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insertion of a bans clause against the employers, preventing them from implementing the downgrading scheme? Probably not—the Commission had already made known its opinion on the issue of downgrading, and Commissioner Portus during the subsequent proceedings expressed the view that the downgradings were justified and his only criticism was of the manner in which the employers had sought to effect them. But the union should have tried for a bans clause, for this would have raised the issue directly as one of claim—not merely as defence to the employers' claim for the enactment of the bans clause against the union; and it would have raised it in the light of precisely what the employers sought to do and how they had done it—not merely as a vague prognostication, as had been the position when the matter was raised in the proceedings for the new award.

The suddenness of the employers' actions, the absence of any prior consultation with local union officials, the union with which the employers acted, the serious inroads which the employers proposed on existing contractual rights,¹⁵ the large number of employees affected, the importance of the issue, and the union's previous experience, both with the employers and the arbitration tribunals, in similar situations—all of these things made the strike inevitable once the employers moved as they did.

REFERENCES

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2. See the comment by the majority of the Commission in the 1964 case, cited by T. J. Kearney in "Some Implications of the 1966 National Wage Decisions", *Journal of Industrial Relations*, v. 8 (1966), p. 221, at p. 228.
3. See *Journal of Industrial Relations*, v. 8 (1966), p. 299.
4. *Agricultural Employees Case* (17 March 1967), 1967 A.I.L.R. Rep. 56; 22 I.I.B. 363.
5. *Actors Case* (26 June 1967), 1967 A.I.L.R. Rep. 255; 22 I.I.B. 849.
6. (27 June 1967), 1967 A.I.L.R. Rep. 292; 22 I.I.B. 878.
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8. (19 July 1967), 1967 A.I.L.R. Rep. 308, and (7 August 1967), 1967 A.I.L.R. Rep. 331.
9. *Employers' Review* (Syd.), July 1967, pp. 133-4.
10. *Australian Iron & Steel Pty. Ltd. v. Federated Ironworkers' Association* (23 April 1967), 1967 A.I.L.R. Rep. 159; 22 I.I.B. 514.
11. *Broken Hill Pty. Co. Ltd. v. Federated Ironworkers' Association* (20 June 1967), 1967 A.I.L.R. Rep. 244; 22 I.I.B. 856.
12. See *Employers' Review* (Syd.), July 1967, p. 127.
13. *Re Journalists Award* (7 July 1967), 1967 A.I.L.R. Rep. 295.
14. *Nation*, 12 August 1967, p. 10.
15. In an earlier case this year, Mr Justice Sheldon of the New South Wales Industrial Commission had had occasion to criticise the attitude of one of the Sydney proprietors to the rights of its employees. Speaking of the company's arrangements for signing on casuals for night work, he described them as more suggestive of a bargain basement than an engagement centre, a situation which led an officer of the company unwillingly to ride roughshod over the rights of individuals. "Employees are expected to conduct themselves properly at work and, in turn, should not be subjected to a demeaning scramble to get there": *Printing and Kindred Industries Union v. Australian Consolidated Press Ltd.* (11 May 1967), 1967 A.I.L.R. Rep. 184.

The ACTU Congress of 1967

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THE CONGRESS of 653 delegates that opened in Melbourne on August 28 marked the ACTU's fortieth year. It had another distinction as well, in the opinion of most who attended: it was, as a veteran delegate put it during the fifth and final day, the "most boring" he had sat through. He was to modify this judgment a little after the retiring Junior Vice-President, in the dying minutes of Congress, used his valedictory address to make a crowding attack on former colleagues (see below). Up to this point, however, the tone of the formal proceedings (though the story was different off the Congress floor) had been remarkably subdued. Nevertheless, the 1967 Congress may well go down as one of the most important in the ACTU's history for two reasons.

In the first place, there was Congress's agreement to increase the full-time staff of the ACTU. This was no easy "acceptance-in-principle" decision but a definite commitment entered into the light of specific proposals tied to a substantial rise in affiliation fees, a rise that was endorsed by a solid three-to-two majority in a division on the issue (see below). The expansion in staff involved is modest enough. It will add the three new positions of Industrial Officer, Education Officer and Publicity Officer to the present five-member establishment. But the implications of this development are considerable. Not only does it represent an expansion in the ACTU's functions, particularly reflected in the position of Education Officer, but more important, it constitutes a quite dramatic diversification of the ACTU's administrative structure, and this greatly enhances the likelihood of further expansion along the lines of the more elaborate structures already characteristic of comparable national union centres elsewhere. Ironically, the recommendation proposing this step was written for the Executive by J. M. Riordan who failed, at the Congress, to secure re-election to it. His defeat was one manifestation of the second reason for regarding the Congress as unusually significant.

The elections for the nine Executive positions filled during the Congress marked the end of the first round in the struggle for the ACTU presidency, which will fall vacant when A. E. Monk, now 67 retires. J. M. Riordan's failure to retain Executive membership undermined his position as one of the three leading contenders of the moment for the succession. His prospects, along with those of H. J. Souter, the ACTU Secretary, were further weakened by the composition of the new Executive. It now appears that if Mr Monk steps down, a majority of the Executive is likely to favour R. J. Hawke, ACTU Research Officer, for the position of Acting President, an appointment which could go a long way towards ensuring success when the time came for Congress to elect the permanent President. A great deal may depend, however, on whether Mr Monk resigns before the next Congress in two years time when a majority of the Executive positions are again subject to election. Mr Monk has good reasons, quite unconnected with the question of his successor but not unconnected with the idiotic stinginess of the Australian trade union movement to its officials, for being reluctant to make way. In the meantime, now that he has emerged as the clear

front-runner in the succession race, Mr Hawke will need to keep a vigilant watch on his flanks. His opponents were taught a lesson in organization at the Congress that they are unlikely to forget. Nor are they likely to forget that the last hurdle barring the way to the presidency is a ballot of the whole Congress, or that it was the right-of-centre Jordan-Kenny ticket which in total secured a clear, if small, majority of the primary votes cast in the 1967 Vice-Presidential election.

Perhaps in reaction to widespread pre-Congress predictions of right-wing domination, some observers interpreted the Congress, and in particular the Executive elections, as a left-wing triumph. This is an exaggeration. If the Congress was a triumph for anyone, it was a triumph for the centre; and the extent to which the moderate (in trade union terms) bulk of delegates called the tune was reflected in the tactics of both the political extremes represented.

The extreme right had begun the Congress fortified by the knowledge that the newly affiliated Australian Workers' Union and Amalgamated Society of Carpenters and Joiners were bringing in nearly seventy delegates, and scenting the possibility of an early victory on their far-reaching proposal for Industry Group members of the Executive to be elected by the whole Congress instead of by the union delegates within each group. On the first day it was agreed that this proposition, which had been narrowly defeated at the 1965 Congress,¹ should be dealt with at the beginning of the second day. Overnight, however, the project turned sour. It became clear that the Executive's earlier refusal to put the proposal forward, as in 1965, in the form of an Executive recommendation in fact reflected a growth in the opposition to it among the general run of delegates. The matter was clinched with the confirmation of rumours that the leaders of the Australian Workers' Union were less than enthusiastic at the prospect of Congress having a free hand to select the AWU representative on the Executive. The two resolutions on the question were accordingly withdrawn by the Federated Clerks' Union and the Australian Society of Engineers. From then on the right-wing leadership acted with notable caution on the floor of Congress, a policy from which even the Vietnam debate produced no substantial deviation.

The leaders of the extreme left were only a little more venturesome. They played a rather more prominent public part in general, and, in particular, threw their weight in debate behind the two amendments from the floor that were taken to a division, though their advocacy was far from decisive. The first amendment countered an Executive recommendation, to abolish the constitutional provision requiring at least two meetings annually of each Industry Group, by requiring at least one meeting a year: it was adopted by 330 votes to 285. The second, proposing rejection of the Executive recommendation of an increase in affiliation fees, was easily defeated by 367 votes to 244. The issue at stake in the second of these divisions was much the more important, the Executive winning on it despite the impulsive support which the left (though there were some intriguing splits within its ranks, too) received from I. Short of the Federated Ironworkers' Association. Even before this, however, the extreme left had made it plain that caution was to be the keynote when their amendment to the Executive wages policy recommendation on the second day was not pushed to a division.

Not only was the amendment, in the circumstances, a strikingly mild one which was widely thought likely to attract considerable support, but the Communist union official who moved it did so in unusually placatory terms. There was no question then or later of formally proposing strike action in the light of the total wage decision, and even the issue of strike penalties was ignored. It was left to two outer-ring Communists to make old-style noises, but they were clearly individual and not group statements; and, a sign of the times, instead of raising the temperature of Congress, as in the past, were treated like comedy turns. An attempt by the "Peking" rump to toughen the resolution on Vietnam was coolly shrugged off. The most striking indication of the caution on the left, however, was the fact that for the first time since the system of Industry Group elections was introduced ten years ago, there was not a single Communist in the list of Executive candidates.

When the Congress opened it was known that by the time it closed there would be at least four new faces on the Executive: M. O'Brien, representing the Transport Group, had died a week earlier; J. Holmes, the Metal Group representative, had resigned two months before on being appointed an arbitration commissioner; W. P. Evans, Junior Vice-President, had made known his intention not to seek re-election; and the Executive had decided to recommend that an additional Industry Group, to be known as the AWU Group, should be created to give the Australian Workers' Union separate representation on the Executive. Thus when nominations closed for the nine places up for election, they included only five sitting members of Executive, and one of these, J. Petrie, was contesting the Vice-Presidency instead of his old position as representative of the Food and Distributive Group. In the event, two of the five failed to secure re-election, and a total of six Executive seats went to new members. The retiring Senior Vice-President, J. D. Kenny of the New South Wales Labour Council, was re-elected to that office, and J. Petrie of the Storemen and Packers' Union became Junior Vice-President. The unsuccessful candidate was M. C. Jordan, of the Melbourne Trades Hall Council, whose preferences decided the senior position after Mr Kenny had trailed Mr Petrie by 287 to 309 on the first count; the final result being 335 to 311; but when Mr Kenny's preferences were distributed to decide the junior position, sufficient of them drifted away from Mr Jordan, who had only 50 primary votes, to let Mr Petrie in with a total of 367 to 279. Of the three sitting Industry Group representatives defending their seats, only J. Anderson of the Painters' Union was returned for the Building Group, which he retained easily in a three-cornered contest. The other two were heavily defeated in straight contests, J. M. Riordan of the Federated Clerks' Union lost the Services Group, by 56-83, to R. Gietzelt of the Miscellaneous Workers' Union, and R. Wilson of the Vehicle Builders' Federation went down in the Manufacturing Group, by 30-52, to C. Colborne of the Printing and Kindred Industries Union. In the four seats not contested by a sitting member, F. Hall of the Meat Industry Employees' Union narrowly won the Food and Distributive Group in a straight fight; C. Fitzgibbon of the Waterside Workers' Federation easily took the Transport Group on the first count in a three-cornered contest; J. P. Deveaux of the Amalgamated Engineering Union, in another three-cornered contest, gained the Metal Group after a distribution of preferences; and representation of the new AWU Group went without

opposition to E. Williams, Federal President and, more important, Queensland State Secretary of the Australian Workers' Union.

All the successful candidates in the six contested Industry Group elections were those able to draw heavily on left-wing support. This result, in part, testified to cooler heads on the extreme left than on the extreme right. Thus, largely because of pre-Congress disagreements over the handling of sectional industrial claims, not only did L. Short of the Federated Ironworkers nominate in the Metal Group election without the least prospect of success, but when the preferences of his own union's delegates were distributed between the other two candidates only half of them went to the moderate C. O. Dolan of the Electrical Trades Union, and the other half gave the seat to J. P. Devereux who had the left-wing's support. On the other hand, while P. Clancy, the Communist bloc's floor leader, was generally conceded a strong chance of winning the Building Group which he had narrowly lost in 1965 to J. Anderson, the sitting member and successful candidate, he did not stand, partly, at least, it seems, because of the delicate stage reached in amalgamation negotiations between their two unions. Altogether, while no Communist nominated, four candidates from the extreme right were put up, only two of which made even a respectable showing.

The outcome of the elections undoubtedly represents a setback for the extreme right, and particularly, perhaps, in terms of morale: it appeared to be not so much the defeat of J. Riordan, the key case, which shook them, as the magnitude of the vote against him. The election results do not, however, add up to more than marginal gains for the extreme left, let alone to anything approaching recovery of the ground they lost in 1965.² The political complexion of the new Executive (though there are notable differences in terms of the personalities involved) is not greatly dissimilar from what it was at the close of the 1965 Congress. At the most, the balance has shifted from firmly right of centre to slightly left of centre—even in ALP terms, only two of the six new members can be regarded as consistently far left. It is, in other words, still an executive on which moderates will call the tune in important votes. It is, as well, an Executive on which the shadings of political opinion within the trade union movement are represented with tolerable accuracy right across the spectrum, the Communists retaining a voice through A. Macdonald, representing the Queensland Trades and Labour Council, and the extreme right through R. W. Harradine, representing the Hobart Trades Hall Council. In this, the composition of the Executive reflects the way in which both these wings of the movement were contained throughout the Congress, just as the weakness of the extreme right was demonstrated in the forced withdrawal of their proposal to change the method of electing Industry Group representatives, so was the weakness of the extreme left in the rejection of the amendment opposing the affiliation fees increase (a result which the Communist Party's *Tribune* failed altogether to mention in a nine-column report on the Congress). Above all, perhaps, there was the inability of the left in general to "deliver" the post of Senior Vice-President to the moderate J. Petrie. Both the Communist Party's talk of a "breakthrough" (*Tribune*, 6 September) and the National Civic Council's cry of a "Left-wing march to power" (*News-Weekly*, 6 September) are off the mark.

The part played by the first Australian Workers' Union delegation to attend the ACTU Congress was unobtrusive but probably critical. Only one of its members took part in a debate, and then not until the last hour of the Congress when E. Williams moved an amendment to a resolution on long-service leave for casual workers. It was a radical amendment which proposed that entitlement to such leave should not be restricted to service within a single industry; and in sharp contrast with the rough treatment handed out to most other amendments, President Monk quickly intervened, on the ostensible ground that time was short, to have both the resolution and the amendment referred to the incoming Executive for consideration. So far as the two divisions held during the Congress were concerned, the big AWU delegation did not change anything in the sense that both results would have been the same had it been absent, and the Executive (which the AWU supported in both cases) would still have lost the first and won the second. It would, on the other hand, have lost both if the AWU's 63 votes had gone the other way in the second division. In any case, this bloc of votes, representing almost ten per cent of the total available at Congress, was not only decisive in giving J. Kenny the Senior Vice-Presidency, but its mere presence was almost certainly one major reason for the left-wing's generally cautious tactics. These signs, though the effect of the AWU on the ACTU's power structure has still to be fully revealed, are significant pointers. Another is the change in formal structure which the affiliation of Australia's largest union has produced, as reflected in Congress's acceptance, without debate or opposition, of the Executive's recommendation to increase its own membership from sixteen to seventeen in order to make the AWU the one union with a permanent title to an Executive seat.

Executive recommendations on a number of wider policy issues were brought down and adopted by Congress as well. The statements on economic policy and on social services were unusually precise and detailed, while the wages policy adopted re-affirmed the unions' official opposition to the total wages, and other recommendations dealt with aborigines, automation, apprentices, and equal pay for women. The Executive originally placed the topic of Vietnam sufficiently far down on the agenda to ensure that it would not be reached, but then had to bow to the clear wish of most delegates that it be brought forward; its recommendation, that relevant references in the Executive report be endorsed, was eventually accepted with an agreed addendum expressing approval of the policy adopted by the ALP Federal Conference earlier in the year. Concern with South-East Asia was evident also in the way a number of delegates echoed the reference in the President's opening address to the trade union movement's "responsibility" for helping trade unionism in developing countries, including Papua-New Guinea. This sentiment was put to the acid test when the Executive recommended that, as well as raising annual affiliation fees by 2c per member in order to finance the organizational development already mentioned, a further 1c per member should be contributed yearly by affiliated unions for a special International Fund. Congress accepted both proposals, which together represented a thirty per cent rise in the unions' financial obligations to the ACTU. Resolutions were put forward in the name of individual unions on the 35-hour week, workers' compensation in Commonwealth employment, housing and town planning, finance for education, the employment of foreign labour, safety on ships, and long-service

leave for casual workers. The last was referred to the Executive (see above), but all the others were adopted, as also was a motion asking the Parliamentary Labour Party to continue opposing the Commonwealth government's proposal to increase postal charges.

The last speech of the Congress sent most delegates away in high good humour. Responding to a vote of thanks moved by the President, the retiring Junior Vice-President, W. P. Evans, 68, after twelve years in office ascribed his decision not to stand again to his dissatisfaction with the working of the Executive. He alleged that at its meetings the Executive had time to deal with only a dozen or so of the more important of the forty or fifty items usually on the agenda. He professed to be unsure as to how the remainder were dealt with, but pointed out that the rules provided for an Executive Sub-Committee with power to handle such matters. The Sub-Committee, he claimed, had never met for this purpose. Moreover, and this converted the target of his attack from the full-time officers alone to most of his former colleagues, he added that he had received negligible support at a recent meeting of the Executive when he tried to ensure that the Sub-Committee, would be convened to deal with agenda items not reached. Mr Evans' complaint delighted delegates largely because it struck at the "all poppies". In addition, however, many appeared to feel that it reinforced complaints about the management of Congress itself, which are traditional but at this Congress were voiced from the rostrum more frequently, by both right and left, than for some years past. "Time-wasting" was the main burden of these complaints. This is a problem which, so far as it relates to failure to get through a long agenda, could be at least partially and perhaps largely overcome by strict application of a neglected Standing Order limiting the duration of speeches. No interest in this solution was shown by even the most vociferous complainants, who seemed more concerned with making easier debating points.

REFERENCES

1. See R. M. Martin, "The ACTU Congress of 1965", *Journal of Industrial Relations*, 7/3, November 1965, pp. 322-325.
2. R. M. Martin, *op. cit.*

Informal Social Relations in Formal Organizations

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It is convenient to make a distinction between formal and informal organization even though the precise diacritical characteristics may be matters of controversy. In any case, the argument can to some extent be avoided by thinking instead of dimensions of organizational behaviour, such dimensions having, in any particular case, certain *degrees* of formalization. Power, communication, and grouping are three distinguishable organization dimensions, and behaviour with respect to each may be more or less formally prescribed. However, regardless of the degree of formalization of such prescriptions, the actual state of affairs is often different from the prescribed one. An executive may modify his orders to one of his subordinates but not to another; actual communication channels may not correspond with officially prescribed ones; physical or social propinquity may facilitate the emergence of groups for which there is no formal organizational justification. Such "informal" or unprescribed processes may help or hinder the attainment of the organization's goal. The reactions of "management" to their existence may vary from encouragement to suppression.

Theories about the development of informal social relations, as such, are relatively common and empirical studies of informal interaction, interpersonal attraction, the "acquaintance process", affiliation and so on are too numerous to mention. Although all this work is relevant to informal social relations within formal organizational situations, it is reasonable to suppose that there may be some specifically organizational characteristics which are also relevant. The communication network research initiated by Bavelas,¹ Mulder's "decision structure" theorizing,² Harary's application of graph theory to organizational hierarchies,³ and the work of Kelley⁴ and Cohen⁵ on communication in hierarchies support this view. Clearly, the area holds more promise for analytic study than is suggested by Schein's statements⁶ that "such (informal) relationships tend to arise in all formal organizations" (p. 9), that "formal organizations tend to breed informal organizations within them" (p. 27), and that "informal groups can almost always be assumed to exist because of the nature of man" (p. 68). (Italics mine in each case.)

The purpose of this paper is to examine one aspect of the formal-informal relationship. An experiment was designed to answer the following question: If a member of a fairly formally structured organization is given the opportunity to communicate informally, "outside the system" as it were, whom will he want to talk to, why, and what about?

The theory which initially guided the design of this experiment stems mainly from the "substitute locomotion" hypothesis about communication in hierarchies put forward by Kelley and others. Stated briefly, the argument is that informal communication to a higher status person may be used as a substitute for an actual increase in status.

The main hypothesis can be stated most generally as follows:

Hypothesis (1): Informal communication in a formal organization to persons at status levels different from one's own is status-disconfirming.