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Employee Participation and Industrial Welfarism in Australia, 1890–1965

Nikola Balnave and Raymond Markey*

Non-union forms of representative employee participation have a long history in Australia, notwithstanding the privileging of trade union representation by the conciliation and arbitration system. One common form of representative employee participation occurred in the administration of industrial welfare schemes when they spread through large Australian organisations, particularly during and after World War II. However, the employee participation literature has largely neglected this significant historical movement in management strategy. A conceptual framework derived from contemporary employee participation literature is used to evaluate the substance of employee participation in administration of Australia company welfare schemes during the period 1890–1965. Conclusions are twofold: management's motivation to introduce industrial welfare schemes was a combination of social integration in periods of industrial conflict, as well as organisational efficiency; and whilst employees often influenced decisions in substantial ways in the administration of welfare schemes, the scope of this influence was very narrow.

Non-union forms of employee participation in Australia have never achieved the prominence that they have in Europe, particularly through works councils, because of the privileged position of unions in the Australian conciliation and arbitration system during the twentieth century. More recently, works councils or joint consultative committees (JCCs) have attracted academic attention.¹ The modern importance of JCCs in Australia was confirmed by surveys in 2013 and 1995 showing that 32–33 per cent of enterprises or workplaces with 20 or more employees had a JCC,² and in 2004, in which 39 per cent of employees reported the presence of a JCC in their workplace.³ Indeed, it has been suggested that JCCs have always had a substantial presence in large Australian firms, particularly in the specialised form of occupational health and safety (OHS) committees.⁴

Historically, the administration of industrial welfare schemes represents another important form of union and non-union representative employee participation. Industrial welfarism was a management strategy aimed at both attracting and

* The authors would like to thank *Labour History's* two anonymous referees.

1. For example, P. J. Gollan, R. Markey and I. Ross, eds, *Works Councils in Australia: Future Prospects and Possibilities* (Sydney: Federation Press, 2002).
2. D. Adam and R. Markey, "Comparing Employee Voice in Australia and the UK: AWRS and WERS," Australian Workplace Relations Survey Conference, Australian Fair Work Commission, June 2015, Melbourne, accessed April 2017, <https://www.fwc.gov.au/documents/awrs/Comparing-employee-voice-Australia-UK.pdf>; A. Morehead, M. Steele, M. Alexander, K. Stephen and L. Duffin, *Changes at Work: The 1995 Australian Workplace Industrial Relations Survey* (Melbourne: Longman, 1997), 189.
3. J. Teicher, P. Holland, A. Pyman and B. Cooper, "Australian Workers: Finding Their Voice?" in *What Workers Say: Employee Voice in the Anglo-American Workplace*, ed. R. B. Freeman, P. Boxall and P. Haynes (Ithaca: ILR Press, 2007), 138.
4. R. Markey and G. Patmore, "Employee Participation and Labour Representation: ICI Works Councils in Australia, 1943–75," *Labour History*, no. 97 (November 2009): 53–73; R. Markey and G. Patmore, "Employee Participation in Health and Safety in the Australian Steel Industry: Port Kembla, 1935–2006," *British Journal of Industrial Relations* 49, no. 1 (2011): 144–67.

retaining workers, and securing and legitimising managerial control over the workplace. The strategy involved employers providing a wide range of benefits and services for employees' welfare over and above those provided through industrial instruments such as awards, or by law.

Industrial welfare schemes in Australia have included provident and pension schemes, sickness and accident funds, medical services, sport and recreational activities, libraries and house journals, housing schemes, company stores, and a wide array of amenities. The strategy was popular in the USA in the first three decades of the twentieth century, and whilst never reaching the same heights, the Australian welfarism movement represents a key phase in the development of modern labour management practice in Australia, stemming from the late 1890s until the emergence of personnel management in the 1960s.⁵ However, like JCCs that have also had a relatively long history in large Australian workplaces, this history is uneven, with surges in the extent and incidence of various types of welfare schemes provided by companies in different periods.

The degree of employee participation provided for in the administration of Australian industrial welfare schemes varied greatly. Some were run unilaterally by management, but a majority provided for employee representation of some kind. However, as another specialised form of non-union employee participation, the administration of welfare schemes has not received the attention of JCCs in the Australian context. Consequently, a consideration of this further substantial form of representative employee participation in Australia fills a significant gap in the literature. Based on an interrogation of historical data from archival sources, government reports, industry journals and contemporary academic journals, this article examines the extent to which welfarism provided an opportunity for representative employee participation in Australia, the degree of employee voice involved, and the circumstances under which it existed.

The Nature of Employee Participation

The concept "employee participation" is a generic term associated with a diversity of practices, definitions and labels such as "employee voice," "employee involvement," and organisational or industrial democracy. Each of these concepts has slightly different, often contested, meanings across a range of disciplines.⁶ At its broadest level, employee involvement or participation may be defined as any organisational process that "allows employees to exert some influence over their work and the conditions under which they work."⁷

We may broadly distinguish between two main forms of participation: direct and representative (or indirect). Direct participation involves employee influence, control or autonomy in performance of tasks or jobs. Representative participation involves employees' voice in decision-making through representatives in various structures

5. N. Balnave "Company-Sponsored Recreation in Australia: 1890–1965, *Labour History*, no. 85 (November 2003): 129.

6. J. W. Budd, P. J. Gollan and A. Wilkinson, "New Approaches to Employee Voice and Participation in Organizations," *Human Relations* 63, no. 3 (2010): 303–305; R. Markey and K. Townsend, "Contemporary Trends in Employee Involvement and Participation," *Journal of Industrial Relations* 55, no. 4 (2013): 475–87.

7. G. Strauss, "An Overview," in *Organizational Participation: Myth and Reality*, ed. F. Heller, E. Pusic, G. Strauss and Bernard Wilpert (New York: Oxford University Press, 1998), 15.

including works councils in Europe, JCCs, and trade unions particularly through the process of collective bargaining.⁸ Welfare schemes offered an opportunity for employee participation through representation on committees that administered the schemes in some US and Australian companies, ie they could involve a form of JCC.

In evaluating the effectiveness of participation as employee voice Blyton and Turnbull utilise the concepts of *depth* and *scope*. The *depth* of employee participation refers to a continuum stretching from “no involvement” at one end, to “receiving information,” to “joint consultation,” to “joint decision-making,” to “employee control” at the other extreme end. The *scope* of participation refers to “the ranges of decisions which employees or their representatives participate in.”⁹

Pateman also distinguished between “pseudo,” “partial,” and “full” participation.¹⁰ Pseudo participation is linked with management techniques, which, even though involving consultation of employees, aims to persuade employees to accept decisions that in reality have *already* been made. Partial participation occurs in situations where employees are able to influence decisions, yet do not have the same power as management. Finally, full participation is defined by Pateman as a constellation where the parties involved have equal power. Therefore, to Pateman participation in capitalist organisations is either pseudo or partial.

The notion of pseudo participation is similar to Heller’s identification of “inauthentic” and “manipulative” forms of participation that actually offer little real influence.¹¹ However, it is extremely difficult to determine in practice whether specific forms of participation are pseudo or not. It is possible that management initiatives, labelled participation, are framed to make employees accept decisions that have already been made. Yet, they also may give knowledge resources that empower employees to influence future decisions; or the “pseudo” participation may result in ideas and decisions that were not originally part of management’s plans. It is certainly relevant to attempt to determine whether a given practice of participation is primarily an instrument for furthering employee influence, or, first and foremost a management instrument aimed at controlling the behaviour and performance of employees. Most forms of participation, however, include elements of both.

Employee participation arises from three different motivations: industrial democracy, social integration and organisational efficiency. Participation was originally linked with notions of industrial citizenship and power sharing through trade unions and collective bargaining by the Webbs’ pioneering work on *Industrial Democracy* and by John Commons in the USA.¹² The concept of industrial democracy was historically the labour movement’s preferred approach to participation in most countries.¹³ Social integration motivated state interventions to extend participation through statutory rights, to avoid industrial unrest and open class warfare, and

8. A. Wilkinson, P. J. Gollan, M. Marchington and D. Lewin, “Conceptualising Employee Participation in Organizations,” in *The Oxford Handbook of Participation in Organizations*, ed. A. Wilkinson, P. J. Gollan, M. Marchington and D. Lewin (New York: Oxford University Press, 2010), 4–5.

9. P. Blyton, and P. Turnbull, *The Dynamics of Employee Relations* (Houndmills, Basingstoke, Hampshire: Palgrave Macmillan, 2004), 257.

10. C. Pateman, *Participation and Democratic Theory* (Cambridge: Cambridge University Press, 1970).

11. F. Heller, “Playing the Devil’s Advocate: Limits to Information Sharing in Theory and Practice,” in Heller, Pusic, Strauss and Wilpert, *Organizational Participation*, 149–50.

12. S. Webb and B. Webb, *Industrial Democracy* (London: Longmans Green, 1902); Budd, Gollan and Wilkinson, “New Approaches to Employee Voice,” 304.

13. H. Knudsen and R. Markey, “Works Councils: Lessons from Europe for Australia,” in Gollan, Markey and Ross. *Works Councils in Australia*, 102–103.

weaken labour radicalism and militancy. Ramsay¹⁴ demonstrated that participation has historically surged and waned in cycles as employers and governments took initiatives to pacify assertive labour movements when they were strengthened by economic conditions. Organisational efficiency underlies employer-driven participation, often characterised as “employee involvement.” This motivation has aimed at “increased worker commitment, higher job satisfaction and motivation, and reduced resistance to change.”¹⁵ It had recurring importance in the USA, UK, Australia, Canada and Germany before and after World War I, as well as after World War II and since the 1980s.¹⁶ Some researchers have also noted the use of non-union forms of employee participation to undermine unionism, notably in the USA in the early twentieth century.¹⁷

However, elements from all three of these rationales may be contained in specific forms of participation. For instance, JCCs may give employees a say and be “captured” by trade unions (industrial democracy), may be a forum for cooperation and conflict avoidance (social integration), and may be an instrument to raise commitment and reduce resistance to change (organisational efficiency). Consequently, it is necessary to evaluate forms of employee participation in concrete historical sites.

Incidence of Industrial Welfare Schemes in Australia

Historians have commonly interpreted welfarism as a strategy for enhancing and legitimising managerial control over the labour process, particularly in the face of resistance from workers and unions. As with employee participation, a major motivation was to boost workers’ morale, loyalty and cooperation to improve efficiency. In addition, welfarism could create workers’ dependency on the company, thereby reducing their ability to challenge the unilateral decisions of management. Welfarism also had the goal of attracting and maintaining labour supply and improving the quality of the company’s labour stock.¹⁸ In different times and circumstances managers may emphasise different aspects of these goals.

Welfarism in Australia experienced two main waves of employer interest during 1890–1965. The original wave commenced during the 1890s, a time of high industrial tension fuelled by depressed economic conditions. This interest intensified from 1906 and persisted through to the 1930s. This period was characterised by employers accommodating to the compulsory arbitration system, high levels of industrial

14. H. Ramsay, “Cycles of Control: Worker Participation in Sociological and Historical Perspective,” *Sociology* 11, no. 3 (1977): 481–506.

15. Blyton and Turnbull, *The Dynamics of Employee Relations*, 258.

16. G. Patmore, *Worker Voice: Employee Representation in the Workplace in Australia, Canada, Germany, the UK and the US 1914–39* (Liverpool: Liverpool University Press, 2016).

17. B. E. Kaufman and D. Taras, eds, *Nonunion Employee Representation: History, Contemporary Practice, and Policy* (New York: M. E. Sharpe, 2000); R. Markey, “Non-Union Employee Representation in Australia: A Case Study of the Suncorp Metway Employee Council Inc. (SMEC),” *Journal of Industrial Relations* 49, no. 1 (2007): 187–210.

18. Balnave, “Company-Sponsored Recreation in Australia,” 130–32; J. Melling, “Employers, Industrial Welfare, and the Struggle for Work-Place Control in British Industry,” in *Managerial Strategies and Industrial Relations: An Historical and Comparative Study*, ed. H. Gospel and C. Littler (London: Heimann Educational Books, 1983), 57; M. McCallum, “Corporate Welfarism in Canada, 1919–39,” *Canadian Historical Review* 71, no. 1 (1990): 46–49; S. Jacoby, *Employing Bureaucracy: Managers, Unions and the Transformation of Work in American Industry, 1900–45* (New York: Columbia University Press, 1985), 54; R. Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century* (New York: Basic Books, 1979), 92–93.

militancy, growing concerns with stagnant productivity, and limited real wage growth.¹⁹

Firm size was clearly linked to the adoption of welfarism in these years. F. R. E. Mauldon's 1931 survey found that only 76 private establishments in Australia had welfare schemes, but the aggregate number of employees affected totalled about 40,000. Approximately two thirds of the companies had a payroll upwards of 300, and one third of the enterprises employed over 1,000 workers.²⁰ Some of the largest Australian employers were state enterprises, which led in the introduction of welfare schemes during these years; the New South Wales (NSW) Government Railways and the Postal Service were key examples. The state also promoted the benefits of welfarism to private industry, with the Commonwealth Advisory Council of Science and Industry (ACSI) publishing government reports on industrial cooperation and welfarism in 1919 and 1920.²¹ Articles on welfarism also began to appear in Australian management journals, and some enterprises employed "welfare officers."²²

These trends were influenced by US and UK practices. Some companies promoting welfare policies were subsidiaries of US or UK firms, such as National Cash Register, British Tobacco and ICI.²³ The Melbourne-based Collins House Group, an alliance of Australian and British capital, included many of the mining companies referred to below, and was strongly influenced by US and UK welfare strategies.²⁴ In 1924 at its Newcastle steelworks BHP also introduced safety committees, which developed a welfare function, after a US trip by a senior manager.²⁵

State leadership was influenced by similar connections. For example, G. S. Beeby, NSW Minister for Labour and Industry, promoted welfarism after a visit to the USA in 1918–19, and introduced legislation in the state arbitration system for establishment of mutual welfare committees, industrial councils and shop committees.²⁶ The NSW Railways also drew on English railways experience.²⁷ The overseas influence persisted into the second period of welfarism, particularly through US and UK subsidiaries in manufacturing.²⁸

The second wave of Australian welfarism occurred from the 1940s to mid-1960s. This included the World War II years, when the state was motivated to promote industrial cooperation for the war effort. The federal government initiated an

19. C. Forster, "The Economy, Wages and the Establishment of Arbitration," in *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration, 1890–1914*, ed. S. Macintyre and R. Mitchell (Melbourne: Oxford University Press, 1988), 203–24; J. Hagan, *The History of the ACTU* (Melbourne: Longman, 1981), 25–38.
20. F. R. E. Mauldon, "Co-operation and Welfare in Industry," in *An Economic Survey of Australia*, ed. D. B. Copland (Philadelphia: American Academy of Political and Social Science, 1931), *The Annals of the American Academy of Political and Social Science* 158 (November 1931): 185.
21. Advisory Council of Science and Industry (ACSI), *Welfare Work*, (ACSI) *Bulletin*, no. 15 (1919); ACSI, *Industrial Cooperation in Australia*, (ACSI) *Bulletin*, no. 17 (1920).
22. Mauldon, "Co-operation and Welfare in Industry," 185.
23. ACSI, *Industrial Cooperation in Australia*, 25; C. Wright, *The Management of Labour: A History of Australian Employers* (Melbourne: Oxford University Press, 1995), 22–23; Markey and Patmore, "Employee Participation and Labour Representation," 53–74.
24. Patmore, *Worker Voice*, 44, 202; E. Eklund, "'Intelligently Directed Welfare Work'? Labour Management Strategies in Local Context: Port Pirie, 1915–1929," *Labour History*, no. 76 (May 1999): 130.
25. Markey and Patmore, "Employee Participation in Health and Safety in the Australian Steel Industry," 151.
26. G. S. Beeby, "Industrial Conditions in Great Britain and the United States of America," *NSW Industrial Gazette* 16, no. 2, Special Supplement (1919): 85A–90A; G. Patmore, *Australian Labour History* (Melbourne: Longman Cheshire, 1991), 147.
27. Wright, *Management of Labour*, 22.
28. *Ibid.*, 62–63.

emergency training scheme for welfare officers who were subsequently employed in both public and private industry. In 1941, the NSW government established a Factory Welfare Board to promote and assist the formation of welfare and safety committees, and the relevant Minister was empowered to instigate them in particular companies.²⁹

Immediately after the war Australian welfarism peaked. State advocacy for welfarism continued in the context of rapid economic growth and full employment. Employers faced tight labour markets where workers and unions enjoyed enhanced bargaining power for increased wages, but government sought to minimise inflation, and consequently, industrial conflict rose.³⁰ This context saw a renewed focus on welfare provision in an attempt to attract and retain scarce workers, as well as to reduce labour militancy. Some large employers were also motivated to introduce welfare schemes in order to avoid direct government intervention. Australian Iron and Steel was one example of this, expanding its existing health and safety committees to include amenities issues in their jurisdiction during the 1940s.³¹

Generally, the emphasis in company welfare shifted between these two periods. Some large private and public sector organisations continued providing a range of measures from post-World War I to the 1960s. However, company instigated cooperative stores did not generally persist beyond the post-World War I era; Mauldon's 1931 survey found only four in private industry.³² Sickness and accident insurance schemes also were displaced from this time by State-based workers compensation legislation, such as in NSW from 1910 to 1926,³³ and by the growth in sick leave provisions in awards, beginning with shearers in 1907.³⁴

Canteen and recreational facilities received greater emphasis post-1940. Common social activities included Christmas parties, annual balls, theatre nights, picnics, and dinner dances, and dramatic and musical societies. A wide range of sport facilities were also offered, including for cricket, golf, football, and tennis and table tennis.³⁵ These schemes were adopted in a small proportion of all organisations, but many significant larger firms. Generally improved amenities and profit sharing, employee share ownership, and merit pay were also increasingly introduced in firms at this time.³⁶ These provisions were more management driven and, unlike the welfare schemes we examine below, did not involve employee participation.

Pension schemes persisted in some large organisations throughout both eras, particularly in the finance sector, but not necessarily involving employee participation in their governance. Furthermore, in the public sector pension schemes grew into generalised funds, and their spread after World War II was particularly

29. N. Balnave, "The State and Employment Relations: Wartime Welfarism," *International Employment Relations Review* 9, no. 1 (2003): 61–73.

30. T. Sheridan, *Division of Labour: Industrial Relations in the Chifley Years, 1945–1949* (Melbourne: Oxford University Press, 1989).

31. Markey and Patmore, "Employee Participation in Health and Safety in the Australian Steel Industry," 153.

32. Mauldon, "Co-operation and Welfare in Industry," 186.

33. G. Cass, *Workers' Benefit or Employers' Burden: Workers' Compensation in New South Wales 1880–1926* (Kensington: Industrial Relations Research Centre, UNSW, 1983), 53–85.

34. R. Hamilton, *Waltzing Matilda and the Sunshine Harvester Factory: The Early History of the Arbitration Court, the Australian Minimum Wage, Working Hours and Paid Leave* (Melbourne: Fair Work Australia, 2011), 153–56.

35. L. R. Wall, "Social and Recreational Clubs in Queensland Industry," *Personnel Practice Bulletin* 11, no. 1 (1955): 44; Balnave, "Company-Sponsored Recreation in Australia 1890–1965," 136.

36. Wright, *Management of Labour*, 62–63.

directed to professional and managerial workers. From the 1940s industry-based pension or superannuation schemes also spread through industry awards or special legislation in blue-collar occupations, beginning with the miners in 1941,³⁷ followed by waterside workers in 1967 and seamen in 1973.³⁸ By that time superannuation coverage reached 29 per cent of the workforce, growing to 53 per cent a decade later,³⁹ before the 1986 national wage case that enshrined the entitlement in awards and the subsequent superannuation guarantee in 1992. Most of this growth was on an industry rather than organisational basis.

A number of factors worked against the broader development of welfarism in Australia in the period 1890–1965. Welfarism was associated with large firms. However, the generally small-scale nature of Australian industry prior to World War II constrained the application of more innovative labour management strategies, the vast majority of enterprises relying on personal contact and simple forms of control. At the same time, the post-war contextual challenges prompted employers to expand the personnel function beyond traditional welfare provision, a development again promoted by the state, and welfarism was gradually subsumed as part of the personnel management movement in post-war Australian industry.⁴⁰ Wright also notes that by the late 1960s broad social changes had displaced company-based welfare schemes as public sporting and recreational facilities expanded, worker mobility increased due to private automobile ownership, and new financial institutions such as credit unions spread.⁴¹

Secondly, the role of the state was contradictory. Both Labor and non-Labor governments promoted welfarism immediately after World War I and during and after World War II. Some large-scale state enterprises, notably the railways, postal services and Commonwealth Bank, played key roles in instigating welfare schemes.⁴² The conciliation and arbitration system supported the Australian state in promoting industrial cooperation and efficiency, within a framework that underwrote managerial prerogative. Consequently, it was a natural extension for the state to support welfarism.

Yet, the high degree of state intervention in the Australian economy and industrial relations also limited the field for experiment in voluntary provision of welfare. State intervention was promoted by the relatively well-organised labour movement in Australia through the Labor Party, which provided a political channel to pursue a policy of achieving generalised welfare through legislation and the arbitration system. Unions were also privileged as employee representatives in the conciliation and arbitration system. Writing in 1931, Mauldon suggested that employers as a whole recognised that the labour movement would take its own steps to advance state welfare provision, expecting that any gain in one sector would be standardised

37. E. Ross, *A History of the Miners' Federation of Australia* (Sydney: Australasian Coal and Shale Employees' Federation, 1970), 378.

38. "Our Story," Maritime Super, accessed April 2017, <http://www.maritimesuper.com.au/main/aboutus/our-story>; B. Fitzpatrick and R. J. Cahill, *The Seamen's Union of Australia 1872–1972: A History* (Sydney: Seamen's Union of Australia, 1981), 285.

39. K. Swoboda, "Chronology of Major Superannuation and Retirement Income Changes in Australia," Parliament of Australia, Parliamentary Library, Research Paper Series, 2013–14, accessed April 2017 http://parlinfo.aph.gov.au/parlInfo/download/library/prspub/2981801/upload_binary/2981801.pdf.

40. Balnave, "The State and Employment Relations," 64.

41. Wright, *Management of Labour*, 63–64.

42. Balnave, "The State and Employment Relations," 64–69.

for industry generally. Furthermore, those employers that did introduce and maintain welfare schemes, according to Mauldon, did so “without the formal blessing of either employers’ or employees’ organisations, and not seldom in the face of trade union hostility.”⁴³ However, as noted below, the role of unions was also contradictory.

Employer Motivations and Relationships with Trade Unions

In the USA and Canada where welfarism had its origins, employers adopted it as part of anti-union strategy.⁴⁴ This was undoubtedly also a motivation in Australia in key instances, notably in the first wave of welfarism from the 1890s to 1930s. For example, the Railway and Tramway Institute founded in 1891 was clearly part of Chief Commissioner Eddy’s campaign against unions in the NSW Government Railways; its educational facilities were intended to equip railway workers “mentally to form opinions on the great industrial and social problems of the day with consequent ability to analyze and refute any of the pernicious influences which strove to sway them from the path of duty.”⁴⁵ In Tasmania the Electrolytic Zinc company’s works committee that administered its welfare scheme considered wages and conditions, and was used to avoid federal industrial awards.⁴⁶ A number of welfare funds appeared in the aftermath of the 1917 general strike in NSW, centred on the railways, where some unions were deregistered and replaced by “loyal” unions.⁴⁷ In 1919–20 an unprecedented strike wave involved workers in the key maritime, coal and metalliferous mining (Broken Hill) industries, in the context of radical influences from the Russian Revolution and One Big Union movement, also encouraged employers to introduce or expand welfare schemes to reduce labour militancy and increase worker loyalty and dependence.⁴⁸

Not surprisingly, therefore, in this early period Australian unions frequently responded to welfarism with open suspicion and hostility, especially in the railways and mining sectors. The Amalgamated Railway and Tramway Service Association rejected an 1889 proposal for a Pension and Provident Fund, accusing the NSW Government Railways of attempting to evade the recently introduced *Employers’ Liability Act 1886* in NSW since the right to sue under the Act was removed with the introduction of such a Fund. Similarly, union officials initially rejected an Accident Fund proposed by BHAS at Port Pirie following the 1917 general strike. With one exception, every union initially rejected the company’s proposal for joint administration of the scheme, due to suspicion over company motives. Eight months and many discussions later, the scheme was adopted.⁴⁹

When the second in the series of house journals of the NSW Government Railways was launched in 1924, the NSW Branch of the Australian Railways Union (ARU) advised its members to return it to the postman unopened, as it was a “bucket of

43. Mauldon, “Co-operation and Welfare in Industry,” 183.

44. Patmore, *Worker Voice*, 43–45.

45. G. Patmore, “A History of Industrial Relations in the NSW Government Railways: 1855–1929” (Ph.D. diss., Department of Industrial Relations, University of Sydney, 1985), 310.

46. G. Patmore, “Employee Representation Plans in the United States, Canada, and Australia: An Employer Response to Workplace Democracy,” *Labor* 3, no. 2 (2006): 63.

47. R. Markey, *In Case of Oppression: The Life and Times of the Labor Council of NSW* (Sydney: Pluto Press, 1994): 105–106.

48. ACSI, *Industrial Co-operation in Australia*, 41, 56; Patmore, *Australian Labour History*, 146.

49. ACSI, *Industrial Co-operation in Australia*, 9.

whitewash for the Commissioners and their satellites.”⁵⁰ Similarly, in response to one company’s provision of dining rooms, tea breaks, social clubs and a factory newspaper as part of a union avoidance strategy, the Clothing Trades Union warned workers not to mistake the better conditions of one company for philanthropy, “since it paid the bosses to keep the workers contented and willing.” The Union warned that the propaganda in the house journal was “an insidious weapon against unionism and class-consciousness,” and that workers should not feel too contented since that was “the first stage to retrogression.” However, this response failed to impact on the employer’s strategy, as the union failed to enrol many employees for the next 20 years.⁵¹

Unions adopted a political response to the Zinc Corporation’s move to establish company-run retail stores for all mine workers at Broken Hill in 1926–27. They successfully lobbied the State government for regulations banning commodity trading on all mining leases. Unions feared that the company scheme was an attempt to reduce the miners’ basic wage and to gain a monopoly over local commodity supplies.⁵²

Sometimes unions chose to reduce the influence of company welfarism by competing with it. The Waterside Workers’ Federation, for example, established its own bakery and store in Port Pirie in the early 1920s in competition with a company store. The NSW Branch of the ARU adopted a similar approach in response to the Railway Institute’s recreational program, launching a union cricket association, football club, 28-piece band, and drama clubs. It also involved the families of members, establishing a holiday camp and a Women’s Auxiliary.⁵³

During the second wave of welfarism from the 1940s to 1960s, welfare schemes were not as directly linked with sectors of greatest industrial conflict. Nor was the existence of unions contested to the degree of the earlier period and the conciliation and arbitration system that privileged unions’ role was well established. As noted earlier, employers were more motivated by attraction and retention of labour rather than union avoidance per se, although they also sought to foster harmonious workplace relations in a period of rising industrial conflict.

Nevertheless, even when successfully introduced, the operation of welfare schemes themselves could become the cause of dissatisfaction amongst workers and their unions. Perceived company bias with welfare measures could lead to confrontation with unionists. For example, at a Metal Manufactures’ Melbourne factory, the superior amenities provided by the Welfare Club for salaried staff, and the lack of assistance provided to organised sporting teams led to industrial conflict. Some unionists accused welfare clubs of siding with management during strikes, and of being slow to respond to complaints regarding factory conditions.⁵⁴ The operation of works canteens could pose problems for managers. Complaints of poor service, bad food, high cost, and inadequate facilities for shift workers filtered up through the supervisory staff or came direct to the manager from union officials. Stop-work meetings and strikes on canteen matters were not uncommon in Australian industry.⁵⁵

50. Patmore, “A History of Industrial Relations in the NSW Government Railways,” 400.

51. R. Frances, “‘No More Amazons’: Gender and Work Process in the Victorian Clothing Trades, 1890–1939,” *Labour History*, no. 50 (May 1986): 110–11.

52. ACSI, *Industrial Co-operation in Australia*, 9; B. Ellem and J. Shields, “Making a ‘Union Town’: Class, Gender and Consumption in Inter-War Broken Hill,” *Labour History*, no. 78 (May 2000): 129–30.

53. Eklund, “Intelligently Directed Welfare Work,” 140; M. Hearn, *Working Lives: A History of the Australian Railways Union (NSW Branch)* (Sydney: Hale and Iremonger, 1990).

54. ACSI, *Industrial Co-operation in Australia*, 34.

55. “Works Canteen Controlled by Employees,” *Manufacturing and Management* (15 May 1947): 425.

Workers also demonstrated wider industrial concerns through their response to welfare provisions. The large retailer David Jones, for example, usually attracted fairly good patronage to its staff dining room in Sydney. However, following a strike in 1949, attendance was significantly reduced and there was “an inexplicable delay in getting back to normal,”⁵⁶ according to a manager. More overtly, the workers of the roller-door manufacturers, Bernard Davidson Ltd. vandalised the company cafeteria, leading to their disciplining by the union.⁵⁷

Such examples of conflict, however, mainly involved the *operation* of these schemes. The majority of unions and workers cautiously accepted welfare schemes particularly in the second wave, while simultaneously supporting the official objective of organised labour for universal welfare through legislation and arbitral awards.⁵⁸ A number of examples of union cooperation are referred to below. Many even occurred in the strike prone mining sector in the first period of 1890–1940, where union opposition often did not persist and the welfare services became popular with workers. The non-militant Australian Workers’ Union (AWU) was particularly associated with a number of schemes.⁵⁹ In some instances union officials were members of administrative committees for welfare schemes, even during the first wave of welfarism. For example, during the 1930s the Australian Paper Mills Employees’ Union administered a number of the welfare schemes introduced in the Victorian plants of Australian Paper Manufacturers, and the Secretary of the Union also acted as Company Welfare Officer.⁶⁰ However, more frequently it was employees of the company that sat on the committees – if also shop-floor unionists, this provided an avenue for union involvement.

Union acquiescence in welfare schemes could largely be attributed to the central objectives of employers in introducing schemes which were less motivated by the desire to combat unionism as was the case in the USA. Given the strength of unionism in Australia, with the conciliation and arbitration system offering little choice but to recognise unions, many employers aimed to create a better working relationship with organised labour, and they commonly reported success in these terms and in improved workforce morale. However, a key factor relating to the acceptance or tolerance of welfarism by labour, and to improved industrial relations, was the administrative arrangements governing the welfare schemes, to which the article now turns.⁶¹

Employee Participation in the Management of Industrial Welfare Schemes

In the USA, welfarism was commonly associated with employee participation in scheme administration,⁶² although the extent of this has been contested amongst historians. Nelson argues that US employers usually fully controlled and directed

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- 56. “Recreation Club David Jones,” Minute, 15 September 1949, Series SP 146/1, item 582/2/14, National Archives of Australia.
 - 57. Christopher Wright, “The Rise of Modern Labour Management: The Formalisation of Employment and Work Relations in Australian Manufacturing Industry, 1940–1972” (Ph.D diss., University of Sydney, 1990), 192.
 - 58. Mauldon, “Co-operation and Welfare in Industry,” 183.
 - 59. Eklund, “Intelligently Directed Welfare Work,” 131, 142, 145 endnote 27.
 - 60. Wright, “The Rise of Modern Labour Management,” 33.
 - 61. N. Balnave, “Industrial Welfarism in Australia: 1890–1965” (Ph.D diss., University of Sydney, 2002).
 - 62. Patmore, *Worker Voice*, 62, 65; B. E. Kaufman, “Accomplishments and Shortcomings of Nonunion Employee Representation in the Pre-Wagner Act Years: A Reassessment,” in Kaufman and Taras, *Nonunion Employee Representation*, 40–45.

welfare schemes, because they wanted to ensure that the specific objectives behind the schemes were realised, they were concerned that agitators and trade unions would capture the schemes, and welfare work, being paternalistic by nature, was often introduced to aid people who were considered incapable of intelligent decision making.⁶³ Brandes, however, suggests that it was not unusual for companies in the USA to turn over the operation of welfarism to employee committees, “which came to bear some responsibility for medical care, education, and recreation.”⁶⁴ The incidence of employee participation may have varied according to the type of welfare scheme. Housing schemes particularly provided a common form of employee involvement. Jacoby, however, notes that in the case of pecuniary company welfare programs such as those that provided for workers in illness or death, the beneficiaries “almost never had a say in the administration of those programs.”⁶⁵

The majority of Australian welfare schemes were administered by joint committees or councils consisting of workers and management. In the second wave of welfarism the link between welfare schemes and employee participation was particularly noticeable. The welfare or safety committees associated with NSW government initiatives in 1940s mandated employee participation.⁶⁶ More generally, as welfare schemes grew in the post-war era, there was a simultaneous upsurge of general interest in JCCs, many of which focused largely on welfare, amenity and safety issues.⁶⁷ A 1952 Australia-wide survey⁶⁸ found 51 JCCs, 43 introduced since 1939. A 1954 government publication, which drew together a range of government surveys and cases studies, noted that only a few management-employee committees existed prior to the war.⁶⁹

The committees established for the administration of the welfare schemes alone did not offer workers or their unions any additional control over wages, working conditions or production matters. Eklund claims that they represented a “facade of consultation.”⁷⁰ They gave workers a sense of “voice” without significantly altering management authority. The following discussion details the arrangements governing specific company welfare schemes in Australia, which varied somewhat according to the type of welfare scheme.

Direct Monetary Contribution Plans

1890–1940

As previously noted, provident and pension schemes providing for workers in illness, retirement or death had their heyday prior to World War II. The majority were administered by a board of trustees selected from a range of sources. A 1920 survey of 12 provident and benefit schemes found that 10 were administered by a board of

63. D. Nelson, *Managers and Workers: Origins of the New Factory System in the United States 1880–1920* (Madison: University of Wisconsin Press, 1975), 118–19.

64. S. Brandes, *American Welfare Capitalism, 1880–1940* (Chicago: University of Chicago Press, 1976), 130.

65. Jacoby, *Employing Bureaucracy*, 53.

66. Markey and Patmore, “Employee Participation in Health and Safety in the Australian Steel Industry,” 153.

67. For example, Markey and Patmore, “Employee Participation and Labour Representation.”

68. E. White and L. F. Edmonds, “Management-Employee Committees in Australia,” *Bulletin of Industrial Psychology and Personnel Practice* 9, no. 3 (1953): 3–11.

69. L. R. Wall and W. P. Butler, “Management-Employee Committees: The Results of Australian Research,” *Bulletin of Industrial Psychology and Personnel Practice* 15, no. 1 (1959): 40.

70. Eklund, “Intelligently Directed Welfare Work,” 133.

trustees (with two not specifying governance structure). In some cases, management retained full control over administration, as with the AMP Officers' Provident Fund, for example. Administration of the CSR Provident Fund and Benefit Society, while including the voice of employees, remained primarily in the control of management. The five trustees were the General Manager of the company, as chairman, two salaried officers elected by the staff, and two foremen chosen by the directors.⁷¹ Overseas evidence suggests that, even in the case of joint-administration, management often interceded to ensure that they had some control over who was elected.⁷²

In most company sickness and accident funds where both the employees and the employer contributed, the 1920 survey found that the fund was managed by a joint committee of employee and company representatives. Such cooperative arrangements were a feature of the Sickness and Accident Funds of Broken Hill Associated Smelters (BHAS) at Port Pirie, and the Mt. Lyell Mining and Railway Co.⁷³ The managing committee of Cuming Smith's (Chemical and Manure Manufacturers of Victoria) Employees' Benefit Society consisted of a president, two vice presidents, and eight members elected annually. Seven members of the committee represented different classes of employees, and one represented the firm. The Treasurer of the society was the firm's manager and the Secretary was elected annually by the employees and paid a salary. There were also two other trustees, one appointed by the employees and the other by the firm. At Marcus Clark (department store), the Board of the Assurance and Welfare Fund was composed of six trustees, three elected by the enrolled employees and three appointed by the company. It was rarer for fund management by a committee elected solely by employees, as occurred with the Provident fund of Farmers department store.⁷⁴

Other funds openly encouraged union representation. For example, Broken Hill Associated Smelters (BHAS) at Port Pirie explicitly offered unions a voice in the administration of its accident fund in 1917. The Board of Trustees was composed of three company representatives and eight representatives elected by the eight unions in the works. Further, it was suggested by the company that no employee should be accepted as a member of the fund unless he joined the union of his calling. BHAS Port Pirie also established a Provident Fund in 1918 to help employees in distress. The governing committee of six, with discretion regarding loan amounts and conditions, was nominated by the General Manager with three general employee representatives, and three from staff. As a sign of company goodwill, the first three employee representatives were union secretaries, after the unions overcame their initial hostility.⁷⁵ In a highly organised workplace in a period of high industrial tension such arrangements were considered necessary to build the trust and co-operation of the workforce

1941–65

Although direct monetary contribution schemes were less common in this second period, some substantial ones existed. The benefits that employees received from the usual award provisions were completely outweighed by those provided through

71. ACSI, *Industrial Co-operation in Australia*, 33, 40.

72. Nelson, *Managers and Workers*, 118.

73. Eklund, "Intelligently Directed Welfare Work," 131, 145 endnote 27.

74. ACSI, *Industrial Co-operation in Australia*, 30–31, 40.

75. *Ibid.*, 9, 11.

the various company funds, all of which were heavily subsidised by the company. Hence, in Cadbury-Fry-Pascall in Hobart the workforce elected to retain the scheme in lieu of a scheme in their award for sick leave for a specified number of days.⁷⁶ The Employees' Mutual Benefit Society of Patons & Baldwins (Aust) consisted of six male and six female employee representatives, and six company nominees. This society administered a dental scheme, an eye benefit fund, and a hospital fund. The company subsidised the contributions of employees to these funds on a pound-for-pound basis.⁷⁷ The Medical and Hospital, Sickness and Accident Funds, the Dental Clinic and the Pre-Natal Care Scheme of Associated Pulp and Paper Mills (APPM) were conducted by a council consisting of 15 representatives of employees and four senior staff members nominated by the company. The APPM Council administered the overall welfare program of the company, but did not deal with matters of wage fixation and working conditions.⁷⁸

Indirect Monetary Contribution Plans

1890–1940

The “co-operative” stores established in the early part of this era should not be confused with those established on Rochdale principles. Rather, they incorporated workers and their union representatives into the administrative structure of the scheme. According to Eklund, a number of cooperative stores were based on the Port Pirie model. BHAS at Port Pirie established a cooperative council in 1917, “an organisation where staff and workers could work together to set up a co-operative store.”⁷⁹ The store was to supply food, clothing and other items either unavailable at Port Pirie or sold at an excessive price by local storekeepers. The Council consisted of six members nominated by the company, and 27 members elected annually by the employees on the basis of one for each 100 workers. Each member had one vote, and the decisions of the Council were based on the open majority of votes. The Council annually elected a Chairman, a Vice-Chairman, a Secretary, and an executive composed of four representatives of the employees and three of the company. The company's General Manager acted as President of the Council, and he had the power to veto any decisions of the Council or the Executive if he thought it would be detrimental to the success of the scheme.⁸⁰

Soon after the Electrolytic Refining and Smelting Company (ER&S) at Port Kembla established a co-operative store in 1917, it sent its accountant and a representative from the AWU to Port Pirie to investigate the BHAS scheme at Port Pirie. As a consequence ER&S reorganised its cooperative store along similar lines.⁸¹ In addition to the general store, which in 1920 was reported to have had a saving effect varying from 15 to 25 per cent, the Cooperative Council of ER&S also operated a butcher's shop, supplying prime meat at a cost lower than that charged by butchers' shops at Wollongong, the nearest

76. M. Kangan, “Employee Services in Large Tasmanian Establishments,” *Personnel Practice Bulletin* 10, no. 1 (1954): 41.

77. *Ibid.*, 36, 41–42.

78. C. O. Turner, “Employee Security Plans and Procedures,” *Manufacturing and Management* (15 August 1946): 74–75.

79. E. Eklund, “Managers, Workers, and Industrial Welfarism: Management Strategies at ER&S and the Sulphide Corporation, 1895–1929,” *Australian Economic History Review* 37, no. 2 (1997): 150.

80. ACSI, *Industrial Co-operation in Australia*, 10.

81. Eklund, “Managers, Workers, and Industrial Welfarism,” 150.

town to the industrial settlement at Port Kembla.⁸² The Sulphide Corporation at Cockle Creek, while not previously offering welfare provisions, had by 1919 also established a cooperative store along the same lines as the Port Pirie model.⁸³ Associated Pulp and Paper Mills at Burnie in Tasmania provided two kiosks within the mill premises, run by a Council of employees and senior staff members. These kiosks sold fruit, vegetables, tobacco and cigarettes, cordials, confectionery and packaged groceries at the “lowest possible prices.”⁸⁴

Militant unions at Port Pirie and Broken Hill attempted to undermine company cooperative store efforts, although the majority of unionists cautiously accepted BHAS’s co-operative scheme at Port Pirie. Likewise the cooperative schemes at ER&S, the Sulphide Corporation and the Mt Lyell Co. (which established butcheries at Gormanston and Linda in 1919, and, after pressure from unions and friendly societies, sponsored a co-operative butcher and bakery in Queenstown and opened a general store in Gormanston in 1920)⁸⁵ were introduced without significant opposition. According to Eklund, a notable feature of all these workplaces was that cooperative schemes coincided with AWU dominance. The AWU preferred arbitration and cooperation to direct confrontation. Thus, as Eklund notes, labour response to the “cooperative store” schemes of companies was significantly influenced by the ideology of the dominant unions at the workplace.⁸⁶

While company sport and social activities became popular in the post-World War II period, some companies before then outsourced the administration of social and recreational facilities to the YMCA. Amongst the other welfare benefits and services operated by the YMCA, musical and debating clubs were formed, indoor and outdoor sports, games and tournaments organised, and camps and entertainment were arranged. The employers and employees were expected to co-operate “to make the programme of activities as rich and varied as possible.”⁸⁷

1940–65

The Industrial Welfare Division of the Department of Labour and National Service also promoted model constitutions for Industrial Cafeteria Advisory Committees during the war “at a time when the factory cafeteria is spreading steadily through the industrial world, and workers are increasingly ready to take responsibility for matters affecting their general well-being.”⁸⁸ Subsequently in the post-war period, the majority of social and recreational clubs in Australian industry were company-based and operated under a written constitution. In some cases individual activities were organised into formal clubs such as athletics, dramatic, tennis, with an overall social club acting as a coordinating body consisting of representatives of each activity. However, a 1959 survey of NSW industry found that the majority of clubs operated under the one committee which organised and conducted all social and recreational activities. Sub-committees were then often created to promote and organise specific

82. ACSI, *Industrial Co-operation in Australia*, 20–21.

83. Eklund, “Managers, Workers, and Industrial Welfarism,” 150.

84. C. O. Turner, “One Day’s Stoppage in Twenty Years,” *Personnel Practice Bulletin* 15, no. 2 (1959): 21.

85. G. Blainey, *The Peaks of Lyell* (Hobart: St David’s Park Publishing, 1993), 225.

86. Eklund, “Intelligently Directed Welfare Work,” 132, 145 endnote 27.

87. ACSI, *Industrial Co-operation in Australia*, 48–49.

88. “Industrial Cafeteria Advisory Committees,” Department of Labour and National Service, 13 April 1945, Series SP 146/1, item 572/8/8, National Archives of Australia.

functions.⁸⁹ Evidence from a 1953 survey of Queensland industry indicates that in almost all cases the sub-committees were formed from members interested in the relevant activities and not from the general committee. Some executives considered it desirable for the main committee to delegate as many duties as possible to as many people as possible in order to generate interest in club activities.⁹⁰

In the majority of cases, the committee was elected annually by club members. However, the rules by which committee members were elected or appointed varied. The 1953 survey found that, of the 22 clubs included in the data, three companies either explicitly or implicitly stipulated that no executive should accept nomination. On the other hand, four companies insisted that a senior executive should occupy the position of president or secretary of the club. The remaining clubs had no barrier in terms of status.⁹¹ Findings from the 1959 survey indicate that six of the 24 clubs provided in their constitution for management to be represented directly on the club committee. The management representative was usually the personnel officer and in some cases the works manager. The majority of other clubs had members of management elected to the committee “in their personal capacities.” In the few cases of no management representation, the personnel officer had the right to veto club decisions.⁹²

The 1959 survey also found that in 15 clubs, the secretary was elected by all members, in another one s/he was appointed by the club committee, and in the remaining eight, the secretary was nominated by management. In general, the management-appointed secretary was a member of the personnel department. In only one case did the company make it a rule not to appoint a secretary from the personnel department in order to avoid identification of the club with the department.⁹³

Canteens also spread throughout Australian industry in the post-war period. According to the editor of *Manufacturing and Management* in 1947, management of canteens in Australian industry took three main forms. Firstly, an outside caterer could be placed in control of the canteen. Secondly, the management of the canteen could be in the control of the company. Thirdly, management of the canteen could be placed in the control of a committee representative of employees and management. According to the editor, the first and third systems of control were more widely used in post-war Australia than direct management by the company, which had previously been more prevalent.⁹⁴

At Australian Paper Manufacturers (APM) in Fairfield, near Sydney, control of the canteen was the prerogative of the employees. In 1947, APM's Personnel Officer reported that at its opening the Managing Director, “in handing over the keys of the canteen, advised those present of the arrangement entered into between the company and the [works] committee, and informed the employees that this was their building to use and to control as they thought fit.”⁹⁵ APM provided the premises, the original capital equipment, power and insurance, but all other costs

89. S. E. G. Imer, “Social and Recreational Activities in NSW Industry,” *Personnel Practice Bulletin* 15, no. 3 (1959): 7.

90. Wall, “Social and Recreational Clubs in Queensland Industry,” 47–48.

91. *Ibid.*, 46.

92. Imer, “Social and Recreational Activities in NSW Industry,” 7–8.

93. *Ibid.*, 7–8.

94. Shaw, “Works Canteen Controlled by Employees,” 424.

95. *Ibid.*, 424–25.

such as wages of the canteen staff, maintenance of equipment, breakages, cartage, cost of supplies, cleaning, and purchase and installation of new equipment were met out of the revenue earned through sales to employees. The works committee subsequently decided issues such as the amount to be charged for the hire of the canteen, the conditions governing the consumption of alcohol during functions on canteen premises, and the fixing and adjustment of the wages and salaries of the canteen staff. The canteen operating committee, comprised of elected members of the works committee, was also active in interpreting employee attitudes towards the canteen and subsequently advising the canteen manager on issues such as menus. While an example of a company offering employees a large degree of control and responsibility over their welfare amenities, the editor of *Manufacturing and Management* noted that, this experiment was unique in Australia.⁹⁶

Other examples included the Chrysler Employees' Canteen Society, an incorporated body consisting of wages employees responsible for all catering services. The Society appointed its own manager to administer all operations, although the company was represented at meetings to ensure compliance with company policy.⁹⁷ W. D. & H. O. Wills hired a manager to conduct the factory food service, partially under the supervision of a committee of employee delegates.⁹⁸ Bradford Cotton also established canteen advisory committees when its service commenced, but by the mid-1960s these had lapsed, leaving control wholly in the hands of the company. This was attributed to the advent of three-shift operations in some sections, and the consequent shorter meal breaks. Hot and cold "take away" foods, soft drinks, confectionary and tobacco, replaced hot meals served in the canteen.⁹⁹

Conclusions

Industrial welfarism was a significant employer strategy in Australia during the first 60 years of the twentieth century, undergoing two phases with somewhat different motivations, types and industry coverage. Provident and pension funds, sickness and accident funds, and stores were more prevalent in the first phase from the 1890s to 1930s than in later years. The period was characterised by high levels of industrial confrontation. The second phase from the 1940s to 1965 commenced with the special circumstances of World War II which provided strong incentives for government to foster industrial cooperation through promoting welfarism. The emphasis turned more to canteens and recreational facilities which, while common to firms with welfare schemes in earlier years, became more wide-spread in industry during the post-World War II period. High levels of industrial disputes provided incentives for employers as in the first phase, but attraction and retention of scarce labour in a period of full employment also strongly motivated an "employer of choice" strategy. Government still sought industrial cooperation in this context, as a means for reducing union militancy and wage inflation pressures. The second phase of welfarism spread amongst large factories as secondary industry rapidly expanded, and in the white collar service sector.

96. *Ibid.*

97. H. V. Wallage, "Welfare without Waste," *Personnel Practice Bulletin* 24, no. 2 (1968):142-43.

98. Shaw, "Works Canteen Controlled by Employees," 424.

99. P. Griffin, "Employee Welfare in a Textile Company," *Personnel Practice Bulletin* 22, no. 1 (1966): 27.

The motivation for welfare schemes, therefore, was generally a combination of *social integration* and *organisational efficiency*. Organisations were motivated by the desire to maintain labour supply and enhance employee morale to improve efficiency, especially during a tight labour market in the post-war period. The timing of waves of interest in welfarism strongly indicate motivations at organisational level, as well as for the state to promote welfarism for social cohesion.

Unlike the USA, welfarism was not necessarily associated with union avoidance strategies. We have noted some examples where this did occur, particularly in the first phase, and as a result unions were sometimes suspicious of the motives for welfare schemes. More generally, however, the state conciliation and arbitration system protected the role for unions, which also had a strong political voice through the Labor Party. Consequently, as we have seen, unions often supported or participated in administration of welfare schemes.

In a majority of instances welfare schemes in both phases involved employee participation through representatives on management committees. This is shown from contemporary sources, notably the surveys in the first phase reported in the Advisory Council of Science and Industry Bulletins in 1919–20, and in Mauldon's 1931 survey. Surveys published in the 1950s in the *Bulletin of Industrial Psychology and Personnel Practice*, as well as numerous articles on individual companies in professional and trade journals, notably the *Personnel Practice Bulletin* and *Manufacturing and Management*, provide a wealth of data indicating the prevalence of employee participation in the schemes, as well as employer interest in them. We were able to supplement this overall observation with data from a small number of company archives, as well as secondary sources.

Most administrative committees involved consultation or joint decision-making. Few were run entirely by employee representatives, and where they were, management usually retained the right of oversight or veto of decisions. The primacy of managerial prerogative became more likely as the functions of the committee became more strategic, such as managing financial reserves in provident funds. The proportion of employee representatives varied from a small minority to a majority, and considerable variation also occurred in the manner of choosing employee representatives, with management often nominating them. Senior managers, including personnel officers, usually sat on these committees, often holding key officers' positions such as chair or treasurer.

Most of the characteristics described have been attributed also to JCCs.¹⁰⁰ Indeed, these welfare administrative committees usually functioned as JCCs in effect. In Blyton and Turnbull's¹⁰¹ terms, the welfare administrative committees that included employee representative were akin to JCCs generally in that their *depth* was relatively shallow, restricted to consultation or joint decision-making. Even where there was joint decision-making, management oversight or veto usually undermined this. In comparison with many JCCs, the *scope* of the welfare committees was also very narrow, in being restricted to a narrow range of specific welfare issues.

In Pateman's terms the nature of employee participation in administration of welfare schemes was usually very *partial*.¹⁰² Employees may have been able to

100. Markey, "Non-Union Employee Representation in Australia."

101. Blyton and Turnbull, *The Dynamics of Employee Relations*.

102. Pateman, *Participation and Democratic Theory*.

influence decisions over a relatively narrow scope of issues, but certainly did not enjoy the same power as management. Indeed, many of these committees were *pseudo* to the extent that they were linked with management techniques to improve performance and influence workplace relations. However, it might be less likely that management would already have made decisions about welfare issues before committees considered them. To refer to Heller's terminology, welfare management committees were not necessarily "inauthentic" or "manipulative" in the sense of not offering real influence for employees. They were just so limited in their *scope* of influence.

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