

**INDUSTRIAL DEMOCRACY AND EMPLOYEE PARTICIPATION**

**IN AUSTRALIA**

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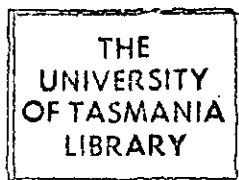
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This dissertation contains no material which has been accepted for the award of any other degree or graduate diploma in any tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person except when due reference is made in the text of the dissertation.

J.T. Mahoney

Hobart

December, 1987

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## 1. INTRODUCTION

This paper on industrial democracy and employee participation aims at reaching a conclusion on the likely future of these concepts in this country over say, the next decade. An integral part of this aim will be some observations on what might be the most appropriate form(s) which will serve the wide-ranging interests of the protagonists and what strategy options might be available to encourage and facilitate an expansion of participative practices.

The approach adopted relies on a search of the extant literature including research findings and reviews, theoretical analyses, documented experiences and comments and observations by a wide range of writers on the subject. From these sources a background of historical and current expectations, attitudes and activities is built up to provide the basis for the conclusions which this paper aims to make.

Worker alienation in industry has been debated since Karl Marx wrote of the plight of workers under industrial capitalism. Alienation exists and can be identified when "workers are unable to control their immediate work processes, to develop a sense of purpose and function which connects their job to the overall organisation of production, to belong to integrated industrial communities and when they fail to become involved in the activity of work as a mode of personal self-expression".<sup>1</sup> Alienation

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<sup>1</sup> Robert Blauner, *Alienation and Freedom* (Chicago: University of Chicago Press, 1964) pp. 15-32. Cited in David Jenkins, *Job Power* (Baltimore: Penguin, 1974), p.38

is characterised by powerlessness, meaninglessness, isolation and self-estrangement.<sup>2</sup>

The concept of alienation is still of importance throughout the world today and seems to be reduced significantly by the introduction of participative practices directly involving the worker. There is an impressive array of research findings which show consistently that satisfaction in work is enhanced by a genuine increase in workers' decision-making power.<sup>3</sup> Since the days of the industrial revolution few ideas have persisted and been pursued from a multitude of directions as some form of democracy in the arena of industrial labour. Clearly, the concept is one of long standing and there are a number of compelling reasons why it should be addressed by contemporary society.

In general, the case for industrial democracy and worker participation rests on a number of arguments which may be classified as the political, moral and economic arguments. The political argument relates to the need to extend democracy from the political to the industrial arena and this can be achieved by allowing workers to have a greater say in decision making at work.<sup>4</sup>

<sup>2</sup> Ibid

<sup>3</sup> Paul Blumberg, *Industrial Democracy: The Sociology of Participation* (London: Constable, 1968) pp.124-128. Note: Table 1 summarises the findings of such researchers as Levin, Bavelas, Coch and French, Lawrence and Smith and Vroom.

<sup>4</sup> R.O. Clarke, D.J. Fatchett and B.C. Roberts, *Workers' Participation in Management in Britain* (London: Heinemann, 1972) p.11.

The moral argument is about the need to provide for the personal development and satisfaction of individual workers.<sup>5</sup> The several tenets of democracy, viz., freedom of expression, access to information, participation and equality, must be the prerogative of everyone if we are to have a truly democratic society. These principles must extend into every facet of life, not least of all, the workplace. Efforts to improve the quality of worklife must be regarded as a social issue because it impacts on the lives of such a large proportion of the population. The moral argument is of such fundamental importance and has such far reaching implications for society that the case for industrial democracy and participation conceivably could be justified on this ground alone.

Finally, the economic argument relates to the belief that participation will improve productivity and industrial relations. One of the prime reasons advanced is that participation fosters a more co-operative attitude between workers and management which raises productivity by reducing industrial stoppages. It can be argued that this concept of using participation to improve productivity looks upon the worker as a special kind of factor of production and whose special characteristics must be taken into account if effectiveness is to be maximised.<sup>6</sup> This contrasts with the view that democracy is a right of the worker.

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<sup>5</sup> M.P. Robson, *Worker Participation in the United Kingdom* (Bradford: M.C.B. Publications, 1982) p.27.

<sup>6</sup> Kenneth Walker, "Concepts of Industrial Democracy in International Perspective" in Robert L. Pritchard (ed.), *Industrial Democracy in Australia* (Sydney: CCH, 1976) p.18.

The continuing debate suggests that there are some basic human problems of industrial organisation for which various concepts of industrial democracy and participation are seen as possible solutions. In essence, the debate indicates that the fundamental concerns relate to the sharing of power between workers and management; effective co-operation between all members of an enterprise in the interests of efficiency and effectiveness and/or industrial harmony; and the personal fulfillment of the members of the enterprise.<sup>7</sup> There is adequate justification for the debate to be continued and intensified in this country. Certainly, in recent years there has been renewed interest in the subject brought about largely by the need for improved competitiveness and efficiency and by the demands of a better educated and organised workforce for greater involvement in those aspects which impact upon their worklife. The relevance of this paper is thus will established.

The subject is approached by firstly examining in Chapter 2 definitions, forms and levels of implementation of participation. Understanding the concepts involved is of greater importance than lengthy definitional debates but clarification of the meanings of the terms "industrial democracy" and "employee participation" does facilitate further discussion. Along with these considerations the chapter also examines the primary forms of participation and whether there is any relationship between the form of participation practised and the level within the enterprise at which this occurs.

Chapter 3 analyses three models of participation in use in overseas countries as this provides a useful insight into the areas of

<sup>7</sup> Ibid.

development, implementation and effectiveness of such schemes and to ascertain what lessons these hold for the development of participatory schemes in Australia. Three European schemes have been selected, viz., joint consultation, co-determination and worker management, as they represent quite a broad spectrum of participatory processes.

Contemporary Australian developments are examined in Chapter 4 to determine the form, content and thrust of the activities undertaken, the current state of progress including the attitudes of the principal parties and whether there has been any shift in direction and/or emphasis since the early 1970's. Chapter 5 then provides information about specific Australian experiences with the European models of participation dealt with in Chapter 3 together with the effectiveness of these models in the Australian industrial environment.

It seems that the way ahead in Australia will be predicated on the basis of factors such as the attitudes and actions of governments, employers and unions; the experiences of the last decade or so and the barriers to an expansion of democracy in the workplace. Chapter 6 examines these factors to determine the likely future of the democratisation of work and the strategy options available to encourage and facilitate an expansion of participatory practices.