‘CONVERGING OR DIVERGING INTERESTS? A TWO-STAGE COHORT STUDY OF THE DETERMINANTS OF EMPLOYEE ATTITUDES TO THE WORKPLACE RELATIONS ACT’

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CONVERGING OR DIVERGING INTERESTS? A TWO-STAGE COHORT STUDY OF THE DETERMINANTS OF EMPLOYEE ATTITUDES TO THE WORKPLACE RELATIONS ACT

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Abstract

When the Workplace Relations Act 1996 was introduced by the current government in 1996, it was justified on the basis that it provided a regulatory framework which allowed firms to structure their industrial relations practices to suit their own needs and those of their employees. It was argued at the time the Act would provide a basis for generating more productive workplaces and more harmonious employment relations. This view, which is inherently unitarist in orientation, runs counter to the general view of the nature of employment relationships and, within the industrial relations literature, the argument that the Act was intended to undermine the position of unions and provide greater scope for firms to exercise managerial prerogative in their own interests. This paper seeks to contribute to this debate by investigating the extent to which individual employees support or oppose the objectives of the Workplace Relations Act using a unique data set collected in Victoria at the time of the passage of the legislation at the beginning of 1997 and one year later, at the start of 1998. The two-stage analysis allows us to identify changes in attitudes as individuals gain knowledge and experience of the new industrial relations reality. The findings provide

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support for the view that attitudes are likely to be shaped by differences in worker experiences identified in terms of their workplace vulnerability or their political and union values.

1. INTRODUCTION

Some of the most influential ideas underpinning deregulatory labour market legislation have been based on the view that existing industrial relations systems, via state support, give unions an artificial strength. This is said to deleteriously affect the national interest through monopoly effects on productivity and labour costs by the pursuit of union members sectional interests. As a consequence of such perceived effects, faced with increasingly global competitive pressures, Australian government policies followed in the wake of similar British and New Zealand deregulatory activities. By the early 1990s, two related trends were evident in the Australian system of industrial relations: decentralization of bargaining and a decline in the role of arbitral tribunals in both wage determination and dispute settlement. These developments were facilitated in the 1980s and early 1990s under the previous Labor government through the Accord and legislative reform (see McCarr 1998). The Workplace Relations Act 1996 (hereafter WRA) represented a continuation of this earlier phase of “managed decentralism”; it also represented a new phase in that it actively sought to promote individualized employment relations (Bray and Waring 1998, Rimmer 1997, Wooden 1999) and undermined the role and influence of trade unions (ACCIRT 1999, Lee and Peetz 1998, MacDermott 1997). As such, the Act was directed at overhauling the century old industrial relations regime, in keeping with a broader policy agenda aimed at deregulating the labour market. Though the inherent legalism of the Act has led some commentators to question whether such reforms could accurately be described as “deregulatory” (Dabscheck 1995), the Act certainly promoted private agreement making at the expense of publicly regulated agreements (Creighton and Stewart 2000, p174), such that “the Australian wages system has evolved from a ‘mainly award-centred’ system towards a ‘mainly enterprise agreement-centred system.’” (Rimmer, 1998, 612). But more than this, the Act promotes individualised agreement-making at the expense of union-brokered arrangements.

When it was first introduced in parliament, the Workplace Relations Bill was described by Peter Reith, Minister for Workplace Relations and Small Business, as the most significant change in Australian industrial relations “since World War I” (Parliamentary Debates, House of Representatives, (Monday, 2 December 1996), p. 7398). The reforms proposed in the Bill, he said, “reject[ed] the highly paternalistic presumption that has underpinned the industrial relations system in this country for too long – that employees are not only incapable of protecting their own interests, but even of understanding them, without the compulsory

Similarly, the Prime Minister, John Howard, stated that:

for the first time in Australia’s industrial relations history this legislation will allow people who genuinely want to make bargains at the workplace level without the unwanted, undesired and unnecessary intrusion of third parties, to make those arrangements to organise their workplaces in manner that will boost productivity and protect the job security of the people employed (Parliamentary Debates, House of Representatives, (Thursday 23 May 1996), p. 1277).

The intellectual foundations of this view clearly derive from a unitarist view of the employment relationship in which the interest of employees and employers are seen as complementary and reconcilable. Unitarism depicts managers and workers as employees alike, merely distinguished by level of expertise, whose mutual interest lies in company prosperity/survival. This in turn derives much of its contemporary validity from advocates in favour of labour market deregulation and mainstream strands of human resource management (Gahan and Harcourt 1998). The antecedents of which can be traced to debates over the relative merits of collective bargaining and arbitration (O’Brien 1990).

Despite the general claims about the likely effects of the different forms of regulation on attitudes at the workplace, little empirical work has yet been undertaken to examine how the regulatory framework influences the “mindset” of employees towards their employers and work relations. The passage of the Workplace Relations Act provides us with a natural experiment to examine the extent to which unitarist views of the employment relationship have in fact been established in Australian workplaces. This study contributes to these debates by examining the extent to which a sample of employees oppose or support objectives of the Workplace Relations Act and why.

The basic conclusion which emerges from the data is that, just as Higgins anticipation of ‘a new province for law and order’ proved misguided, so too are claims that the provisions of the WRA allow the parties to employment relationships to transcend the inherent conflicts which define them. Attitudes, nonetheless, are unlikely to be uniformly opposed to the Act. Rather, we find support for the view that a range of ideological, instrumental and demographic factors which influence their objective interests and subjective interpretation of them, account for variations in attitudes towards the WRA. While it is recognized that debates over the capacity to reconcile interests between employees and employers will continue, the results support the view that conflict remains a fundamental aspect of employment relationships.
The paper will proceed as follows. The next section frames the analysis by examining broader debates over the Australian industrial relations regulatory framework and unitarist ideology. Here we briefly examine long running debates on arbitration versus collective bargaining and more recent debates on labour market deregulation. This section ends by examining the intended effects of the Act and establishing our research hypotheses. Section 3 then provides an overview of the survey and the statistical interrogation of data. Section 4 discusses these results and draws a number of key inferences. In the final section, some conclusions are drawn.

2. REGULATORY REGIMES AND FRAMES OF REFERENCE.

Strands of unitarist ideology run deep within Australian industrial relations debates and research (Gahan 1990, 53-55). Indeed, in some respects, Henry Bournes Higgins famous declaration of a “new province for law and order” has, in a normative sense, a distinctive unitarist tone. “The process of conciliation, with arbitration in the background,” he said, “is substituted for the rude and barbarous process of strike and lockout. Reason is to displace force; the might of the State is to enforce peace between industrial combatants as well as between other combatants; and all in the interests of the public” (Higgins, 1915, 14). In Higgins’ view, law and justice would provide the basis on which employers and unions would be forced to locate mutually acceptable outcomes; and at the same time, strikes and industrial disputation were intended to have at best a marginal role.

While Higgins new province proved illusory, the distinctive system of industrial relations which developed throughout this century reflected quite different assumptions about the nature of the employment relationship and the role of labour market regulation, which derived from Kahn-Freund’s view that the purpose of collective labour law was to rectify the inherent imbalance of power in the employment relationship. Consequently, the state provided support to unionism, “elevat[ing]... employment issues to the collective as well as public domain” (Vranken 1998, 21). Mitchell (1995, xi) suggests that, “Implicit in that purpose was a notion of the social paradigm of labour law – that it facilitated a social arrangement whereby a “working class” of persons negotiated its rights and interest with the owning class through collective organizations.” Thus the system of compulsory arbitration derived from a pluralist or radical frame of reference, in which conflicting interest are viewed as dominant.

While the traditional model of labour law was – from this “rights” perspective – viewed as a means by which inherent conflicts of interests could be resolved, subsequent criticism of the arbitral model rested on the view that its own features promoted adversarialism and a conflict frame of reference. These debates form the starting point of more contemporary critiques of
arbitration which have come to dominate policy debates and have influenced the structure of the WRA. Two particular strands are of importance: the collective bargaining versus arbitration debate, and debates over labour market deregulation.

**Collective Bargaining Versus Arbitration**

The Australian system of compulsory arbitration was subject to criticism for much of the period of its existence. While the early critics of arbitration derived from radical and Marxist perspectives, by the 1950s more mainstream critiques of arbitration focuses on the relative merits of arbitration and collective bargaining (see Gahan 1996). This debate emerged in the 1950s, and continued almost unabated until the 1990s. One of the most influential advocates of collective bargaining during the later period was Niland (1976a and b, 1978, 1984, 1986, 1989), whose views capture the essential elements in this debate.

Niland argued in favour of a system of collective bargaining in which arbitration played a secondary role on a number of grounds. In his view the quasi-judicial nature of the Australian arbitral model had a deleterious effect on the frame which the parties bought to the bargaining table, the process of dispute resolution at the workplace, and the ‘excessively legal way’ in which it encouraged the parties to frame outcomes. The excessive legalism of the arbitral model, he contended, promoted an adversarial approach to dispute resolution and recast the “industrial relations centre of gravity… in the direction of the tribunal away from the shopfloor.” (Niland 1984, 9). This in turn results in an inability to resolve plant level disputes, and for a low commitment to any agreement or award made by tribunals. Most importantly, Niland suggested a collective bargaining system at the enterprise level would provide a stronger basis for the development of an integrative approach to dispute resolution and the promotion of “win-win” outcomes to which both parties have a commitment. Thus Niland’s advocacy of a particular variant of collective bargaining stem from his essentially unitarist argument that - with the establishment of appropriate mechanisms – labour and capital are capable of reconciling their differences at the workplace level.

During the late 1980s and 1990s these debates have proved to be important influences on the process of industrial relations reform in Australia. In the main, the previous federal Labor government, and the various state governments, implemented Niland’s main prescriptions for reform (see O’Brien 1990). Indeed, the unitarist foundations of the advocacy of enterprise

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bargaining over arbitration have found considerable support among advocates of labour market deregulation and mainstream strands of human resource management.

**Labour Market Deregulation and the New Unitarism**

The case for labour market deregulation derives from the view that labour markets are analogous to any other commodity market and can be expected to behave in ways consistent with standard market analysis (Garvey 1994). This approach has been caricatured by Solow (1990) as treating the labour market as analogous to the ‘supply and demand for dead fish’. In its purest form – that of perfect competition – this view leads to the prediction of full employment at the prevailing wage rate (or structure), and a labour markets adjustment process which ensures allocation of labour to its most productive or efficient application. Labour market regulation is thus viewed as interfering with these processes and likely to produce sub-optimal outcomes (for an example, see Dawkins 1998). Embedded within this model of the labour market is a unitarist view of the employment relationship. From this perspective the employment relation emerges as an alternative to strictly market-based labour market transactions to minimize transaction costs (Demsetz 1988, Dow 1997, Macneil 1978). These are typically embodied in some form of internal labour market, and viewed as efficient contracts in which both employers and employees derive gains from trade (Holmstrom and Milgrom 1994, Williamson 1980).

Although these ideas are hardly new– being based in part in the work of Austrian economist von Hayek – they have been influential in international policy debates over the merits of labour market deregulation. In the cases of Australia (and New Zealand) these influences appear to have been particularly strong, finding expression in influential conservative political groups, such as the Business Council of Australia and the HR Nicholls Society (Pencavel 1999, Buchanan and Callus 1993, 522, and O’Brien 1994). In a paper written while he was Shadow Minister for Industrial Relations, John Howard (1990) proposed that a Coalition government would seek to substantially deregulate the Australian system of industrial relations based on common law agreement making. In supporting this view he concluded that:

> Substantial gains [in productivity] are unlikely to be realized until management and labour have the incentive to work cooperatively instead of within the artificial, adversarial framework created by the current [arbitral] system. Decentralised, voluntary enterprise agreements offer the incentives that the centralised [system] lacks.

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While the Workplace Relations Act did not provide exclusively for common law agreement making, the general intention expressed by Howard in opposition found expression in the objectives of the Act. The main objective of the Act is to ‘provide a framework for cooperative workplace relations which promotes the economic prosperity and welfare of the people in Australia’ (WRA, section 3(a)). In achieving this, the Act specifically intended to ensure ‘that the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace or enterprise level’(s3(b)), and to enable ‘employers and employees to choose the most appropriate form of agreement for their particular circumstances, whether or not that form is provided for by this Act’ (s3(c)). The importance of this particular objective relates to the intention that industry and occupational awards become less important instruments for the regulation of the terms and conditions of employment, and for promoting labour market flexibility.

In addition to these objectives, the Act intended to promote ‘freedom of association, including the rights of employees and employers to join an organisation, … or not to join an or organisation or association (s3(f)); the regulation of the internal affairs of registered employer and employee organisations, principally trade unions (s3(g)); the establishment of minimum terms of employment (s3(d)(ii), 3(i), 3(j)); and to enable Australia to meet its ‘international; obligations in relation to labour standards’ (3(k)). While the Act attempts to establish economic criteria rather than fairness as having primary importance, the objects also require the Commission ‘to ensure the maintenance of an effective award safety net of fair and enforceable minimum wages and conditions of employment’ (s3(d)(ii)).

Labour law in Australia had long accepted the idea that a union has a status beyond simply acting as an agent for its members, but “stands in their place, and acts on their account… it is… a ‘party principal’ and ‘not a mere agent or figurehead” (Burwood Cinema v Australian Theatrical and Amusement Employees’ Association (1925) 35 CLR 528 at 551 per Starke J.). The WRA, however, represented an important departure from this traditional model based on a positive role for unions and arbitration (collective regulation). In reducing the power and influence of trade unions, such regulatory changes were also aimed at altering management – employee perceptions of the employment relationship in a way that engendered a unitarist mindset.

Research Hypotheses #1: Convergence of Attitudes
It is contended that these reforms have been underpinned by a unitarist ideology. Unitarist arguments are well-known and can be re-stated briefly. From such a stance, the basis of management’s power is seen to be vested in the functional nature of its expertise relative to other employees. Accordingly, there is a belief that conflict is abnormal. It is undesirable and injures both management and workforce. It generally arises from trade unions who use its threat to extract concessions from management for their own members. In the Australian context, it is expressed in the view that industrial conflict is not inherent in the nature of the employment relationship, but rather, is a product of the particular regulatory arrangements which have been in place for the best part of the 20th century.

This ideological stance is apparent in Government arguments in support of the legislation. In introducing the Workplace Relations Bill, Peter Reith claimed it represented:

“…a break with a system of industrial relations that has been based on a view that conflict between employer and employee is fundamental to the relationship and that an adversarial process of resolving disputes is appropriate and inevitable… [T]his bill is about providing employers and employers with much greater choice about how to regulate their relationships… The principle of object of the proposed Workplace Relations Act [is] to establish a framework for cooperative workplace relations which promotes the economic prosperity and welfare of the people of Australia… Our legislation puts the emphasis on direct workplace relationships, and on the mutual interest of employer and employee in the success and prosperity of the enterprise (Commonwealth Parliamentary Debates, House of Representatives, 23 May 1996, p. 1295).

This discussion suggests a simple – and testable – hypothesis concerning the relationship between different regulatory regimes and the prevalence of unitarist attitudes. If the intentions of the Workplace Relations Act were realized, then one would expect an increase in the proportion of workers expressing unitarist views of the nature of employment relationships. In particular, if the intentions of the Act have been realized, one would also reasonably expect growing support for the Workplace Relations Act.

**H1:** If the unitarist intentions of the legislation were borne out in the workplace experiences of employees, the passage WRA would be expected to be followed by a convergence of attitudes around support for the WRA.

**Hypothesis #2: Divergence of Attitudes**

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3 The classic work of Fox (1969) has formed the basis of discussions of unitarism. For a more contemporary exploration see Provis (1996). Beer and Spector’s (1985) rendition of stakeholder theory allows such a concept of mutual worker interests to be firmly placed within an organisation in which shareholders are seen as external to the ‘company’.
An alternative hypothesis, however, can also be derived from general critiques of the unitarist frame of reference and the effects of the Act in particular. The pluralist and radical frames of reference allow for the recognition and expression of sectional or class interests and the idea that reforms may be viewed by some sections of the community – or different groups of workers – as detrimental to their own interests. They will oppose the weakening of state support via legislation for instrumental and/or ideological reasons: the enactment of the WRA was viewed by many as a symbol of opposition to collectivism and trade unionism (Callus, 1997) and a collectivist approach to labour legislation (Wilson, 1998, Bray and Waring 1998).

A unitarist view does not acknowledge that managers and workers, far from being different types of workers distinguished by level of expertise, in fact are two analytically distinct ‘political’ groups because of the authority relation which governs it. It is argued that accepting this view has two important implications for understanding the employment relationship. The first is that labour is the weaker and more vulnerable party in the relationship. Arguable this asymmetry is reinforced by more contemporary trends of globalization and mobility of capital, and the relative lack of mobility of labour.

Also arising from this notion of imbalance in the employment relationship is the contention that conflict is an inherent characteristic of the employment relationship. While the interests of the workers and employers may overlap there are, inevitably, differences of interests between the parties, and the type of negotiated outcome preferred by each party consequently diverge. The ways in which this is so are numerous. Firms and managers want to maximize profits, minimize wage and related labour costs, and maximize productivity and flexibility, all in the interest of shareholders and owners. Workers want to maximize wages and other benefits and limit the capacity of managers to order them around and work more than they think is appropriate or fair. One side’s flexibility is the other side’s straightjacket: for workers “flexibility” is more likely to be about reconciling work and family obligations than being on call twenty-four hours a day.

Thus, an alternative hypothesis to H1 is that support of/opposition to the WRA will reflect differing views of the employment relationship based on ideological stances and instrumental approaches to the existing industrial relations system. In particular that opponents of the legislation will have collective values or perceive they benefit from the state-sponsored system.

**H2A:** Employee support for the WRA will not be unequivocal, but will diverge depending on individual perceptions of interests and values.
**H2B**: Support of/opposition to the WRA will reflect the differing views of the employment relationship based on ideological and instrumental perceptions of the existing industrial relations system.

### 3. DATA AND ANALYSIS

In order to examine these competing hypotheses, a survey questionnaire was designed to measure individual attitudes towards the Workplace Relations Act. Then, two postal surveys were conducted exactly one year apart, at the beginning of 1997 and 1998 respectively. Using random sampling techniques, names were chosen from the 37 electoral rolls in Victoria. Three thousand names were selected in 1997 and 886 (30.0%) completed the questionnaire. 563 of these were employed in 1998, and were re-contacted in 1998. Two hundred and seven (36.8%) replied. A new random sample of 1500 was also contacted in 1998. Of these, 484 (32.3%) provided responses of whom 306 held a paid job.

Overall, the response rates were considered acceptable for postal surveys. Nonetheless, in order to test for possible response bias, the samples were compared with Australian Bureau of Statistics (ABS) data on all employees. The sample unemployment rates and occupational distributions were not significantly different from those of the country in general. Compared with the distribution of all employees by occupation, the sample is broadly representative with the exception was the unskilled male manual employees, which was significantly under-represented (p<0.05) in each of the samples.

**Attitudes Towards the WRA: Convergence or Divergence? Support or Opposition?**

The administration of the survey at the beginning of 1997 coincided with the Act coming into force. The intention in doing so was to allow us to examine how subsequent workplace and union experiences then shaped individual perceptions and attitudes towards the legislation. By 1998 it was anticipated that some employers would have made use of the new provisions of legislation (such as Australian Workplace Agreements, engaged in disputes without compulsory arbitration, instigated dismissals under the new provisions of the Act, and so forth). For some employees, the intervening period would have been marked by industrial disputes and involvement in grievances with management. Thus, one would have expected stronger attitudes toward the legislation to have been formed in this period. Concerns or positive perceptions may have been confirmed or dismissed; or employee perceptions about the role and importance of unions may have altered.
To examine these possibilities respondents were asked a range of questions about their attitudes towards the WRA. In each survey, respondents were asked if they had heard about the Workplace Relations Act. If they replied in the affirmative, they were then asked if they supported or opposed the legislation, or ‘did not know’. The results are reported in Table 1. Although the largest group for the full sample in both years claimed they ‘did not know’ about the Workplace Relations Act, this group had fallen from 55.9 percent of all respondents in 1997 to 39 percent in 1998. Of those who were undecided in 1997, but had formed an opinion about the WRA by 1998, support for the Act was slightly less than those who now opposed the Act (approximately one quarter and one third of all undecided respondents, respectively), and was similar to the distribution of responses for the new 1998 sample (in neither case was the difference statistically significant). In contrast, there was a significant difference between supporters in 1997 who became opponents of the WRA in 1998 and those who opposed the Act in 1997 but had become supporters by 1998 (p<0.01). In fact only one 1997 opponent had become a supporter by 1998. As a consequence, support for the Act was significantly higher than opposition in 1997 (p<0.05), but by 1998 the distribution of respondents between support and opposition (as well as the undecided category) was not statistically significant. In conclusion therefore the overall impression is that there was a great deal of initial ignorance. This is was expected. Notwithstanding that the proportion of all respondents who supported the Act remained higher than those who opposed the Act, opposition grew significantly more than support and, consequently more distinct and diverse views about the legislation appeared to emerge over time, thus H1 is rejected in favour of H2A. What remains is the identification of those factors which help explain this divergence. It is to an investigation of these determinants that we now turn.
Table 1 Attitudes Towards the Workplace Relations Act

<table>
<thead>
<tr>
<th></th>
<th>Support the Act</th>
<th>Oppose the Act</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997 Sample</td>
<td>165 (27.1)</td>
<td>103 (16.9)</td>
<td>340 (55.9)</td>
</tr>
<tr>
<td>1998 Sample</td>
<td>161 (34.3)</td>
<td>125 (26.7)</td>
<td>183 (39.0)</td>
</tr>
<tr>
<td>1998 Recontacts Only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>58 (31.9)</td>
<td>34 (18.7)</td>
<td>90 (49.5)</td>
</tr>
<tr>
<td>1998</td>
<td>68 (37.4)</td>
<td>59 (32.4)</td>
<td>55 (30.2)</td>
</tr>
<tr>
<td></td>
<td><strong>Support in 1997</strong></td>
<td><strong>Opposition in 1997</strong></td>
<td><strong>Don’t Know in 1997</strong></td>
</tr>
<tr>
<td></td>
<td>37 (63.8)</td>
<td>10 (17.2)</td>
<td>11 (19.0)</td>
</tr>
<tr>
<td></td>
<td>1 (2.9)</td>
<td>26 (44.8)</td>
<td>7 (20.6)</td>
</tr>
<tr>
<td></td>
<td>30 (33.3)</td>
<td>23 (25.6)</td>
<td>37 (41.1)</td>
</tr>
</tbody>
</table>

Note: Percentages are the percentage of respondents who responded positively to the question: ‘Have you heard about the Workplace Relations Act?’ (1997: N = 608, 1998: N = 469 and 1998 Recontacts: N = 182)

Determinants of Attitudes towards the Workplace Relations Act

Based on H2A and H2B, differences in attitudes towards the WRA are expected to be the result of both ideological positions and instrumental views about the effects of legislation on wages and conditions, employment security and employer behaviour towards unions and employment issues. It is nonetheless necessary to examine more closely the specification of the model and their hypothesized relationships with attitudes towards the Act.

Political Ideology. A large body of research has demonstrated the relationship between an individual’s political ideology, their perceptions of legislative initiatives of government, and to industrial relations more generally (Youngblood, De Nisi, Molleston and Mobley 1984). The Workplace Relations Act was introduced by a newly elected conservative government and was drafted by a special taskforce of lawyers and business representatives with little influence or consultation with unions, although political realities required a compromise with the Democrats before the Bill was finally passed by both Houses of Parliament (MacDermott 1997). Given this political context it might be expected that those individuals who voted for conservative parties (National or Liberal parties) would be supportive of the legislation.

Support for Unionism/Collectivist Values. Political ideology as manifest in electoral voting behaviour and collective values are not synonymous (Kessler and Bayliss 1995). Consequently, notions of solidarity and union support, or the converse, need to be captured more directly (Haberfield 1995). While the Act allowed for union membership through ‘freedom of association provisions’, it undermined trade unionism through the promotion of individualized non-union agreement making and placing limits on the freedoms of unions to provide industrial services to members or engage in multi-employer collective bargaining.
(MacDermott 1997). Consequently, it was expected that individuals who reported support for trade unionism and collective values would oppose the legislation, while respondents more hostile towards unionism would support the intentions of the Act. Similarly, it was expected that individuals who were members of a union would be less likely to support the Act.

**Occupation.** The Act explicitly sought to influence the relative power of employees and management, was likely to provide management with greater capacity to unilaterally make decisions which influence the working conditions for non-supervisory employees, and potentially provide management with greater discretion to dismiss employees (MacDermott 1997). Depending on whether or not the Act was perceived in this way, it would be expected that employment status would directly impact individuals’ assessment of the Act. Where the Act was perceived as enhancing the discretionary powers of management it would therefore be expected that non-managerial employees would be less supportive of the legislation. Moreover, in the sense that the Act affects the employment security of managerial employees directly, it was expected that the effects of the Act would be perceived as less relevant to these workers (Hundley 1988). Managerial workers and more highly educated workers would be expected to perceive greater gains through job mobility than long term attachment to an internal labour market (Lawler and Hundley 1983).

**Instrumental Attitudes and Demographic Variables.** A great deal of research shows strong links between support for legal protection and unionism, and an individual’s perception of the instrumentality of these mechanisms (see Youngblood et al 1984). Consequently, it might be expected that those in the most least advantaged positions might be the greatest opponents of the legislation. For this reason, we follow the well established hypotheses that (a) older workers gain more from both union protection and value employment security more highly (Bain and Price 1983). Thus, older workers would be expected to oppose the Workplace Relations Act, which potentially has adverse effects on their labour market position compared with younger workers. Conversely, workers attached to an internal labour market in which their employment prospects are determined by promotion through a career structure are likely to perceive the Act as impacting less directly on their employment position (Cregan 1998). Similarly, where employees perceive their own employer as being less hostile towards trade unions, the potential adverse effects of the Act are likely to be minimized. For this reason, employees who report that their employer is less hostile towards unions are hypothesized as less likely to oppose the legislation. Finally, the academic and popular literature suggests that labour market deregulation was most likely to have an adverse effect on the position of women (Pocock 1998). For this reason, it was expected that women would be more likely to oppose the legislation.
In summary, it was hypothesized that support for the Workplace Relations Act would be determined by the following factors: Political Support for the Government, Support for Unionism, Occupation, Income, Age, Career Job, Employer’s Attitude to Unions, and Gender. Suitable proxies were introduced to capture each of these features. The definition of each of the variables used in the model is summarized in Table 2.

*Bivariate Analysis*

Table 3 presents the bivariate correlations among the explanatory variables for 1997 (above the diagonal) and 1998 (below). The results are at least suggestive of some of the relationships which explain the pattern of attitudes described above. To begin with, it is not surprising that the correlations between voting behaviour, attitudes towards unions and the decision to belong to a union were significant. Nor was the significant correlation between union membership and occupation and income. More interesting results emerge when we examine changes between 1997 and 1998. While not significant in 1997, a number of significant relationships emerge by 1998. Firstly, employer hostility towards unions appears to be more evident where employees indicate they are members of a union. This potentially suggests that, following the passage of the Act, employers have taken a more outspoken view of unionism in the workplace. This is one potential path by which the growing divergence in attitudes has emerged. Second, by 1998 gender emerged as an important variable. In the 1997 sample, no significant relationships was evident between the sex variable and any other factor. By 1998, however, women were significantly more likely to vote for a non-conservative party than were men, and were more likely to report that their employers were hostile towards unionism. This is suggestive of women being confronted with the more adverse aspects of the legislative changes. Finally, in 1997 younger respondents faced a significantly lower probability of having a career job and a greater likelihood of facing an employer hostile towards trade unions. By 1998, young people were significantly more likely to vote for a non-conservative party and were more likely to have a positive attitude to unionism (although not necessarily join one).
Table 2: Definitions of Variables and Sample Items

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
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| **Support for/Opposition to the Workplace Relations Act** | Dummy variable based on the question: ‘What is your attitude Towards the Workplace Relations Act?’ (adapted from Cregan, Stewart and Rudd 1996)  
Such that Support = 1, Opposition or Undecided = 0. |
| **Voting behaviour**                          | Dummy variable based on the question: ‘For which Party did you vote for in the most recent Federal election?’. Taken from Cregan, Stewart and Rudd 1996).  
National/Liberal = 1, ALP, Democrat Greens, Other = 0. |
| **Attitude to unions**                        | Categorical variable based in the question: ‘What is your general attitude towards trade unionism?’ (taken from Gallie 1996)  
Favourable = 1, Neutral = 2, Unfavourable = 3. |
| **Union membership**                          | Dummy variable based on the question: ‘Are you a member of a trade union?’ Yes = 1, No = 0. |
| **Occupation**                                | Based on responses to questions: if you have a job, what is your present occupation? If you do not hold a job, what was your usual occupation?  
Managerial = 1, Otherwise = 0. |
| **Career job**                                | Dummy variable based on the question: ‘Does the job that you usually do lead to promotion within your firm?’  
Yes = 1, No = 0. |
| **Income**                                    | A continuous variable based on the question: ‘What is your weekly take home pay in an average week?’ |
| **Employer’s attitude**                       | Based on the question: ‘What is your employer’s attitude to trade unionism at your workplace?’ (adapted form Gallie 1996)  
Encourages = 1, Neutral = 2, Disapproves = 3. |
| **Sex**                                       | Dummy variable base don the question: Are you male or female?  
Male = 1, Female = 0. |
| **Age**                                       | Continuous variable based on the question: ‘What is your age?’ |

Table 3  Correlations among variables, 1997 (above the diagonal) and 1998 (below)

<table>
<thead>
<tr>
<th>Variable</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
<th>(7)</th>
<th>(8)</th>
<th>(9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Voting behaviour</td>
<td>.34</td>
<td>.07</td>
<td>.04</td>
<td>.07</td>
<td>-.09</td>
<td>.06</td>
<td>-.08</td>
<td>-.06</td>
<td></td>
</tr>
<tr>
<td>(2) Attitude to unions</td>
<td>.10</td>
<td>-.31</td>
<td>.04</td>
<td>.12</td>
<td>-.08</td>
<td>-.07</td>
<td>-.08</td>
<td>-.02</td>
<td></td>
</tr>
<tr>
<td>(3) Union membership</td>
<td>.13</td>
<td>-.35</td>
<td>-.04</td>
<td>-.04</td>
<td>-.03</td>
<td>-.16</td>
<td>-.02</td>
<td>-.09</td>
<td></td>
</tr>
<tr>
<td>(4) Occupation</td>
<td>-.01</td>
<td>.18</td>
<td>-.07</td>
<td>.12</td>
<td>.33</td>
<td>.00</td>
<td>-.07</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td>(5) Career job</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-.08</td>
<td>-.08</td>
<td>-.02</td>
<td>.25</td>
<td></td>
</tr>
<tr>
<td>(6) Income</td>
<td>.04</td>
<td>.13</td>
<td>-.12</td>
<td>.22</td>
<td>-</td>
<td>.03</td>
<td>-.20</td>
<td>-.06</td>
<td></td>
</tr>
<tr>
<td>(7) Employer’s attitude</td>
<td>-.05</td>
<td>-.03</td>
<td>-.25</td>
<td>-.07</td>
<td>-</td>
<td>.21</td>
<td>.02</td>
<td>-.10</td>
<td></td>
</tr>
<tr>
<td>(8) Sex</td>
<td>-.11</td>
<td>-.03</td>
<td>.15</td>
<td>-.10</td>
<td>-</td>
<td>-.18</td>
<td>-.15</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td>(9) Age</td>
<td>-.12</td>
<td>-.10</td>
<td>-.07</td>
<td>-.05</td>
<td>-</td>
<td>-.01</td>
<td>.06</td>
<td>-.02</td>
<td></td>
</tr>
</tbody>
</table>

Correlations of .10 or above are significant at the .05 percent level (one tail test)
* No correlations with career job reported in 1998.
Regression Results

Because the dependent variable is dichotomous, our hypotheses were tested using maximum likelihood estimates (see Maddala 1983). Individual attitudes towards the Act were modeled using the question: ‘What is your attitude towards the Workplace Relations Act?’, in which responses were coded as either support or opposition (see Table 4 for details). A logit model was used to estimate the likelihood that an individual respondent opposed or supported the Act as a function of each of our explanatory variables. Thus finding a significant relationship between opposition/support for the Act and an explanatory variable supports the hypothesis that the presence of that variable significantly increases the probability that the respondent will support/oppose the Act. The analysis was undertaken on the two samples (1997 and 1998) separately and are presented in Table 4.

Table 4 Determinants of Support and Opposition to the Workplace Relations Act

<table>
<thead>
<tr>
<th>Dependent Variable: Attitudes to the Workplace Relations Act</th>
<th>1997 Cohort</th>
<th>1998 Cohort</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coefficient</td>
<td>Coeff./Std. Error</td>
</tr>
<tr>
<td><strong>A. Political/Ideological Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voting Behaviour</td>
<td>0.85</td>
<td>2.59**</td>
</tr>
<tr>
<td>Attitude to Unionism</td>
<td>-0.69</td>
<td>-1.91</td>
</tr>
<tr>
<td>Union Membership</td>
<td>-0.15</td>
<td>-0.46</td>
</tr>
<tr>
<td><strong>B. Instrumental Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>0.19</td>
<td>0.60</td>
</tr>
<tr>
<td>Career Job</td>
<td>0.69</td>
<td>2.23*</td>
</tr>
<tr>
<td>Income</td>
<td>.00</td>
<td>1.04</td>
</tr>
<tr>
<td>Employer’s attitude to unions</td>
<td>0.12</td>
<td>0.30</td>
</tr>
<tr>
<td><strong>C. Demographic Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>0.56</td>
<td>1.78</td>
</tr>
<tr>
<td>Age</td>
<td>0.05</td>
<td>3.46**</td>
</tr>
<tr>
<td>Pearson’s chi-square</td>
<td>307.22</td>
<td>365.64</td>
</tr>
<tr>
<td>Number of cases</td>
<td>313</td>
<td>260</td>
</tr>
</tbody>
</table>

Significance levels: * p<0.05, ** p<0.01
1. The career job question was not asked in the second survey.

More formally, we estimated the following equation: \( \ln(p_i/1-p_i) = f(X_i, Y_i, Z_i) \), where:
- \( p_i \) is the probability that a respondent supports the Act,
- \( X_i \) is a vector of variables capturing ideological and political values;
- \( Y_i \) is a vector of variables capturing instrumental values, and
- \( Z_i \) is the vector of variables capturing demographic attributes of individuals.

The term \( p_i/1-p_i \) thus describes the odds ratio supporting or opposing the Act, while \( \ln(p_i/1-p_i) \) is simply the natural log of this odds ratio (see Maddala 1983).
A clear pattern emerges from the results. As was suggested by our investigation of patterns of support and opposition towards the Act, these results suggest that knowledge and opinions were incomplete in 1997, but by 1998 more defined attitudes had formed and hence determinants were identifiable. It is worth remembering in interpreting these results that the 1998 sample include 1997 recontacts were part of the sample that, one year earlier, had indicated a quite different pattern of support and opposition.

In 1997, respondents were significantly more likely to support the legislation if they voted Liberal/National or were young (p<0.01), while individuals who held a career job were more likely to oppose the Act. While not significant at the 5 percent level, individuals with more favorable attitudes to unionism also showed a propensity to oppose the Act (p<0.10). Union membership proved insignificant, although the coefficient was negatively related to support as expected.

By 1998, however, the age variable was rendered insignificant: young persons were no more or less likely to support the Act (even when a squared term was added). We interpret this to suggest that age may be a proxy for information: as experience and knowledge grew, younger workers in general did not perceive themselves as more vulnerable than older workers. The income coefficients also proved insignificant in both 1997 and 1998. The variable was reformulated as income per hour, allowing for overtime, but still remained insignificant. One possible explanation for this result is that once other factors are controlled for, income per se is not important as many of those factors which generate insecurity are also associated with low income jobs or occupations.

In contrast, employer attitudes towards unions became significant and were positively related to attitudes towards the Act. That is, individuals were more likely to support the Act where they indicated employers were more receptive to unions. Likewise, occupation was insignificant in 1997 but by 1998 non-managerial employees were significantly more likely to oppose the Act than were managerial employees (p< 0.05). Again, like age, it could be the case that during the intervening periods work experiences (re)shaped attitudes and general opposition.

Other variables that proved significant in the 1997 survey remained significant in 1998. Moreover, union members, those with more positive attitudes to unions and women were, as expected, significantly more likely to oppose the legislation. However, some of these results warrant further discussion, most notably the role of ideology and sex in determining attitudes, and the apparent unimportance of income levels. The part political preferences remained as a
strong influence on attitudes towards the Act. This is hardly surprising. One interesting question concerns whether or not a change in attitude towards the Act from support to opposition was associated with any reevaluation of political support. While we did not ask this as an explicit question, an election in the intervening period between surveys provides us with an opportunity to examine this issue, albeit in an indirect manner. That this may have occurred is strongly suggested by the significant correlation between support for the Act and voting behaviour in both 1997 and 1998, despite the fact that a substantial number of defections were observed. We can also examine this question by analyzing data from the recontact group who filed surveys in both 1997 and 1998. When analyzed separately from the larger sample, the relationship remained significant.

One of the most significant results related to gender. While not significant in 1997, by 1998 women were more likely to oppose the Act than were men. This result, we suggest, might reflect the more marginal attachment of women to firms or their location in more marginal jobs in which job security was more tenuous. This inference was supported by the bivariate correlations reported above.

4. DISCUSSION AND IMPLICATIONS

While some of the expected relationships proved insignificant, the overall findings, we argue, provide fairly strong support for hypotheses H2A and H3; namely, that respondents attitudes towards the WRA were likely to vary according to individual political and ideological values and instrumental perceptions of the effects of the Act. In particular, a perception of worker vulnerability was apparent among some employed adults. This divergence in attitudes was clearly evident between managerial and non-managerial employees and between men and women and in workplaces where employers were perceived as more hostile towards trade unions. The results strongly suggest that knowledge was more complete in 1998 and those more likely to have collective values, or perceived themselves vulnerable at the workplace, were less likely to support the Act. Contrary to the intentions of the architects of the WRA, the findings demonstrate a divergence of interests among employed adults. This divergence in fact became more apparent over time.

Several important implications of these results are worth noting. To begin with, the identification of different sectional interests suggests the ever-present potential for conflict in employment relations. Conflict is not abnormal. Contrary to the assumptions underpinning the Act, conflict is an inherent aspect of workplace relations. Second, the hardening of these divergent attitudes imply the Act is unlikely to provide the new province for workplace

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5 Unfortunately, the career job variable was excluded from the 1997 survey.
harmony expected of it. Indeed as Fells (1999) suggests, by promoting more competitive
negotiations and confrontational management styles, quite the opposite result is more
plausible. Finally, policy implications are worth noting. First, a recognition of the
problematic status of the assumptions on which the WRA is based implies current plans to
further reform the Act should be viewed, not so much as an attempt to create harmony, but as
a direct attempt to further undermine the position of unions in the industrial relations system.

A more positive program of reform, it is argued, requires a recognition of diverging interests
and a consideration of how best these can be accommodated to minimise any negative
externalities associated with agreement making while at the same time providing for both fair
and efficient outcomes. This is an issue explored by Buchanan and Callus (1994) elsewhere.

While this may not necessarily imply a full return to the arbitral model, it does imply a
reconsideration of the union rights and other potential avenues of collective voice for
employees to address the conflicts and power imbalance inherent in the employment relation.
The alternative approach – seemingly favoured by the Howard government – is to further
pursue the path of labour market deregulation, allowing a far greater role for market forces in
the determination of both wages and working conditions. In the increasingly globalised
competitive environment, such policies are bound to lead to the erosion of wages and the
deterioration of working conditions for many Australian workers. Such an outcome sits
uneasily with Australia’s historically strong welfare based industrial relations tradition. Such
a system has helped manage conflict within a broad, cultural concept of the national interest
that includes economic prosperity, but also allows for notions of equity and compassion
traditionally embraced by Australian policy makers.

Finally, the limitations of the research reported here need to be noted. To begin with, it is
worth remembering that the undecided group remained the largest group in both 1997 and
1998, although the undecided group no longer accounted for the majority of respondents by
1998. A second possible issue was the parsimonious nature of the research design. A number
of possible alternative explanatory variables might have been explored. For example, Peck
(1996) and others have suggested perceptions of one’s socio-economic class and geographic
location (among others) may be important determinants of attitudes towards regulation.

Many other candidates also exist. However, we believe the more parsimonious approach is,
from a social scientific perspective, preferred and vindicated by the robustness of our
findings. Lastly, the main caveat is of course that the sample was relatively small (and
limited to Victoria), and the two stage model provide us with only two discrete observation
points and cannot, therefore, be viewed as indicating a trend. This suggests to us that a larger
survey and one undertaken over a longer period – possibly a third stage survey – would allow
us to assert results with greater confidence. Nonetheless, the direction of change in attitude was unambiguously towards opposition and divergence.

5. CONCLUSIONS

When the Workplace Relations Act 1996 was introduced by the current government in 1996, it was justified on the basis that it provided a regulatory framework which allowed firms to structure their industrial relations practices to suit their own needs and those of their employees. It was argued at the time the Act would provide a basis for generating more productive workplaces and more harmonious employment relations. This view, which is inherently unitarist in orientation, runs counter to the general view of the nature of employment relationships and, within the industrial relations literature, the argument that the Act was intended to undermine the position of unions and provide greater scope for firms to exercise managerial prerogative in their own interests.

This paper sought to contribute to this debate by investigating the extent to which individual employees supported or opposed the objectives of the Workplace Relations Act and the extent to which they converged or diverged over time. This was undertaken by using a unique data set collected in Victoria at the time of the passage of the legislation at the beginning of 1997 and one year later, at the start of 1998. The two-stage analysis allows us to identify changes in attitudes as individuals gain knowledge and experience of the new industrial relations reality. The findings provide support for the view that attitudes are likely to be shaped by differences in worker experiences identified in terms of their workplace vulnerability or their political and union values and, contrary to the Acts intentions, was not associated with the formation of more harmonious relations at work.
REFERENCES


