

## Employers in Australia in 2011: New Roles and Relations in the Workplace?

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### **Historical context**

There has been much change in Australian employment relations over the past two decades driven by the market imperative and facilitated by legislative change. Globalised product and capital markets have required employers to manage their employment relations differently. Intense global competition for product market share together with the increased control of large investment trusts with their demands of better corporate performances and returns to investor stakeholders each year has transformed the pre-1980s economic context in which Australian organisations operate.

Discussion of the transformation in Australian employment relations since the 1980s has centred on bargaining and bargaining structures (Sheldon and Thornthwaite, 1999: 2). The main trends, before the *Fair Work Act 2009*, had been to decentralise the determination of wages and conditions and to facilitate the operation of market forces in the labour market. The role of third parties – tribunals, employer associations and unions – was diminished and the managerial prerogative to determine the regulation of their workplace was increased. Neo-liberal ideology dominated policy makers' thinking on the appropriate regulatory framework. The federal Coalition government's 2006 Work Choices<sup>1</sup> changes were the pinnacle of this trend. Work Choices established individual employer-employee bargaining as the preferred method, placed greater restrictions on the role of unions, further reduced the role of tribunals and awards, and established only five minimum conditions to underpin workplace agreements.

Most employers were satisfied with and applauded the regulatory trend, and in particular Work Choices, as it had increased their flexibility and prerogative over the way in which wages and conditions would be set

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<sup>1</sup> *Workplace Relations Amendment (Work Choices) Act 2005*.

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## Conclusion

The driving forces associated with product markets, large investment groups and performance assessment of senior management mean that public companies will continue their drive to maximise profits and to ensure that each year's performance exceeds the previous year's. This demands a continued focus by management on increasing labour productivity and reducing labour costs.

In reflecting on the changes influencing employers' management of workplaces today in Australia we are reminded that power considerations do play a major part in shaping management's options and consequent behaviour. The regulatory changes in the *Fair Work Act* combined with major labour supply issues are changing the balance of power albeit this is occurring unevenly across occupations and industries. One might expect to see employers being more likely to determine wages and conditions collectively, to negotiate with employees and/or their representatives and to generally be less able to engage in unilateral decision making. We might also expect more inclusive employment practices for women, parents, older workers and other groups who may have historically encountered inequity in the workplace. There is evidence of change occurring in these directions but it is too early to confirm lasting trends and conversely there is plenty of evidence of employers resisting such changes.

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