# MONASH UNIVERSITY

# TWO STEPS FORWARD, ONE STEP BACK
# AUSTRALIAN UNION REVIVAL

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## WORKING PAPER SERIES

### Abstract

Australian union membership declined at over one per cent per annum through the 1990s, and unions now represent around a quarter of the workforce. The Australian Council of Trade Unions [ACTU] has pursued several strategies aimed at tackling this malaise. The central purpose of this paper is to chronicle two of these strategies: union restructuring and the move to an 'organising' model of trade unionism. These strategies were championed by the ACTU as key planks in encouraging union recruitment and retention. The union restructuring strategy was successful in reducing the number of federally registered trade unions from 326 to 142. However, according to one observer [Fairbrother 2000], the result of these mergers is the creation of large-multi-sector and occupational unions, beset by uneasy internal political alliances and class compromises. The move to an 'organising' model of unionism has been met with successes on the one hand, and resistance on the other. There are still unions locked into the servicing model rather than adopting a dual or balanced approach of servicing and recruitment. It seems like these strategies are like the curate's egg – partly good and partly bad and not wholly satisfactory, especially in arresting the carnage associated with declining union membership.

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## INTRODUCTION

Australian union membership declined at over one per cent per annum through the 1990s, and unions now represent around a quarter of the workforce. It is obvious to any observer that if unions fail to respond appropriately that membership will continue to decline. The Australian Council of Trade Unions [ACTU] has pursued several key strategies aimed at tackling this malaise. The central purpose of this paper is to chronicle two of these strategies: union restructuring and the move to an 'organising' model of trade unionism. These strategies were championed by the ACTU as key planks in encouraging union recruitment and retention.


## RECONCEIVING UNION MEMBERSHIP IN AUSTRALIA

Elements of a transition to an alternative approach emerged in the ACTU policy formulation in the late 1980s. Inter-linked elements central to this transition were union restructuring and recruitment and the retention of union members. At the 1987 ACTU conference a policy document entitled *The Future Strategies for the Trade Union Movement* [Future Strategies] was tabled. With an aim to revive the Australian union movement, Future Strategies focused on consolidating and expanding the movement's organisational base as a key issue. It maintained that the provision of improved services to union members was contingent on the reduction in the number of unions - to be achieved via amalgamation. Improved services were regarded as a recruitment incentive.

A range of amalgamation policy initiatives were enacted by the ACTU and the federal Labor Government, and by the mid 1990s the number of federally registered unions had fallen from 326 to 142. One of the purported benefits of the amalgamation process was the creation of a large pool of resources to underpin key issues such as recruitment and retention (ACTU 1987; Costa & Duffy 1990). However, as Fairbrother (2000) points out, He claims that the result of these mergers is the creation of large-multi-sector and occupational unions, beset by uneasy internal political alliances and class compromises the current state of affairs is far from rosy. Clearly this is not a good hunting ground for union organisers.


## CHANGING PATTERNS OF UNION ORGANISATION AND PARTICIPATION IN AUSTRALIA: BACKGROUND

The global economic landscape is undergoing a transformation that is multifaceted and wide ranging in nature (Ireland and Hitt 1999), and in today's increasingly de-regulated workplace, unions are less powerful and less demonstrably effective for a variety of reasons. In many instances, the combined effects of government and employer policies, which are directly anti-union, have undermined the traditional role of unions.

Between 1983-1996 in Australia, a Federal Labor government was in power. A close alliance existed between this government and the Australian Council of Trade Unions [ACTU]. Unions were guaranteed *a seat at the table*, and were able to exert influence over economic and social policy making. However, this came at a high cost, and during this period trade union membership declined at an annual rate of over 1 per cent. In early 1996 the Federal Labor government was swept out of office, and was replaced by an overtly anti-union conservative coalition government. Amongst other things, the newly elected government set out to deregulate the extant industrial relations system. This government has enacted harsh anti-union legislation via the Workplace Relations Act (1996) (The *Act*).

The *Act* removed or modified most forms of organisational protection for unions that had traditionally been part of the Australian industrial relations system (Naughton 1997). As an example, the *Act* allows for the removal of union preference provisions, closed shop arrangements, and places limits upon union right of

entry. The *Act* simplified awards, encouraged individual employment contracts, and placed a strong emphasis on enterprise bargaining.

Moreover at many Australian workplaces, the management modus operandi is what Hurd (1998) calls 'union substitution' – an approach which relies on the progressive application of Human Resource Management techniques to offer workers improved voice, participation, and in many instances better working conditions. Not only are there unprecedented changes in the structure of employment, there is a trend toward union derecognition with a significant proportion of workplaces having no union members at all.

It is well documented that the 1980s and 1900s were periods of decline for the union movements of most economically developed countries, and Australia is no exception (see Griffin and Svenson 1996 for an overview of reasons for the decline). Over the last two decades, Australian union membership relative to the work force has taken a hammering, and by 2000, only 25 per cent of the employed work force were union members (ABS Cat No. 6310.0). Paradoxically in 2000, while overall union density fell, the total number of union members rose for the first time in a decade. Union membership grew by 23,600 compared with a fall of 208,000 in 1999.

It is pertinent to mention here that two countries that adopted to some extent, the organising model of unionism also experienced a growth in union membership around this time. In the UK, union membership rose slightly each year between 1998-2000, while US union membership rose by more than 265,000 in 1999 – its largest annual growth in over 20 years (Carling 2001).

Notwithstanding the recent upsurge in union membership, in the last decade union membership has dropped by almost 600,000. The fastest growing work sector is deregulated, flexible, fragmented, young and part-time. On the one hand, this surely represents an area of untapped membership promise and opportunity, yet on the other, this workforce is not only difficult to reach, but it also lacks a tradition of collectivism. It seems that the rise of unitarist techniques associated with Human Resource Management techniques have been effective in negating the role of unions in the workplace (Holland, Nelson, Fisher 2000). This scenario is not unique to Australia (see for example, Edwards 2000; Fairbrother 2000; Waddington 2000; Hurd 1998). Clearly there is a need for the rekindling of a 'union mentality' at the workplace, as well as recruitment in the traditionally non-unionised sectors and growth areas of the economy.

## ORGANISING WORKS: STRATEGIC TIME LINE 1994-2001 – A FRAMEWORK FOR ANALYSIS

The early to mid 1990s saw that the key focus of ACTU strategy was the restructuring of the union movement. Despite this historic achievement – the manifold problems associated with declining density were apparent; recruitment remained a low priority both for the ACTU and individual unions. By this time unions represented less than one third of the employed workforce. The manifold problems associated with declining density were such that, for Australian unions to *remain* at their current level, 285,000 new members needed to be recruited each year.

The situation pushed the ACTU strategists to realise that the recruitment of new young members was paramount, and the strategic focus became oriented toward a recruitment and retention strategy. The ACTU looked to the U.S. labor movement for inspiration. And, following a 1993 ACTU led fact-finding delegation - a model developed by the U.S. labor movement provided the blueprint for the Australian movement's recruitment strategy.

The delegation recommended the creation of a stand-alone recruitment unit based on the U.S Organising Institute. In 1994 'Organising Works' was established and administered by the ACTU with participating unions through management committee. Two key objectives underpinned the notion of 'Organising Works'. The first was to "recruit, train and support new union recruiter/organisers, who would be attached to a participating union", and the second was "to develop an organising culture".

**THE SERVICE MODEL VERSUS THE ORGANISING MODEL OF TRADE UNIONISM**

The 'organising' model entails a fundamental shift in union strategies, priorities, and resources. It represents a transition away from the extant form of servicing union members. In contrast to the 'servicing' model of trade unionism [sometimes referred to as business unionism] which relies on union activities external to the workplace to support unionists at their place of work and to attract non-members, and in which the function of the union is to deliver collective and individual services to members (Heery, Simms, Simpson, Delbridge and Salmon 1999), the 'organising' model places emphasis on union organisation and activity at the workplace (Waddington 2000).

The objective of the organising model is to ensure that as many members as possible are engaged in union activities at the workplace, and that activists can undertake the range of activities required of the union at the workplace. It endeavors to transform unions from service organisations relying on grievance, arbitration, and contract negotiations to an approach that mobilises workers, building a one-to-one effort to engage workers in their unions and to actively pursue decision-making in the workplace (Deutsch 1998; Hurd 1998). It rests on the assumption that enhanced membership participation in union affairs is prerequisite to reversing the perceived irrelevance of trade unions in the workplace, and therefore, by default the decline in unionisation (Waddington 2000, Bronfenbrenner and Juravich 1998).

Griffin and Moors (2002:182) describe it this way:

> … the organising approach attempts to empower and entrust the members, making them the focus of their union. The first step in moving towards an organising culture is implementing internal organising practices in a union branch. The branch needs to make a commitment to organising and free up the organiser's time to pursue these tasks, without expecting him/her to also take on servicing issues as they arise, workforce.

**BACK TO FIRST PRINCIPLES**

As Griffin and Moors [2002:182] acknowledge, in its first few years of operation, 'Organising Works' had to focus on its first goal before it could make any progress on the second. Hence in the early days, the principal aim of Organising Works was to build a base of organisers and to foster an understanding of organising in the union movement. In 1994 the first year of the program, 58 trainee positions were offered, and by 2001 close to 300 trainees had completed the program (ACTU Organising Centre 2001). [For a comprehensive analysis of the implementation of Organising Works and the recently formed Organising Centre see Griffin and Moors (2002). They identify three discrete phases of activity 1994-1996 Gaining Credibility; 1996-1998 Redirecting Strategy; and 1999-2001 Renewed Push].

The strength of 'Organising Works' was the development of professional organisers who visited workplaces - particularly those in low-unionised sectors. The focus was not on 'winning' people back in traditional areas, but in recruitment in new industries. The low representation the union movement had among the 18 - 25 age group (under 20 per cent) was a central feature in this recruitment focus (Workplace 1994: Want 1997). The profile of organisers was therefore an important consideration, and the Organising Works graduates, to a reasonable extent, mirrored the target population As Turnbull (1994:8) put it at the time: like can now recruit like" Once established in a workplace, the key focus was to build a self-sustaining organising culture, which involved members themselves (TUTA 1996).

In order for a recruitment culture to take root, it had to be an integral part of all union work (Walton 1996). Holland's (1999) discussion with a number of Organising Works graduates in the late 1990s revealed several deep-seated niggling problems within individual unions in attempting the shift from a servicing to organising model. These problems ranged from union indifference to graduates' suggestions, the termination of graduate employment within the union, and a raft of 'cultural'problems. From the beginning, many unions appeared indifferent toward the program, only agreeing to be involved after cajoling by senior ACTU officials. Some were openly sceptical about the whole process – possibly because of the model's U.S.

origins.  However, a serious hindrance was an ageist perception that kids 'wet behind the ears' could gain acceptance in the workplace (Martin 1995).

In all kinds of respects we are living in a brave new world.  And, in 1999 in a showing of their commitment to organising, a newly restructured ACTU leadership endorsed the establishment of an Organising Centre.  The well-funded and staffed centre was an amalgamation of New TUTA, Organising Works, and the Organising Unit.  Furthermore, the release of a new strategy document Unions@Work, by this cohort clearly endorsed the organising approach for Australian unions (Cooper 2000).  The brouhaha over shifting from a service model to an organising model was quelled somewhat by this show of force.


**DISCUSSION**

The Organising Works/Organising Centre has been in operation in Australia for eight years.  It has achieved a number of successes, not the least of which has been the recruitment of young activists into the union movement and the training of a wide range of union officials (Griffin and Moors 2002).  The recruitment of over 10,000 new members per annum (ACTU 1997), directly attributable to the Organising Works program has seen a change in attitude and focus within many unions regarding the importance of the recruitment process (Walton 1997).  However, on the downside there are still unions locked into the servicing model rather than adopting a dual or balanced approach of servicing and recruitment.  International research identifies that weaknesses are being exposed in the traditional elements of the servicing model as a means of attracting new members (see for example, Waddington 2000).  The importance of this is that they are mutually reinforcing.  Without understanding the needs of potential members, servicing is unlikely to be effective in adapting and providing for these changing demands.

In attempting to assess the success of the Organising Works program, several criteria need to be analysed.  First, as the focus of this program is recruitment, a key criteria or indicator of success is membership.  Statistics indicate that overall union density has declined through the period Organising Works has been in existence (ABS 6325.0).  This varies across unions and industries, with the Hospitality and Retail sectors showing substantial gains - the transient nature of employment in these industries however, make gains difficult sustain.  Thus whilst the program has generated substantial membership, it appears to have had little impact on the overall decline in union membership.

Looking at the outcome from another perspective, a key objective for Organising Works was the development of a recruitment culture within unions to supersede the traditional servicing model and this is the second criterion, which can be used to assess its success.  There is some indication now, with the recognition of the Organising Centre as a well-financed, mainstream influential organisation that the battle for *cultural* superiority has been won (Griffin and Moors 2002).  Another indicator of criteria success is that the demand for graduates has remained with over 200 graduates active in the union movement.  Furthermore, the development of recruitment departments and sections within more progressive unions indicates a *gradual* adoption of the recruitment model.

Finally, from a financial point of view, the revenue generated by the Organising Works graduates has proved worthwhile.  Estimates indicate that each graduate on average needed to recruit 50 new members in order to cover their costs (Turnbull 1994).  The average per graduate was estimated to be in the order of 170 new members per annum (ACTU 1996).  This represents over 13,800 new members per annum (ACTU 1996) including significant percentages of young people and female recruits (Walton 1996).  The revenue generated through this program of over $2.7 million per annum is more than double the investment, making the program financially attractive for participating unions (Cooper & Walton 1996; Walton 1996, 1997).


**CONCLUSION**

From a short-term perspective, the strategies adopted by the ACTU to address the carnage in union density have had mixed results.  Its amalgamation strategy rested on a double-edged sword.  On the one hand, the number of federally registered unions dropped significantly, but on the other, the resultant mega unions, it is

claimed, are beset by uneasy political alliances and class compromises. Significantly, the strategy failed to arrest membership decline.

Perhaps the shift from a servicing mentality to an organisng mentality has the potential to accrue relative gains in the longer term. This strategy is underpinned by the weight of the ACTU hierarchy and significant funding and resources. While some unions are beginning to display the features and reap the benefits of an organising model (Turnbull 1994; Walton 1996, 1997), there are some which were cajoled into adopting the program, and others which remain focused on the servicing model. Overall, it seems that some unions will continue to resist change; they want to preserve the old order at all costs. Their sense of estrangement in the context of major organising initiatives is perhaps a reflection of their perception as being the hapless victim of the ACTU strategists. This situation is not unique to Australia. As an example, Heery, Simms, Simpson, Delbridge and Salmon's (1999) research into the transfer of the organising model into the U.K. found a patchy and uneven use of the model's methods and principles.

Aggregate union membership attrition has not been offset by either strategy. Unions now represent, at best around one quarter of the workforce. It seems that for many workers, unions stand directly in whatever the opposite of the sweet spot is. It is apparent that if unions fail to respond appropriately to the organising approach then membership will continue to decline. It may well be that Australian unions have yet to kick start a revival in their fortunes, despite adapting their structure and outlook. The union movement showed that it was prepared to go through the fire in order to be renewed. The next few years will reveal whether the ashes are cold, or whether another fire will appear.

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