing alongside an expanding workforce and their good quality industrial services and positive public profile retains membership numbers and loyalty (Mansfield 1996). The Shop Distributive and Allied Employees

Association (SDA) is a shop assistants' union. In 1974 it had 107, 000 members. This figure has now shot up to 211, 00 members and it is continuing to grow (Membership trends 2001).

The majority of its members belong to small retail outlets. Typically there is a lack of communication between these individual outlets and the increased communication that the SDA offers is a major drawcard for many members. As the majority of their members are part-time or casual employees, the SDA employs part-time organisers to work evenings and weekends to provide services to their members (George 1997). However, although out of the 17 unions in Australia, the SDA has the highest membership, it has very little power. This is due to the industry's lack of bargaining tools- the workers have very little to bargain with.

Although their membership is high, union members are still a minority so if the workers choose to strike, their shifts will simply be given to other non-union employees (Egan, 1976). An area that has led to a huge increase in union membership is the call-centre industry. From 1999 to 2000, the total number of union members in Australia grew by 23, 600, due primarily to the influx of call-centre employees. Call centre staff have proven to be relatively easy recruits for the unions as there are many staff working in the same location, making them easy to communicate with (Bombig 2001).

However, as an increasing trend is the outsourcing of call-centre staff from other countries, the membership boost from the call-centre industry may too prove to be an area of decline. If unionism is to increase in Australia, an active approach needs to be taken involving recruitment campaigns and a

switch towards more appropriate representation. Further union amalgamation may also prove to be successful, however it needs to be planned thoroughly with a strong focus on member needs to avoid losing members.

Unions need to embark on recruitment drives to offset the decreasing membership from industries in decline. The ACTU has devoted part of its budget to the recruitment of new members. To combat the lack of interest in unions from younger members of society, young employees have been selected to lead the recruitment efforts in an attempt to change existing attitudes. The ACTU's focus has been on both gaining new support and retaining existing members, who have been contacted through telephone campaigns to find out their views on the union and suggestions for improvement (George 1997).

To maximise their chances, unions need to target areas of the population where employment is growing. Young people, females, part-time and casual employees could be persuaded to join the union if the benefits offered met their needs. Pushing for increased rights for women, such as equal pay across the genders, or rallying for a 40-hour week, could attract women in corporate positions who are not paid the same as males in their organisation, and working mothers who are trying to salvage as much free time to spend with their family.

A recommendation to the unions to gain female support would be to use prominent female figures in their recruitment campaigns and to increase female staff within the unions. Several unions have already responded to the

changing nature of the workforce and are employing officials who are more representative, including women, indigenous Australians and those with diverse cultural backgrounds, with a younger average age (Griffin 2002).

In the US, unions have approached declining union membership by targeting groups of workers who have traditionally been non-organisable or that have been negatively affected by new legislation. Greater emphasis on the Internet as a means of communication has also been well received, however both of these tactics have still not had enough of an impact to see union numbers begin to increase (Freeman 2003).

In reality, what is required for union renewal is a fundamental change in the way unions operate (Crosby 2002). Without government support and with changing cultural views, unions need to critically evaluate the shifting composition of the labour market and target staff with little power or poor conditions. To retain the support they may generate, unions need to stay focused on the future and plan ahead, or they will see a repeat of the unionism decline that has occurred over the past 50 years.