

What's next for IR in Australia: Reforming the corporation

Paul Gollan and Anthony Jensen
London School of Economics, UK

ABSTRACT

Australia stands at the crossroads in industrial relations. There is a need for a policy debate on new structures rather than recycle the arguments of individualism versus collectivism. There may well be more productivity to unlock from the Australian economic system and the workforce but the question remains what is the best way to do this and preserve Australia's cultural values of fairness, equity, fierce independence, competition and a sense of fraternity. These values are much more complex than simply freedom of choice and are fundamental to a rich and coherent society.

We propose a new consensus corporate model which will deliver these values and beliefs and deliver a high firm performance. The way forward is to build on these three core beliefs. The new model is called the Corporate Partnership Model which is a partnership of employees, management and shareholders separated in different corporate structures. The implications for industrial relations reform of the Corporate Partnership Model are significant. The enterprise level bargaining arrangements and a decentralised labor market are an ideal context in which to introduce such an approach. It provides for workplace representation at the highest and lowest level of the firm and delivers on workplace reform and higher performance and employment creation breathing new life into the individualism and collectivism debates and IR reform more generally.

While trade Unions may feel a degree of anxiety over the blurring of the capital and labour relationship, the corporate partnership model could deliver benefits that they aspire to for their members such as job security, superannuation and employment conditions as well as equality, justice and opportunity. Further there is no evidence of a decreased desire for union representation in employee ownership firms. This paper discusses the Corporate Partnership Model using empirical evidence and IR theory and then plots the implications for public policy and trade unions.

