

Has the development  
of human resource  
management  
practices replaced  
the need for ...

[Business](#), [Management](#)



Trade unions have been a central part of the Australian workplace. The workplace however has changed over the past two decades and it is possible that the role of trade unions within the workplace has been replaced by the introduction of Human Resource Management (HRM) practices. As stated by Leigh, 2005 “ from 1914 until 1980, at least two in five workers were members of a union” and unionism was therefore for the most part the dominant approach, in terms of employment relations.

However current membership is at around 20 per cent and coinciding with this decline in trade union membership is the increase in the step away from collectivism to individualism and the use of strategic HRM practices in response to the shift from a manufacturing industry towards a more service orientated industry. By discussing and evaluating the roles and various aspects of trade unions and HRM practices in the Australian workplace this essay will draw on the conclusion whether HRM practices have replaced trade unions in the workplace.

A trade union, according to Balnave et al, 2009, can be defined as ‘ an organisation set up by employees to assist them in the workplace through collective organisation’. Prior to the 1980’s, trade unions have traditionally been dominant, due in large part the nature of the manufacturing industry which consisted mainly of blue collar workers. By providing a collective voice for these workers, unions along with the government have played an important role in developing the framework for the Australian workplace.

A trade union's main role is to meet its member's employment needs and protect their conditions of employment (Deery et al, 2000). Trade unions have assisted in the negotiation process of employment conditions and award wage rates in Australia through collective bargaining, which are now nationally legislated and are aimed to protect and address the interests of the employee. In addition, between 1983-96 the governing body of trade unions, the Australian Council of Trade Unions (ACTU) and the federal Australian Labor Party participated in the Accord - an agreement between the two parties that "sought increases in wages and conditions in exchange for commitments on workplace restructuring and no extra claims against employers" (Balnave et al, 2009). The Accord contained many employment related provisions, which included: superannuation, the introduction of Medicare as well as OH legislations. Furthermore, trade unions have an institutionalised role under the traditional system of conciliation and arbitration to be responsible for dispute resolution via industrial relations tribunals.

Trade unions also act as lobby groups to influence the government and any associated parties on the decision they make (Balnave et al, 2009).

Examples of recent lobbying powers of trade unions include the introduction of maternity leave and more recently the 'Your Rights at Work' campaign, a reply to the Liberal party's 'WorkChoices' campaign. The ACTU backed 'Your Rights at Work' campaign was influential in the success of the Labor Party in the last federal election (Balnave et al, 2009).

However, declining trade union density and membership in the past two decades has decreased their impact in terms of employment relations. In addition, the shift towards a service orientated industry - a traditionally non-unionised industry, consisting of white collar workers, as well as changes in workplaces, which included a fall in fulltime employment, push towards greater flexibility and labour hire had seen the rise of HRM practices (Mortimer and Leece, 2002).

This concept of individualism, illustrated by the Howard government's roll out of Australian Workplace Agreement (AWAs) meant workers were comfortable dealing with employers directly to settle on remuneration packages and working conditions, as oppose to collectively through a trade union. Balnave et al, 2009 defines HRM as " a unitarist approach that emphasises the links between individual employees and the organisation, and views the labour management as a strategic variable that has an important influence on organisation performance".

In other words, recognising ' human resources' as assets as they strive for effective organisational performance. HRM is essentially an approach rooted in the concept of individualism whereby " employers deal with workers individually and or individual employees prefer to look after their own interests rather than relying on third parties" (Balnave et al, 2009). HRM emerged in Australia during the 1980's, with both the hard and soft approach being applied to the Australian workforce.

Both focus on corporate performance, with the hard approach viewing employees as a commodity and emphasising “ job standardisation, employee measurement and organisational values and priorities” (Balnave et al, 2009). The soft approach however has a “ humanistic” view that emphasises employee empowerment as they work towards meeting organisational and personal objectives. With this in mind, the practices employed by the HRM approach have been “ identified as crucial in developing sustainable competitive advantage for organisations.

They include; selectivity in recruiting, equal employment opportunity, training and development, strategic rewards systems/pay for performance and dismissal” (Flanagan and Deshpande, 1996). The strategic approach to recruitment and selection ensures that a great emphasis is placed on employee potential and personal characteristics with staffing linked to organisation’s objectives and unitarist underpinnings, and thus individual agreements. Equal employment opportunity (EEO) is a common HRM practice that implicates most HRM activities, ranging from recruiting, training and development, disciplining and terminating.

As per the EEO legislation, organisations have a legal duty to provide fair treatment to all members of society without any discrimination based on skin colour, race, sexual orientation, age, religion, disability and even trade union membership among others, and thus employing people on merit. Changes in technology, market competitiveness and organisational restructuring mean

organisations need to be up to date in their effort to take control of situations as they arise.

Training and development teaches employees how to perform their job better by acquiring a specific skill/experience as well as preparing them for future responsibilities. The hard and soft approach is best illustrated through the training and development practices of HRM as it emphasises “ the acquisition of knowledge and attitudes to facilitate the achievement of career goals and corporate objectives” (Balnave et al, 2009). Studies have shown, workers are more satisfied with new pay practices, especially when it is related to individual performance (Petrescu A. nd Simmons R. 2008). As part of strategic reward systems, this form of pay for performance agreements encourages employee flexibility, dynamism and contribution (Balnave et al 2009). This according to Legge K, 2005, results in a “ market orientated, entrepreneurial individualistic culture” designed to undermine collective bargaining. Resulting in a “ high performance work practices diminish employee turnover and increase productivity and corporate financial performance by improving employee knowledge, skills, abilities motivation and engagement” (Gill and Meyer, 2008).

The direct nature of HRM practices ensure that dismissal problems can be minimised by face to face conversations between the parties without the need for third parties such as trade unions. Having discussed the roles of trade unions and HRM practices in the workplace, it is possible to say that

the change in market and labour hire and the rise of individualism has resulted in trade unions being replaced by HRM practices.

However I believe the substitution is not as transparent and they still play a vital role. While the decline in union membership suggests that they are not as dominant as they once were, their importance to the workforce should not be taken lightly. Education, Mining, Agriculture and Electricity, Gas and Water Supply industry workers are still heavily unionised as their collective bargaining power is far greater than that of individuals.

Their importance is evident especially in Australia's primary industries - Mining and Agriculture, which make up the bulk of Australia's net gross domestic product (GDP). Subsequently the concept of individualism coincided with pay for performance agreements has meant, employees now believe they can make employment negotiations that best suit them instead of striving for a collective gain. These days employees are more inclined to voice their concerns by means of one or more of the HRM practices rather than indirectly through a trade union.

Furthermore, younger groups of workers may not be motivated to join unions with the likes of telecommunication and call centre work traditionally non-unionised, and if their overall job satisfaction rises as per the pay for performance remuneration system (Petrescu, A and Simmons, R 2008). As mentioned earlier, the notion of collectivism and individualism implemented by trade unions and HRM, along with government intervention has enabled

effective negotiation relationships regarding employment conditions and wage rates.

And while trade unions may never again play as dominant a role as they once did, they will strive to revive membership numbers and at the same time continue to provide an excellent medium for getting workers' opinions aired and for "shocking" management into adopting better practices (Petrescu, A, Simmons, R 2008), something that may not be as easy for an individual to do without the backing of a trade union and its collective

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