Industrial Relations Reform: Who Are the Pro-Reformers?*

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Abstract

There have been considerable changes in the industrial relations landscape in Australia over the past 15 years. This paper utilises a recent survey of large Australian organisations to investigate the characteristics of the organisations that have embraced the industrial relations reform agenda. We find evidence that certain industries, such as Mining, have embraced the reform agenda. We also find that organisations who have embraced the reform agenda tend to have rather different human resource management practices to those who have not.

1. Introduction

Australian industrial relations have gone through many stages of reform over the past 20 years (Wooden, Loundes et al. 2002). However, industrial relations reform—as it relates to this paper—refers to changes in bargaining structures that have been introduced during the era of the Coalition government, that is, since 1996. According to (Wooden, Loundes et al. 2002), the main objective of this particular reform agenda 'was to create a system whereby employers and workers could determine their own arrangements with as little involvement as possible from third parties'. Although Federal collective agreements had been in place since 1991, the *Workplace Relations Act 1996*, introduced by the Coalition government upon coming to power in the 1996 Federal election, further decentralised the bargaining process.

The key features of the Act were the provision for agreements to be struck directly between employers and individual workers (Australian Workplace Agreements), a reduction in the power and role of the Industrial Relations Commission and limiting the role of unions (Wooden, Loundes et al. 2002). More specifically, the Industrial Relations Commission was restricted to making awards in respect of 20 allowable matters, reducing the role of the award system. It also had limitations placed on its ability to interfere in the negotiation of enterprise and individual agreements, although it did receive greater powers to stop or prevent unlawful industrial action, accompanied by increased penalties for such action. In regards to trade unions, compulsory union membership was now illegal, as were union preference clauses in awards and agreements. In addition, the relevant unions no longer had to be notified about negotiations taking place at the workplace, and there were increased penalties for secondary boycott actions.

Has the introduction of the Act and accompanying policies made any difference to the aggregate statistics compared to the time prior to 1996? Between 1991 and 1996, employee coverage of Federal enterprise wage agreements has increased from virtually nothing to 1.3 million employees, and union membership fell from 45.6 per cent of employees to 31.1 per cent. Since 1996, employee coverage of Federal enterprise wage agreements has increased from 1.3 million employees in December 1996 to 1.5 million employees in September 2002 (Department of Industrial Relations 1997; Department of Employment and

Workplace Relations 2002), and union membership has fallen from 31.1 per cent to 24.5 per cent in 2001¹. Unfortunately there does not appear to be any official statistics on award coverage for 1996, so it is difficult to tell exactly how much of a difference the Act has made on the number of employees covered by awards. What is known is that award coverage is down from 67.6 per cent in 1990 (before enterprise agreements were introduced) to 21.0 per cent in 2001.² While this is a relatively dramatic decline, there is reason to believe that since 1996, the changes have been more muted, as Federal enterprise wage agreements only increased by 200,000 employees between December 1996 and September 2002. Based on these statistics, it would seem that the industrial relations landscape has changed considerably.

The purpose of this paper is to identify the characteristics of those organisations that have embraced the reform agenda in order to shed some light on the likelihood of continued implementation of the government's industrial relations policy. It should be noted, however, that embracing the industrial relations reform agenda might not necessarily suit all organisations. Some organisations may already have bargaining structures and agreements that suit their needs relatively well, and may not feel the need to change the status quo. Others may feel that the disruption that this is likely to cause, including employee apprehension and dissatisfaction, is too great to make it worthwhile.

The plan of this paper is as follows. Section 2 describes the data source analysed, whilst section 3 looks in detail at the characteristics of pro-reform organisations. Section 4 contains a multivariate model of the adoption and success of reform in the organisations. Finally, section 5 contains some concluding remarks.

2. The Survey Instrument

The top 1000 enterprises (as measured by total revenue) were chosen from the IBISWorld enterprise database to participate in the study. Based on initial calls, 813 surveys were mailed out, with 281 useable surveys returned, representing a response rate of 28 per cent, which is consistent with surveys of this type (see for example, (Huselid 1995; Covin, Slevin et al.

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¹ ABS Cat. No. 6325.0, Trade Union Members Survey: Australia, August 1986; ABS Cat. No. 6310.0, Employee Earnings, Benefits and Trade Union Membership: Australia, August 2001.

² ABS Cat. No. 6315.0, Award Coverage: Australia, May 1990; ABS Cat. No. 6305.0, Employee Earnings and Hours: Australia Preliminary, May 2002.

2001). Descriptive statistics for the organisations are given in Table 1, which presents the major industry categories, location and employment size of the organisations in our survey.

Table 1: Organisation characteristics, Australia 2001

Tubic 1. Organisation characteristics, i	Table 1: Organisation characteristics, Australia 2001			
	Respondent	Top 1000		
Main in Indexes	percentage	percentage		
Major industry group	0.4	0.0		
Agriculture, Forestry & Fishing	0.4	0.8		
Mining	2.8	4.5		
Manufacturing	26.2	25.2		
Electricity, Gas & Water Supply	8.2	4.8		
Construction	2.5	2.9		
Wholesale Trade	9.2	15.6		
Retail Trade	6.0	6.4		
Accommodation, Cafes & Restaurants	0.7	0.2		
Transport & Storage	5.3	3.8		
Communication Services	0.4	1.3		
Finance & Insurance	11.0	15		
Property & Business Services	8.2	8.1		
Government Administration & Defence	0.7	0.4		
Education	5.7	2.6		
Health & Community Services	3.9	4.0		
Cultural & Recreational Services	2.5	3.1		
Personal & Other Services	2.5	1.3		
Missing	3.9	-		
Total	100.0	100.0		
Location				
ACT	0.7	1.2		
NSW	43.6	49.9		
NT	0.0	0.1		
QLD	11.4	7.8		
SA	7.8	5.3		
TAS	0.4	0.9		
VIC	27.3	28.0		
WA	5.0	6.8		
Missing	3.9	-		
Total	100.0	100.0		
Employment size	100.0	100.0		
Under 200	11.4	16.4		
200 to under 500	14.9	17.6		
500 to under 1000	18.1	17.6		
1000 to under 5000	39.4	34.7		
Over 5000	16.3	11.7		
Total	10.5	100.0		

Source: Melbourne Institute Business Survey 2001

More than a quarter of organisations were located in manufacturing, with the next highest proportion represented by finance and insurance, wholesale trade, electricity, gas and water supply, and property and businesses services. Importantly however, the distribution of responses across characteristics does not differ markedly from the initial selected population, implying that the responses should not be biased towards a particular group. The main exceptions are: a slight over-representation of electricity, gas and water suppliers, transport and storage and education, with a corresponding under-representation of organisations from wholesale trade and finance and insurance; an over-representation of respondents from Queensland and South Australia, with a corresponding under-representation in NSW; and an over-representation of respondents from the larger firms, as measured by the number of employees.

The survey was aimed at senior management, and as such, it is expected that responses regarding the industrial relations reform will be biased toward the management perspective. The questions covered management style, industrial relations structure, human resources, innovation, the market environment and organisational performance. Accounting and financial information from the IBISWorld database (www.ibisworld.com.au) was added to the data. Questions either called for a categorical response, usually for grouped percentages, or used a seven-point Likert scale with the anchors 1=strongly disagree and 7=strongly agree. Perceptual measures permit comparisons across very different organisations and industries and are easy to collect because they place fewer burdens on respondents than administrative or factual entries. However, they contain a subjective element and thus an undefined error and it would be unwise to over interpret the findings.

The majority of variables used in this paper are constructed using factor analysis techniques. The reason for using factor analysis is that the use of a single variable is unlikely to adequately measure underlying latent constructs of interest, such as the level of synergy within the firm, or the management style adopted. The factor variables were constructed from the data by first selecting *a priori* items it was believed represented aspects of our variables. We then undertook factor analysis and rejected those items with factor loadings below 0.25 and derived measures based on the average of the 7-point Likert scale of the remaining items.³ The two main problems with using factor variables as explanatory variables is first, it is difficult to interpret the values the variable takes and second, there is potentially a large

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³ Where appropriate, the 1 to 7 scales were reversed to order items in a consistent direction.

amount of missing data present in such constructed factor variables. To overcome both these problems, a summated scale is constructed as the average score on questions answered that corresponded to the factor.

3. Characteristics of Pro-Reform Organisations

In order to capture management views on industrial relations reform, the following statement on the industrial relations reform agenda was put to respondents:

Since the late 1980s much effort has gone into reforming industrial relations institutions and practices in Australia. Key elements of this reform agenda have included encouraging enterprise bargaining, reducing the role for industrial tribunals, making awards simpler and less prescriptive, and promoting the use of individual agreements.

Respondents were then asked, "To what extent has your organisation embraced this reform agenda?" Respondents were asked to assess the extent of reform on a 7 point scale, where 1 = 1 not at all and 1 = 1 a great deal. An organisation was classified as pro-reform if they answered 5, 6 or 7, and 61% of organisations were pro-reformers according to this definition.

3.1. Embracing reform and industry

Table 2 provides a breakdown by industry of which organisations have embraced the reform agenda. Every mining organisation reported embracing the reform agenda, which is consistent with official estimates indicating that 93.8 per cent of employees in the mining industry are covered by either enterprise or individual agreements.⁴ According to the Melbourne Institute Business Survey, the vast majority of organisations in the transport and communications and manufacturing industries also indicated that their organisation had embraced the reform agenda. Less than half the organisations in wholesale and retail trade indicated they had embraced the reform agenda. This may in part be driven by the retail trade group: official estimates show that 35.8 per cent of employees in this industry are covered by an award only, compared to 21.0 per cent for all industries.

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⁴ ABS Cat. No. 6305.0, Employee Earnings and Hours: Australia Preliminary, May 2002.

Table 2: Embracing the Reform Agenda, by Industry

	Embraced Reform
Industry	Per cent
Mining	100.0
Transport and communications	70.6
Manufacturing	69.0
Cultural, recreational, personal services & accommodation, cafes	
& restaurants	62.5
Finance & property services	60.8
Government administration, education, health and community	
services	57.0
Electricity, gas and water	50.0
Construction	50.0
Wholesale & retail trade	46.0

3.2. Embracing reform and internal labour market structures

[Fry, 2002 #204] found a relationship between well-developed internal labour markets and embracing reform. Well-developed internal labour markets are an indicator for how well the HR practices comply with normal internal labour market structures. They include the use of sophisticated selection procedures, extensive training, staff appraisal processes, promotion on merit and encouragement given to multi-skilling. If these issues are disaggregated and separated into types of HR practices, it is possible to get a better idea of the differences in HR practices between reformers and non-reformers. The human resource variables are whether or not the organisation has a system of performance-based pay, the degree of formal training programs, the degree of internal hiring and promotion systems, whether or not the organisation had structured feedback for employees, whether the organisation had family friendly policies, and whether the HR systems were mutually reinforcing and perpetuating.

Table 3 presents information on a difference in means test between those organisations that had embraced reform and those that had not. A difference in means test calculates the difference in the average response of the rest of the sample to the group in question, and determines whether this difference is significantly different from zero. As it is calculated as the rest of the sample minus the control group, a negative coefficient indicates that the control group is more likely to adopt a particular practice than the rest of the sample.

Table 3: Embracing the Reform Agenda, difference in means across selected characteristics

characteristics	Embrace vs. Did Not Embrace Reform	
	Difference in mean Standard en	
Internal labour market structures		
Performance Based Pay	-0.435	0.168***
Training	-0.330	0.127***
Career paths	-0.522	0.114***
Employee feedback	-0.340	0.165**
Family friendly	-0.479	0.188***
Reinforcing human resource policies	-0.452	0.167***
Management style		
Managers riskiness in decision making	-0.236	0.155
Initiative regarding competitors	-0.288	0.146**
Flexibility in responding to market conditions	-0.106	0.118
Analysis prior to decision making	-0.372	0.161**
Decisions based on experience	0.272	0.135**
Competitive strategy		
Customer focus	-0.470	0.113***
Efficiency	-0.337	0.113***
Product Quality	-0.820	0.157***
Low pricing strategy	0.073	0.146
Industrial relations climate		
Management-union relations	-0.174	0.205
Management-employee relations	-0.152	0.122

Notes: *, ** and *** denotes significant at 10%, 5% and 1% level of significance, respectively.

Reformers tended to have better internal labour market systems. Some areas were particularly marked in the difference in labour market systems. Reformers are more likely to have financial rewards linked to individual, team and organisation performance. Reformers are also more likely have in place a system of well defined career paths for employees; promote employees based on merit rather than seniority and fill jobs from within the organisation. They also are more likely to provide formal training for both new and existing employees. Reformers are also more likely to have a system of formal feedback programs to conduct appraisals and address poorly performing employees and to provide flexible work arrangements allowing alternative work schedules and providing assistance programs for personal and job-related problems.

3.3. Embracing reform and management style

Another relationship to examine is the link between management style and reform. [Webster, 2002 #82] defined three types of management style – bold, intuitive and cheap. A bold management style reflects the managers' attitudes towards initiating change through new products, R&D, and their preference for high-risk projects. The second style of management refers to managerial dependence on intuitive information rather than formal analysis before making decisions. The third factor reflects the emphasis placed on efficiency and cost reduction rather than production of state-of-the-art products. Disaggregation of these factors allows an exploration of the specific policies and attitudes that differ between firms that embrace reform and those that haven't.

Reformers were more likely to undertake extensive data analysis before making decisions and detail these decisions in formal written reports. They are less likely to make decision based on industry experience, or 'rules of thumb' developed from past decisions. Reformers are morel likely to develop a competitive strategy that focuses on innovations designed to reduce costs; increasing productivity and increasing operating efficiencies. Reformers were more likely to show more initiative when dealing with competitors, Reformers are more likely to initiate actions to which competitors respond, adopt a competitive strategy and is often the first organisation to introduce new products or technology.

In addition to indicating whether or not they had embraced the reform agenda, respondents were also asked to assess the success of the reform agenda for their organisation. In particular, they were asked the question, "How successful do you think this reform agenda has been for your organisation? That is, to what extent have the benefits to your organisation from reform exceeded the costs?" Again, responses were on a seven -point scale with 1 = costs exceeded benefits by a great deal, 7 = benefits exceeded costs by a great deal. The reforms were deemed successful if the respondent answered with 5, 6 or 7. Just over 52 per cent of the respondents indicated the reform agenda had been successful.

3.4. Reform success and industry

Table 4 provides a breakdown by industry of which organisations indicated that the reform agenda had been a success for their organisation. Mining was the most successful industry, with 100% of mining companies reporting success with the reform agenda. Other successful industries include utility companies, education and cultural services. Unsuccessful industries were agriculture, communications, and government. Part of the reason for the apparent

discrepancy between embracing reform and its relative success may be the extent of regulations associated with the *Workplace Relations Act 1996*. It has been suggested elsewhere that the introduction of the Act may have increased the amount of regulation for workplaces (Wooden, Loundes et al. 2002). State-based regulation continues to play an important role, and the form of regulation has changed from 'tribunal' to 'contractualist' regulation (Dabscheck 2001), rather than any great reduction in the extent of regulation.

Table 4: Success of Reforms, by Industry

	Embrace	Reform
	Reform	Success
	Per cent	Per cent
Mining	100.0	100.0
Utilities	50.0	75.0
Manufacturing	69.0	56.0
Finance & property services	60.8	52.0
Construction	50.0	50.0
Cultural, recreational, personal services & accommodation, cafes & restaurants Government administration, education, health and	62.5	50.0
community services	57.0	50.0
Transport & communication	70.6	47.0
Wholesale & retail trade	46.0	30.0

3.5. Reform success and internal labour market structures

Successful firms have better internal labour market systems, but further analysis find striking differences in particular policies. Firms that indicated they were found the reform process successful also revealed they had better internal labour market policies in the following areas. Successful firms are more likely to have financial rewards linked to individual, team and organisation performance. They are also more likely to provide clear career paths for employees; promote employees based on merit rather than seniority and fill jobs from within the organisation. Successful firms tend to have better communication systems in place. Successful firms generally have in place a system of formal feedback programs to conduct appraisals and address poorly performing employees. Successful firms are more likely to have flexible work practices allowing alternative work schedules and providing assistance programs for personal and job-related problems. Successful firms also tend to have human resources policies that are mutually reinforcing and consistent.

3.6. Reform success and management style

Differences also exist in the management style of firms that found success with the reform process and non-reformers. These differences were concentrated in a few main areas. Successful firms are more likely to conduct detailed analysis before making decisions. Successful firms are also more likely to pursue a competitive strategy which focuses on developments that lead to increased productivity and reduced costs than non-successful firms

Table 5: Success of Reforms, difference in means across selected characteristics

	Successful vs. non-successful reform	
	Difference in mean Standard err	
Internal labour market structures		
Performance Based Pay	-0.302	0.163*
Training	-0.209	0.122*
Career paths	-0.336	0.111***
Employee feedback	-0.376	0.157***
Family friendly	-0.500	0.177***
Reinforcing human resource policies	-0.400	0.161***
Management style		
Managers riskiness in decision making	-0.204	0.148
Initiative regarding competitors	-0.369	0.139***
Flexibility in responding to market conditions	-0.054	0.116
Analysis prior to decision making	-0.326	0.158**
Decisions based on experience	0.208	0.130
Competitive strategy		
Customer focus	-0.037	0.112
Efficiency	-0.200	0.109*
Product Quality	-0.024	0.155
Low pricing strategy	-0.123	0.143
Industrial relations climate		
Management-union relations	-0.346	0.200*
Management-employee relations Notes: *, ** and *** denotes significant at 10%, 5% and 1% level	Management-employee relations -0.180 0.117 enotes significant at 10%, 5% and 1% level of significance, respectively.	

Were the reformers successful? 76% of those who introduced the reform process were successful. Of those who did not institute reform, 84% indicated they were not successful – but 16% believed they were successful.

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Reformer	No	Yes	Total
No	33%	6%	39%
Yes	15%	46%	61%
Total	47%	53%	100%

Table 6 categorises attitudes by whether the organisation/workplace had embraced reform and how successful they thought it was. We can use this table to define a typology. *Successful Reformers* are those that said they had embraced reform, and it had been a success. *Unsuccessful Reformers* are those that embraced reform, but did not think it had been successful, that is, the costs had outweighed the benefits. *Reluctant Reformers* are those that did not feel they had embraced the reform agenda, yet had had some success with it in the organisation/workplace. Finally, *Non-Reformers* are those that reported they had neither embraced reform, and nor had it been beneficial to the organisation. The majority of workplaces are at either end of the scale—that is, they are either a successful reformer or a non-reformer.

Table 6: Embraced Reform and Reform Success, by Industry

	Successful	Unsuccessful	Reluctant	No
	reformer	Reformer	Reformer	Reform
Industry		Per ce	nt	
Mining	100.0	0.0	0.0	0.0
Manufacturing	50.0	19.0	6.0	24.0
Utilities	50.0	0.0	25.0	25.0
Finance & property services	50.0	10.0	2.0	38.0
Transport & communication	47.0	23.5	0.0	29.5
Cultural, recreational, personal services & accommodation, cafes & restaurants Government administration, education,	43.8	18.8	6.3	31.3
health and community services	43.0	14.0	7.0	36.0
Construction	38.0	13.0	13.0	38.0
Wholesale & retail trade	28.3	17.4	2.2	52.2

Mining was clearly the most successful reforming industry, with all firms reporting a successful reform process. Education, cultural services and financial services all had more

than half their firms report success in the reform process. Every firm in agriculture, communications and government reported no reform and no success. Most of the other industries seemed to be fairly split between successful reformer and no reform.

Due to the small sample size, specifically for reluctant reformers, we are unable to perform ANOVA tests. Instead we do a difference of means tests between the successful reformer and non-reformer categories⁵ to determine whether differences exist in the management style or human resources policies of firm is different categories⁶.

Successful reformers were more likely to have pay linked to performance than firms with no reform. They were also more likely to provide on the job training to new employees, and ongoing training for existing employees. Successful reformers are more likely to have a set of clear career paths for employees; base promotions on merit rather than seniority and fill jobs from within the organisation that those firms who instituted no reform⁷. Successful reformers are more likely to have a set of formal feedback and communication procedures than those firms who had no reform. Successful reformers are more likely to have a system of flexible work practices to assist people with family responsibilities than firms with no reform. Successful reformers are morel likely to have a set of HR policies that are mutually reinforcing and consistent than firms with no reform. Successful reformers had no significant differences with non-reformers in marketing strategy; however, unsuccessful reformers were more likely to initiate new products, processes and policies than no reformers or reluctant reformers. Firms with no reform were more likely to make decisions based on past experience and "rules of thumb" whereas successful reformers were more likely to conduct detailed quantitative analysis before making decisions. Successful reformers are more likely to focus on reducing costs and increasing productivity as part of their competitive strategy than reluctant reformers and firms with no reform. Firms with no reform and successful reformers both have a greater focus on existing customers than reluctant reformers

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⁵ 79% of the firms lie in these two categories. More extensive analysis was done on the other categories but it was found that the majority of the differences were between these two categories.

⁶ Similar tests were performed on financial variables with no significant results found

⁷ More extensive analysis revealed that reluctant reformers were more likely to have a set of clearly defined career paths and promotion procedures than firms with no reform

Table 7: Successful Reformers v. Non-Reformers, difference in means across selected characteristics

Characteristics	~	
-	Successful vs. non-successful reform	
	Difference in mean	Standard error
Internal labour market structures		
Performance Based Pay	-0.46	0.183**
Training	-0.333	0.140**
Career paths	-0.547	0.122***
Employee feedback	-0.435	0.180**
Family friendly	-0.604	0.207***
Reinforcing human resource policies	-0.527	0.179***
Management style		
Managers riskiness in decision making	-0.274	0.169*
Initiative regarding competitors	-0.204	0.160
Flexibility in responding to market conditions	-0.086	0.125
Analysis prior to decision making	-0.424	0.173**
Decisions based on experience	0.288	0.149*
Competitive strategy		
Customer focus	-0.304	0.199
Efficiency	-0.326	0.124**
Product Quality	-0.056	0.168
Low pricing strategy	0.122	0.165
Industrial relations climate		
Management-union relations	-0.287	0.228
Management-employee relations -0.190 Notes: *, ** and *** denotes significant at 10%, 5% and 1% level of significance, respectively.		

4. Characteristics of Pro-Reform Organisations: Multivariate Analysis

In this section we fit a model to the two binary indicators for embracing reform and success with reform. The model that we use is a bivariate probit model (see Greene 2000pp. 849-856). This model assumes that there is a correlation (ρ) between the latent variables underlying the embrace and success indicator variables. We use the results from the previous sections of the paper to suggest suitable explanatory variables for the two equations. Thus, using the bivariate probit analysis we can estimate the tendency to reform and success of the reform process as functions of the variables found to be significant in the analysis above.

Table 8 contains the results of the modelling analysis. Two sets of estimates are presented. The full model uses all of the variables suggested in earlier sections to be related to the reform typology. The restricted model results from removing from the full model any variables with t-stats less than one.

Table 8: Bivariate Probit Model of Embracing Reform and Reform Success

	Full Model		Restricted Model	
	Coefficient	Std. Error	Coefficient	Std. Error
Embrace (Y/N)				
Performance Based Pay	0.068	0.079		
Training	0.002	0.089		
Career paths	0.329	0.111***	0.327	0.103***
Employee feedback	-0.067	0.090		
Family friendly	0.084	0.069	0.093	0.061
Reinforcing human resource	0.000	0.090		
Initiative regarding competitors	0.081	0.069	0.080	0.065
Analysis prior to decision	0.057	0.080		
Decisions based on experience	-0.077	0.085		
Efficiency	0.101	0.090	0.108	0.084
Constant	-2.672	0.874***	-2.847	0.639***
Success (Y/N)				
Performance Based Pay	0.046	0.074		
Career paths	0.197	0.102**	0.227	0.096***
Employee feedback	0.030	0.086		
Family friendly	0.104	0.068	0.119	0.061*
Reinforcing human resource	-0.009	0.085		
Analysis prior to decision	0.079	0.068	0.027	0.053
Constant	-2.184	0.582***	-1.876	0.554***
ρ	0.822	0.048	0.819	0.048

Notes: *, ** and *** denotes significant at 10%, 5% and 1% level of significance, respectively.

The results show that it is only a small number of human resource management practices that are significant in determining the decision to embrace reform and whether reform is judged a success. In particular, having a set of clear career paths for employees is positively related to both the decision to embrace reform and whether reform is judged a success and having a system of flexible work practices to assist people with family responsibilities is positively related to whether reform is judged a success. Finally, we note that there is a significant high positive correlation between the tendency to reform and success of the reform process⁸.

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⁸ This correlation is also statistically different from one.

5. Conclusion

There have been considerable changes in the industrial relations landscape in Australia over the past 15 years, although the pace of change seems to have slowed somewhat in recent times. This is understandable. There is only so much upheaval that organisations are willing to undertake before they decide that stability is more attractive to investors than continuous change. This paper utilises a recent survey of large Australian organisations to investigate the characteristics of the organisations that have embraced the industrial relations reform agenda. We find evidence that certain industries, such as Mining, have embraced the reform agenda. Moreover, particular types of organisations appear more inclined to take advantage of the industrial relations reform agenda of the current government than others. In particular, organisations who have embraced the reform agenda tend to have rather different human resource management practices to those organisations that have not embraced the reform agenda.

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