

## **Recruitment Strategies and Union Exclusion in Two Australian Call Centres**

**Stratégies de recrutement et exclusion du syndicat dans deux centres d'appel en Australie**

**Estrategias de reclutamiento y exclusión sindical en dos Centros de llamadas australianos**

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Volume 58, Number 3, été 2003

URI: <https://id.erudit.org/iderudit/007497ar>

DOI: <https://doi.org/10.7202/007497ar>

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Publisher(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (print)

1703-8138 (digital)

[Explore this journal](#)

Cite this article

Broek, D. v. d. (2003). Recruitment Strategies and Union Exclusion in Two Australian Call Centres. *Relations industrielles / Industrial Relations*, 58 (3), 515–536. <https://doi.org/10.7202/007497ar>

Article abstract

Recruitment processes are seen as critical to the success of contemporary organizations and integral to human resource practices, particularly in those firms setting up greenfield operations or undertaking organizational change programs. This article analyses the recruitment methods used in several large call centres in the Australian telecommunications industry. It particularly focuses on the issue of how recruitment was explicitly or implicitly designed to recruit customer service representatives who might be antithetic to workplace trade unionism. Three processes are identified. These include the use of sophisticated recruitment processes which identify those with unitarist tendencies, identifying and excluding, or blacklisting, those with union backgrounds or those who previously worked in highly unionized firms and lastly applying pressure on recruits to sign individual non-union contracts at the appointment or promotion stage.

# *Recruitment Strategies and Union Exclusion in Two Australian Call Centres*

**DIANE VAN DEN BROEK**

*Recruitment processes are seen as critical to the success of contemporary organizations and integral to human resource practices, particularly in those firms setting up greenfield operations or undertaking organizational change programs. This article analyses the recruitment methods used in several large call centres in the Australian telecommunications industry. It particularly focuses on the issue of how recruitment was explicitly or implicitly designed to recruit customer service representatives who might be antithetic to workplace trade unionism. Three processes are identified. These include the use of sophisticated recruitment processes which identify those with unitarist tendencies, identifying and excluding, or blacklisting, those with union backgrounds or those who previously worked in highly unionized firms and lastly applying pressure on recruits to sign individual non-union contracts at the appointment or promotion stage.*

Employers attempt to deunionize or create and maintain non-union status through various means. Plant relocation has been identified, as has a raft of other mechanisms including outsourcing, privatization, overt refusal to deal with unions or more inclusive strategies of union substitution such as employee involvement schemes (Kochan, Katz and McKersie 1986; Smith and Morton 1993) While recognizing the diversity of options here, this article investigates specifically how firms may influence unionization through recruitment strategies. Some of these strategies are more explicit

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  - I wish to thank the anonymous referees of *RIIR* for their comments.

than others, and many are often difficult both to identify and disentangle from what appear to be benign attempts to hire “the right person for the job.”

Despite these limitations, this article suggests that three recruitment strategies pursued by two large telecommunications firms impacted on union take-up within the firms. In doing so, the article does not suggest that employers consciously chose one deunionization strategy over another. As Dundon argues, managerial approaches to union organizing may often be ad hoc and opportunistic and possess a variability which reflects context-specific factors (Dundon 2002). In exposing this variability, the following section analyses some literature which links recruitment and union take-up in various industries. It then provides some background to the methods used to gather evidence for this research and is followed by a discussion of the case companies. The next sections are organized around the three strategies of union exclusion identified above, and the final section provides a discussion about the implications of such strategies for employees.

### ***LINKING RECRUITMENT AND NON-UNIONISM***

Decline in union membership and the rise of the non-union firm has prompted industrial relations research to move into previously uncharted territory. Although the union firm was relatively easy to locate and its inhabitants somewhat easy to identify, the more recent entity known as the non-union firm is much more likely to be “amorphous, decentralized, inaccessible,” and as such their operations may be more difficult to critically analyse. However, research by scholars such as Foulkes and McLoughlin and Gourley have provided important insights into the employment relations which underpin the operations of many large non-union firms. Similarly Freeman’s cross-country analysis, cited in Beaumont and Harris, indicated that union decline during the 1980s resulted from the increased ability and motivation of managements to resist unions. (Beaumont and Harris 1995; Foulkes 1980; McLoughlin and Gourley 1994). These studies alert us to the fact that there are as many contingent variables which coalesce to induce employees to join trade unions as there are employer strategies which undermine this course of action. Peetz identified the use of both exclusivist and inclusivist management strategies used by decollectivizing employers. Exclusivist strategies include firms casualizing and outsourcing staff, and the outright refusal to negotiate with unions. Inclusivist strategies might involve the use of employee involvement schemes and other human resource initiatives. However the dichotomy between the two may not be clear-cut (Peetz 2002).

This present discussion similarly highlights how recruitment strategies might attempt to undermine employee propensity to unionize. These

strategies range from overt and aggressive forms of union exclusion more aligned with discrimination and blacklisting activities, to seemingly benign forms of union substitution embedded in elaborate recruitment processes which preference particular types of personalities.

### *Overt Discrimination in Recruitment*

There has been no lack of evidence suggesting that overt discrimination of union members remains a viable employer strategy. Antidiscrimination legislation is designed to ensure that workers in most developed nations can freely choose between membership and non-membership of trade unions. However, despite such legislation, discriminatory activity continues both in Australia and overseas. In the USA employer violations of Section 8(a)(3) of the National Labor Relations Act, involving discrimination with respect to the hiring and tenure of employment which encourages or discourages membership of labour organizations, has been on the rise (Cooke 1985; Logan 2002).

Employer preference for non-union staff has also been apparent in Britain and Australia. In one survey of 117 U.K. organizations, 40 percent stated that they discouraged employees from joining a union, with one quarter of employers victimizing union activists (Dundon 2002; Heery 2000). Similarly within Australia, a survey of managers from 2,700 workplaces found that 88 percent of managers preferred to deal with employees directly, rather than through a trade union, and a recent survey of 1,000 call centre workers in 88 Australian call centres found that only half of these workers felt free to join a union (Australian Council of Trade Unions 2002: 4; Moorehead et al. 1997).

Some very graphic and detailed examples of overt employer discrimination of union supporters have emerged despite the inherent difficulties of proving such activities. Royle found that McDonalds franchises, operating in the United Kingdom and Germany, gained an acquiescent workforce through the recruitment of foreign workers who had limited knowledge of national employment regulation. Identifying acquiescence also involved exclusion of applicants who were found to be union supporters. For instance, Royle uncovered a circular distributed to store managers which indicated the specific recruitment procedures to be followed at McDonalds in Germany. The circular advised managers in the first instance to:

ascertain whether or not the applicant had membership or interest in a trade union, and if this was the case the interviewing manager should...bring the interview to a close after a few additional questions and tell the applicant that he will receive a reply in a few days...of course the applicant should in no circumstances be employed (Royle 1999: 542).

Union exclusion strategies have also been identified in the call center industry. Taylor and Bain's research on Excell's Multimedia describe the anti-union practices of the firm's operations in the United Kingdom, Canada and the United States. While it involved outsourcing arrangements, it also involved "harassment and dismissal of union members" in their Arizona plant as well as "union busting" activities in their partnership with Bell Canada. "Excell's resolute anti-unionism...also...defined management's attitudes to dissent and collective organization in its call centers in Britain" (Taylor and Bain 2003).

Given the appropriate legislative framework, some employers might discriminate by pressuring employees to accept non-union individual employment contracts. Indeed, offering employment, which is contingent on signing an individual contract, has been a particularly popular strategy in Australia after federal legislation in 1996 widened the scope for individual contracts.<sup>1</sup> Within many sites, a conversion to an individual Australian Workplace Agreement (AWA) might involve dangling attractive wage increases or promises of promotion: however, on recruitment it might be a requirement for the job. The purpose of these contracts is usually quite straightforward. Management consultants World Competitive Practices stated that "AWAs are an important element in achieving management's aim of a non-union workforce" and again there is no lack of evidence to support such a claim. CRA, BHP Iron, Rio Tinto and Telstra merely represent the most well known cases where employer pressured employees to sign AWAs for continued employment. Indeed, in many cases, management targets union members who refuse to sign AWAs for enforced redundancies (Peez 2002: 261; Dabscheck 2001; Timo 1997; van den Broek 2001). As we will see later at Tellcorp, managers often coated this threat to sign AWAs with notions of corporate commitment, trust and mutual goal sharing amid a bitter aftertaste of downsizing and redundancies.

A far more benign, but no less effective, set of recruitment techniques designed to sideline union sympathizers operated through employer identification of recruits most likely to aspire to company defined goals. Sophisticated human resource techniques reign supreme here as management identify "individuals" with "suitable characters." As already suggested, age, gender and ethnicity are often enmeshed with assumptions about employee attitude and behaviour. Particularly in greenfield sites, recruitment might target industrial weakness or inexperience in order to build strong corporate cultures (Hallier 2001; Royle 1998).

At the Michigan Mazda car plant in the United States, applicants undertook a five-stage interview process designed to weed out the "druggies,

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1. The specifics of Australian Workplace Agreements are elaborated later.

rowdies and unionists.” The recruitment drive at the plant, which emphasized behavioural, rather than technical competence, resulted in a young, inexperienced and predominantly male workforce (Delbridge and Turnbull 1992). Graham’s study of Subaru-Isuzu also described how pre-employment screening processes, involving various phases of group and individual work assessing psychological and physical aptitude, increased control on the shopfloor in two ways. Initially the process screened out potential union supporters who viewed the employment relationship as adversarial. More indirectly it also served the long-term goals of establishing shop floor behavior through socialization “thereby bringing the formal system of control into play long before a worker even lands a job” (Graham 1995: 19, 31). As such, many organizations have become increasingly aware that “the best way to get a compliant workforce is to recruit one” (Delbridge and Turnbull 1992: 61).

Identifying particular behavioural traits is of particular importance in the increasingly customer-driven sectors of the economy. A frontline worker whose job involves direct customer contact often requires more behavioural rather than technical skills. As Hochschild’s research of flight attendants indicated, employers had a vested interest in managing employee’s emotions by harnessing “emotional labour.” This often involved employees inducing or suppressing their feelings as part of the requirements of the job (Ogbonna 1992; Hochschild 1983).

The issue of “emotional labour” and recruiting on the basis of attitude and personality has particular relevance to call centre operations. Thompson and Callaghan’s research into call centre recruitment looks directly at managerial preference for “recruits with attitude” compatible with customer interaction. They indicated that the identification of applicants with enthusiasm and positive attitude was designed to ameliorate the impact of poor working conditions often found in call centres. Internalizing managerial directives about service delivery was also crucial (Callaghan and Thompson 2002). However, it is necessary to unpack some of the issues that become associated with behaviour, attitudes and unionism within the recruitment process. That is, it is necessary to investigate the possible correlation between the behavioral as well as ideological attributes targeted by call centre management. As indicated in this research, many non-union firms develop strong corporate cultures around employment practices which reduce the perceived need for union representation. Such cultures are often built on unitarist principles and rely on a more individualistic corporate culture than might exist in union firms (Flood and Toner 1997).

## ***METHODOLOGY***

As elaborated below, unprecedented competition resulted from the structural and regulatory change that took place in the telecommunications sector during the 1990s in Australia. The long standing monopoly, Tellcorp, which had in the past focused on its technical expertise, was now competing with the bright new Servo, which competed on a determined marketing strategy of individualism and choice. Differing corporate history and managerial ideology played out within the context of extreme competitiveness and rivalry for market share.

Deregulation of the telecommunications industry was followed by significant legislative change in Australian industrial relations. New legislation gave employers greater opportunity to hire staff on non-union individual contracts. Tellcorp, who was eager to convert their collective pluralist tradition to individual bargaining made available under the new legislation, particularly seized this opportunity. Therefore, while both firms embraced unitarist recruitment practices, given these context-specific factors, these practices took different forms.

In order to assess the processes by which the recruitment practices in these firms were undertaken, a qualitative approach was needed. This method served several important purposes. In order to analyse recruitment policies and practices, it was necessary to explore both how managers viewed the recruitment process and how employees themselves experienced recruitment practices. Utilizing qualitative research methods also allowed for a detailed focus on the variation and the implementation of recruitment techniques between the case-study organizations.

The data presented here was collected by a combination of one-hour semi-structured audio taped interviews, telephone interviews and written structured interviews undertaken between 1994 and 2001. In total sixty-three interviews were undertaken. Thirty interviews were undertaken at Servo. Of these, seventeen were with employees and thirteen were with managers. Three additional interviews were conducted with union officials who had dealings with the organizations. Senior management selected managerial staff and four of the customer service representatives. Ten customer service representatives were self selected from union lists and three were contacted through other avenues such as word of mouth.

To undertake the research at Tellcorp, twelve managerial staff and thirteen customer service representatives were interviewed. Four union officials from the two unions covering the organization were also interviewed. Again, senior management chose middle and lower level managers, and team leaders selected customer service representatives. On site visits

and attendance at team meetings were also undertaken at both organizations.

Most employees interviewed were woman who had sales experience or were in their first job after finishing tertiary education, and the majority were between 25-35 years old. The interviewees ranged in their length of service in Tellcorp from 10 weeks to 22 years for employees, and 18 months to 30 years for managers. Given the youth of the organization, work tenure of interviewees in Servo ranged from four years to several months.

It should be noted also that many of the tactics raised here may not be common recruitment practices either to the call centre industry or to other firms operating in different sectors of the economy. There are problems with conceptualizing the notion of pre-determined managerial strategies. Also the diverse institutional frameworks and other contextual factors which influence how firms recruit staff, alert caution as to wider applicability of the findings here. However despite these limitations, there is evidence that the three practices identified here are not unique to these firms or this industry.

### *The Nature of Australian Call Centre Operations*

The scale and nature of call centre work has now been well documented. Estimates suggest that around four percent of the U.S. workforce work in call centres and that they employ around two percent of the workforce in the United Kingdom (Datamonitor 1998, 1999). By 2000, 4,000 Australian call centres employed approximately 200,000 employees in industries such as banking, public utilities, airlines, information technology, and telecommunications. As elsewhere, Australian call centres vary enormously in terms of size, industry location, labour market and the types of the labour management policies and practices they implement. However the industry is renowned for high employee burnout (average 18 months), turnover (average 22 percent) and various rates of absenteeism. (ACA Research 1999, 2000, 2001). These industry characteristics have been explained partly by the highly individualized, low discretion tasks which are often undertaken under conditions of tight specification and extensive electronic surveillance. Indeed the issues of work intensification, employee monitoring and surveillance, and the associated churn have been the subject of much research in the industry (Hochschild 1983; Fernie and Metcaff 1997; McKinlay and Taylor 1996; Frenkel et al. 1999; Taylor and Bain 1999; van den Broek 2001).

Research on call centre worker mobilization in Britain and Scotland also provided important analysis of the material conditions which generated collectivism. While researchers in the U.K. and Scotland have linked



call center unionism with the nature and content of union policies, inter-union rivalry and environmental conditions such as recognition clauses in workplace agreements (Taylor and Bain 2003; Gall and McKay 2001; Gall et al. 2001; Bain and Taylor 2002), there has been less research undertaken in Australian call centres. What we do know is that of the 200,000 employees in the call centre industry, approximately 15-20 percent are unionized (Australian Council of Trade Unions 2002). Unionized call centres are generally located in the public or ex-public sector, such as the airlines, while employees in other industries including telecommunications and banking are considerably less unionized, with contract call centres proving to be the most difficult to organize (Interview Australian Council of Trade Unions (ACTU) Organizer 2001). We also know that many call centre workers feel unable to freely associate with trade unions. One recent survey based on 1,000 Australian call centre workers in 88 call centres indicated that only 50 percent of workers could freely choose to become part of a union in their workplace (ACTU 2002: 4). This raises important questions about how employer strategies may inhibit employee mobilization at firm level.

### *The Cases*

During the early 1990s, the Keating Labor Government deregulated the telecommunications industry by ending the monopoly of Tellicorp. Micro-economic reform followed with the corporatization of Tellicorp, and in the issuing of an operating license to Servo Communications. While full competition was established in 1997, most of this research was undertaken in a period where the two carriers dominated the market.

Deregulation of the telecommunications took place simultaneously with industrial relations reform. So new telecommunications firms were appearing at the same time as were new forms of bargaining. In 1996 the federal Coalition government introduced the Workplace Relations Act 1996 (Cwlth) which allowed employers the unprecedented opportunity to hire non-managerial staff on individual contracts, namely Australian Workplace Agreements (AWA's). This represented a symbolic shift away from collective award coverage to a system which did not require union intervention. In rejecting accusations that the Workplace Relations Act was anti-union, the government argued that Section 298K of the freedom of association provisions under the Act protected employees from discrimination on the basis of belonging, or not belonging, to a trade union. However, as indicated here and in other studies, discrimination toward union sympathizers does still take place (Timo 1997; Peetz 2002; Dabscheck 2001).

In terms of firm characteristics, there were some similarities and many differences between Tellcorp and Servo. As a newcomer with a fresh slate to work with, Servo forcefully marketed its brand name with strong positive campaigns emphasizing choice and innovation. By contrast, Tellcorp had great difficulty convincing the Australian public to remain loyal, and the company's size, emphasis on local call services and its history of poor customer service hampered its success in retaining market share. As such, its dominance was progressively undermined and between the December quarter in 1994 to the March quarter in 1996, Tellcorp's market share dropped from 71.6 percent to 60.5 percent.

Given greater competition and deregulation, Tellcorp restructured and downsized during the 1990s. Between 1990 and 1998, staff numbers dropped from around 85,000 to 65,000. This is an important contextual factor which influenced its effectiveness in seeking corporate commitment. Similarly, given its history as a government department, Tellcorp retained relatively high levels of unionism; however since after the 1990s, union membership declined from around 90 to around 40 percent between 1990 and 2000 (van den Broek 2001).

By contrast, Servo was considerably smaller than Tellcorp, employing just under 6,000 staff by 1996 (Paul Budde 1996/1997: 54; Internal Company Documents). From the outset, Servo constructed elaborate recruitment and induction processes, and the company's virtual greenfield status and accompanying individual human resource approach to bargaining also resulted in the negotiation of a collective non-union Enterprise Flexibility Agreement between 1994 and 1997. In combination these factors contributed to stabilizing union membership rates at below five percent throughout the research period.

It is argued here that given their different corporate histories as well as changing institutional frameworks, the two firms utilized different approaches to recruitment to gain competitive advantage. Three different types of union exclusion tactics are identified. The first involves the use of sophisticated recruitment processes which identified those with unitarist tendencies. This emphasis on direct employee relations based on individual accountability and commitment to corporate goals was particularly associated with Servo. The second approach involving the identification and elimination of those with union backgrounds or those who had previously worked in highly unionized firms was again more associated with Servo, and the third strategy involved employers applying pressure on recruits to sign individual non-union contracts. Given its corporate history and the fact that Servo had already managed to secure non-union agreements, this strategy was more apparent at Tellcorp and Stellcorp.

## ***RECRUITING THE NON-UNION WORKER***

### ***The Subtlety of the “Mindset”***

Given their diverse beginnings, Tellcorp and Servo had different recruitment options at their disposal. As already indicated, Servo marketed its image as a young, innovative and entrepreneurial organization intent on developing “a direct and open relationship” with staff. While this corporate philosophy permeated all aspects of the employment relationship, it was at the recruitment and induction stage that corporate philosophy was most prominent (Lewis and Davis 1994; van den Broek 1997). The Director of Human Resources stated that Servo had “specific selection criteria to make sure we get the staff who are culturally a good fit.” Part of that “fit” reflected in management’s need to identify those who “come with the right mindset to start with.” Wishing to avoid employees with “cultural baggage,” Servo explicitly stated that they were not interested in employing staff from the strongly unionized Tellcorp, preferring those from (non-union) organizations such as IBM and American Express (Interviews Management 1995). As indicated below, this also involved a preference for younger staff with limited industrial experience.

Servo recruitment processes involved various stages, incorporating group exercises and role-plays. The three-stage recruitment process initially screened via telephone interviews involving broad questions related to previous work experience. Those who displayed good telephone communication skills progressed to a second interview involving group exercises, role-plays and simulations. Multi-tasking exercises required applicants sitting back to back to construct “Lego” models relying on verbal communication. Simulations might also require groups of recruits using limited equipment to find their way out of a plane crash site area with limited aids and within given time limits (Interview Employees 1995, 1996; Team Leader 1995). During these exercises, communication skills, skills of persuasion, corporate and team commitment were closely observed and assessed by managerial staff. At the conclusion of the exercises, peer assessments might require each group to identify ten people they would most like to, and ten they would least like to work with. This was a process which one customer service representative described as a “popularity contest” (Interview Employees 1995; Senior Manager 1995; Team Leader 1996). Candidates who performed well in these activities then attended a final interview where technical exercises might be set, including tests which assess typing speed and ability.

Whilst Tellcorp was more likely to be downsizing than recruiting, their desire to “turn around” the corporation’s traditional “engineering culture” into a “forward-looking” customer service organization meant that they

had to recruit staff with a “new focus.” As with Servo, the behavioural assessments involving phone interviews and face to face interviews focusing on how recruits conducted themselves in a customer environment (Interview Senior Manager 1997; Interview Employees 1997).

However the task of “aligning” employee’s personal values with the values of the organization was more integral to the Servo recruitment program than at Tellcorp. Ethical standards, teamwork and customer service espoused in Servo’s corporate values reflected heavily in a lengthy recruitment process designed to identify employees best suited to the organization. The interview process, based on values-based exercises described above, was designed to assess whether recruits could “demonstrate...that they can *live* the Servo values” (Interview Team Leader 1996; Team Leader 1995). Both management and customer service representatives were explicit about the role of behavioural assessments. As one manager stated, technical ability can always be taught but it’s “very hard to teach people set behaviours, or attitudes” (Interview Team Leader 1996; Interview Team Leader 1995). Similarly many customer service representatives were “in no doubt at the time that attitude was the most important thing they were looking for” (Interview Employees 1995).

During interviews, management emphasized various word cues which might provide a window into the minds of applicants. Expressions such as “win/win situation,” “team approach,” “loyalty” and “empowerment” were ways in which Servo emphasized their unique style of employee relations and their differentiation from other corporate environments perceived to be “rigid.” For example, one customer service representative recalled a manager stating during his induction process that Servo were:

more interested in employing people who didn’t come to them with a lot of old baggage from other corporate environments, so that Servo could mould them into the right sort of employee (Interview Senior Manager 1995).

But what did “rigidity,” “flexibility,” “attitude” and “baggage” actually mean, and what exactly was the “right mindset”? Within Servo, managers expressed overt preference for employees who had come from corporate backgrounds where unionism was low or non-existent. The various managerial references to avoiding employees who came with “baggage” appeared to be a reference to Tellcorp and union membership generally (Interview Team Leader, Centre Manager and Employee 1995).

Language played an important role here as employees were referred to as “associates” and operative words such as “we” “us” and “our” delivered clear messages of corporate cohesion and loyalty. Similarly, the managerial request to take “ownership” of Servo values sought to obscure the boundary between individual customer service representatives and the company (Interview Senior Manager 1995; Interview Employee 1995).

These examples indicate that Servo was keen to shape recruits' perceptions about their place within the organization. The aim was for the recruits to "conceive of themselves as belonging not to an employee-focused collectivity—a union—but rather to an employer-focused collectivity—the organization," and indeed, to the team (Peetz 2002: 255).

Servo's recruitment process encouraged employee allegiance to a job and firm rather than to the collective interests of industrial workers. Instilling corporate values was important. As the senior human resource manager stated:

It's very easy to get someone to embrace a certain culture if it's their first or second job rather than their last job. If a more mature person has a certain mindset, then to change that is very difficult (Interview Senior Manager 1995).

The nature of this "certain culture" was dissected during an unfair dismissal case when one employee sought union representation during disagreements with the firm. During the case, one Servo manager stated that he encouraged people to be different and forthright in their opinions. However, when the Commission questioned him further on this point he responded that Servo didn't encourage people to express opinions in conflict with their supervisors. Indeed, he stated that "we don't encourage them to express opinions in conflict, but we do encourage them to express opinions."<sup>2</sup>

By contrast, and given their pre-exiting recruitment practices, Tellcorp had less opportunity to recruit in the same way as Servo. Up until the early 1990s Tellcorp recruited on the basis of technical or clerical skills through standardized and centralized procedures which followed a traditional public service model. However, by 1995, the corporation engaged the services of external recruitment agencies with a brief to identify staff with good interpersonal skills rather than technical skills. As well as presenting hypothetical situations and games emphasizing teamwork, selling and customer satisfaction, Tellcorp, like Servo, focused more heavily on personality profiling. However, much of the managerial rhetoric related to the need to focus on recruiting "dynamic people" who could "sell products" rather than the reliance on personality traits of corporate commitment. There also didn't seem to be any focus on targeting staff from non-union backgrounds (Interviews Senior Manager 1997). As such, Tellcorp relied more on the third strategy of utilizing new legislative frameworks to recruit or convert staff to individual contracts.

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2. Transcript of Unfair Dismissal Proceedings (details withheld to ensure confidentiality).

### *Discrimination through Blacklisting*

It was particularly at Servo where there were the strongest examples of overt union exclusion through refusal to hire recruits with union histories or who had worked in strongly unionized firms. There was considerable management consensus that unions had “no role” in Servo culture, and while union membership was considered a “private matter” between employees and the union, expressing an interest in unionism was not looked upon favourably. The Director of Human Resources regarded seeking assistance from “outside influences” as a failure of employees, and by others as an “unnecessary interference” in company affairs (Interview Director Human Resources 1995; Senior Manager 1995; Team Leaders 1996; Middle Manager 1995).

Some customer service representatives expressed concern over victimization if identified as union members, while others felt that if they did assert their membership, promotion opportunities would be reduced (Interview Employees 1995, 1996). While management in some departments were well known for “union bashing” activities, union hostility also came from the CEO. After a protest of around thirty to forty union representatives in the Servo reception, the CEO denounced the action on the inter-company television broadcast. One employee recalled the CEO stating during the broadcast that: “If you feel the need to join a union then you should take a good look at your job at Servo because probably you don’t need to be here and you’re not happy” (van den Broek 2001: 82).

Some applicants undergoing interviews were well aware of the firm’s anti-unionism. When one successful applicant was asked about his attitudes toward the work environment, “needless to say that I never mentioned my extensive union background as it was quite obvious that they weren’t looking for leaders” (Interview Employee 1995).

One recruitment officer who detailed an incident involving a unionist corroborated these views. After the officer undertook a round of interviews, she offered the positions to the lucky recruits. One of the successful applicants was a male who had previously worked within the highly unionized postal division of public service.

The recruitment officer informed her superior about the appointments and a letter was sent to the successful applicant offering him a position. After more detailed paperwork was sent to her supervisor, the recruitment officer was questioned about why she had offered the applicant a position. When the officer responded that he had the necessary experience for the position, her supervisor inquired whether she had “read that he had been a union member for many years” because “you know that it is our policy not to employ union members.” The supervisor demanded that the

recruitment officer withdraw the offer, and when she refused to follow through with the request, the supervisor withdrew the offer to the applicant himself. According to the officer, “that was the way it worked all the way along.” Recruitment meetings with team leaders, human resource consultants and customer service managers discussed the successful and unsuccessful applicants and:

It came up time and time again. This person worked for such and such which was a heavily unionized company. “Do you really think they would make a good team fit?” These meetings would sometimes go on for ages. The companies they most despised were the public service, Tellcorp. If you worked for a union you were definitely “no go” (Interview Recruitment Officer 2000).

So while there was a public corporate image which espoused the virtues of individualism and innovation, a distinct underbelly of unitarism also existed. The third and least subtle version of union exclusion strategies was evident in Tellcorp’s use of bargaining processes at the recruitment stage. This involved the introduction of non-union individual contracts known as AWAs discussed earlier.

### *Tellcorp’s “Sign or Resign” Approach*

Servo had already established non-union collective agreements, known as Enterprise Flexibility Agreement (EFA’s) or 170LK agreements, with their staff soon after they began operations in 1994. As such, the firm had little to gain from converting to non-union individual contracts, as they already had negotiated non-union EFAs between 1997 and 2000. The Director of Human Resources expressed his satisfaction that there were no formal representatives involved in the EFA process, as “bargaining” implied “conflict.” Management felt that involving formal representatives such as unions would have only “aided and abetted the negotiation and bargaining mentality” (van den Broek 2001: 72).

As indicated earlier, corporate culture was quite clearly unitarist in nature. One customer service representative observed that when a union official arrived at the workplace, many customer service representatives were too “afraid” to talk to them directly. She felt that:

the whole corporate monoculture and atmosphere was what irritated me, the way that trade unions weren’t seen to have a place, in the same way that any dissent on company values was also out of place (van den Broek 2001: 165).

The introduction of the Workplace Relations Act 1996 facilitated the employment of non-managerial staff on individual non-union contracts for the first time. Such moves toward contractualist regulation represented a significant shift from traditional award-based union negotiated agreements which had been the foundation of industrial relations regulation since the

early 1900s. The 1996 legislation gave preference to individual workplace agreements over collective enterprise or sector agreements, and by the end of 2000 there was just under 140,000 AWA's negotiated in Australia. An important inclusion in the 1996 Act was Section 298K of the freedom of association provisions which were designed to protect employees from discrimination on the basis of belonging, or not belonging to a trade union. However as indicated below, the (mis)use of AWAs has served to undermine section 298K and to deny employees the freedom to associate with trade unions. While there are numerous cases of such discrimination, the most controversial example was the 1998 dispute in the Australian stevedoring industry as well as other cases cited earlier (Trinca and Davies 2000; Dabscheck 2001).

While many senior Tellcorp managers had already been pressured to resign union membership throughout the 1990s, these efforts were driven further down the ranks of the organization to include team leaders and customer service representatives. Having gained the majority of their senior and middle managers, including team leaders, on AWA's, Tellcorp set about to convert lower level positions, that is call centre workers, to individual agreements. By 2002 of the 33,000 staff members at Tellcorp, 10,000 were on AWAs with the remaining on collective enterprise agreements. Management's agenda to increase the amount of staff on AWAs has been undertaken through various means involving recruitment, promotion and redundancy policies.

Tellcorp also outsourced contracts to their jointly owned subsidiary, Stellcorp where staff were only recruited on the basis of signing a three-year AWA (Interview Union Organizer 2001). Within Tellcorp call centres, where turnover was high, AWAs were offered to all new employees and when existing employees did convert to AWAs they were informed by management that it was no longer appropriate to remain in the union. Around 70 percent of these employees resigned from the union as a result of this advice (Union Report to Management Committee 2002).

Management articulated the change of fortunes which they hoped unions would face. Managers believed that unions would play less of a role than they had in the past, with one senior manager stating that:

We are shifting the communication strategy dramatically to the supervisory level...with direct communication and using them as the conduit by which we communicate. We're in an environment now where...we're in election mode with the unions and our frontline supervisors (Interview Senior Manager 1997).

According to one senior manager, the CEO presented supervisors with an ultimatum that "here is the corporate governance, if you don't like it,



go. If you do, carry it out” (Interview Senior Manager 1997). The plan was to:

Move toward getting a common focus on the welfare of the company and the AWAs are the tool for moving people away from a third party banner...the AWA will be the tool for change, not the Enterprise Bargaining Agreement (Interview 1997).

Tellcorp management was very clear in its intentions to preference staff on AWAs. In 2000, Tellcorp announced its intention to undertake 8000 redundancies and during this process, senior management advised team leaders and managers that workers on AWAs should be retained at the expense of workers on collective award and enterprise agreements. Such a strategy is made explicit as the following e-mail indicates. This memo from the Director of Employment Relations to team leaders was quite specific about corporate preference for AWAs. The memo, distributed to team leaders in March 2000, advised that:

Staff members who have transferred to individual contract have placed their trust in their managers and the Company to create a work environment that reinforces respect and dignity for the individual, and which places primary emphasis on productive relationships in which individual accountability encourages each person to contribute to his/her potential. Managers must not under any circumstances compromise these important values in the way they implement cost reduction initiatives which lead to staff reductions. Managers will be held accountable to support the values of the Company’s preferred model of individual employment (Internal Company memo 2000).

While the Tellcorp Enterprise Agreement stated that existing employees had the right to choose between AWAs and award employment to maintain their current job or for promotion, this and other evidence suggests that the reality was quite different (Dascheck 2001: 26). Internal job vacancies advertised by Tellcorp indicate that preference will be given to those employed on an individual contract basis. The union also provided legal representation for many Tellcorp employees who had been advised that their jobs would be reclassified up if they signed an AWA as this was the only avenue for promotion within the firm (Internal Company Newsletter, April 2002; Union Report to Management Committee 2002).

Therefore freedom of association has also had a very rough ride as Tellcorp sought to pressure recruits and employees to sign non-union agreements. According to one union official:

There’s no freedom of association within (Tellcorp). They want a direct relationship. They have said that they want people to be on AWAs, they’ve forced their managers on AWAs. 100 percent of managers in NSW Customer and Consumer call centres are on AWAs. Team leader offers have gone out and 70 percent will sign instantly (House of Representatives Employee Ownership in Australian Enterprises 1999).

By 2002, around 65 percent of staff remained on collective agreements, while 35 percent of staff within all levels of Tellcorp had signed to an AWA's. Union membership has been significantly influenced by Tellcorp's agenda to convert or employ staff on individual workplace agreements rather than the traditional collective enterprise agreements. Similarly their policy of hiring from labour hire companies and outsourced firms who recruited on the requirement of individual contracts combined to reduce union membership within the firm (Interview Union Official 2002).

### ***DISCUSSION***

Although often in an ad hoc and opportunistic fashion, employers attempt to deunionize or maintain non-union status through various means. While recognizing both opportunism and the diversity of tactics which rely on contextual variables, this article identified how firms might influence union activity through recruitment strategies. In particular, it highlighted the three strategies of utilizing sophisticated recruitment processes which preference those with unitarist tendencies, identifying and excluding, or blacklisting, those with union backgrounds, and finally applying pressure on recruits to sign individual non-union contracts at the appointment or promotion stage.

The research suggests that some of these strategies are more explicit than others, and many are often difficult both to identify and disentangle from what appear to be benign attempts to hire "the right person for the job" under more direct contracts. However while these three practices exerted considerable pressure on employees, all three had limitations. For example, there was considerable evidence that during the recruitment process many Servo employees merely acted out required behaviour, including allegiance to team and company goals. With respect to the second process of discrimination and blacklisting, management also has difficulty gaining detailed information about recruits past history with unionism and as highlighted here, recruits may conceal union sympathies. Also given the illegality, many might think twice about taking this course of action. The third process of recruiting and converting staff to non-union contracts may be difficult to resist by employees; however, given its legislative contingency this approach may change. There is some evidence that after the initial signing of non-union contracts, employees can, and have, decided to convert to collective union agreements once their AWAs have expired. As Bain and Tailor's research shows, grassroots mobilization of call centre workers can also overcome the tactics of these anti-union employers. In the case of their Glasgow Excel site, unionism did develop through "bottom-up" mobilizing activities leading to membership rates of around 30 percent (2002: 17).

Further, the recruitment strategies pursued by these two firms cannot be seen merely as managerial control for control's sake. To some degree, these strategies merely reinforce the organizational need to elicit employee commitment and to recruit workers "suitable" to the task for which they are employed. However Tellcorp and Servo's attitudinal and behavioural recruitment policies had a strong unitarist underbelly. Evidence presented here suggests that commitment to organizational values was seen by management within both firms as antithetical to trade union membership. At Servo particularly, "flexibility," the "right attitude" and "cultural baggage" became euphemisms for a managerial preference for employees who showed little interest or history of trade union membership. Such unitarism reflected in recruitment processes which gave preference to recruits who had come from non-union firms or had limited industrial experience. Similarly, Tellcorp management was reluctant to countenance the continuation of collective bargaining which might undermine managerial prerogative. In many ways, these tactics were not mutually exclusive, as the "soft" human resource policies associated with individualism merely sugar-coated the more explicit bitter taste of an anti-union managerial ideology.

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## RÉSUMÉ

### **Stratégies de recrutement et exclusion du syndicat dans deux centres d'appel en Australie**

L'industrie des services (ou de la servitude) a beaucoup retenu l'attention des chercheurs au cours des dernières années. Ceci n'est guère surprenant puisque la majorité du travail salarié s'effectue dans le secteur des services. Comme tel, le centre principal d'intérêt dans les organisations actuelles consiste dans l'assurance d'un service à la clientèle de qualité. Plus précisément, au sein de l'industrie des télécommunications, où l'on retrouve une faible différenciation des produits, la direction des établissements cherche à se donner un avantage concurrentiel via le recrutement d'un effectif supérieur dont les aptitudes au plan des relations interpersonnelles entraînent de bonnes relations avec la clientèle. Cependant, au moment où la recherche actuelle reconnaissait cette approche managériale dans les centres d'appel, peu de travaux de recherche ont cherché à analyser la manière dont le recrutement pour les centres s'est focalisé sur des facteurs de nature idéologique, tel que le support des salariés au syndicalisme. Pour apprécier cet enjeu, cet essai cherche à circonscrire la façon dont la direction de deux centres d'appel importants dans le secteur des télécommunications en Australie a tenté de recourir à des stratégies de recrutement de manière à exercer une influence sur la propension à se syndiquer.

Il existe une multitude de manières chez les employeurs d'exercer une influence sur la présence d'un syndicat au sein de leurs établissements. L'emplacement de l'usine est toujours demeuré une manière populaire d'influencer le taux de syndicalisation, tout comme d'autres facteurs tels que le marché du travail et des aménagements d'ordre contractuel. Cependant des facteurs précédant l'entrée, tels que les politiques et les pratiques de recrutement, peuvent être également importants. Cet article s'intéresse à trois de ces tactiques. Celles-ci comprennent le recours à des modes sophistiqués de recrutement qui retiennent les candidats les plus susceptibles d'épouser des objectifs définis de façon managériale. La deuxième approche en est une qui permet d'identifier et d'exclure ceux qui ont une expérience du syndicalisme ou encore ceux qui ont au préalable déjà travaillé dans des établissements fortement syndiqués. La troisième consiste à exercer chez les employeurs une pression sur les candidats pour qu'ils signent des contrats individuels de travail.

La recherche de nature qualitative que nous avons effectuée au cours des années 1990 laisse croire que les politiques de recrutement chez Tellcorp et Servo ont un biais unitariste très prononcé. Cependant, étant donné leurs antécédents différents, leurs stratégies de recrutement ont pris

des allures variées. Chez Servo, un protocole d'entrevue a été conçu pour repérer des types particuliers de personnalité. On y retrouve une préférence marquée pour des candidats qui sont jeunes, enthousiastes et dévoués. Cependant, on observe l'exclusion évidente d'un personnel qui proviendrait d'entreprises où le syndicalisme possède de fortes racines et, à l'occasion, on retrouve aussi une discrimination notoire à l'endroit de ceux qui ont été membres actifs d'un syndicat. Alors la flexibilité, l'attitude correcte et le bagage culturel sont devenus des euphémismes pour une préférence managériale à l'égard des employés qui présentaient peu d'antécédents comme membres d'un syndicat ou peu d'intérêt à le devenir.

Étant donné l'historique de l'entreprise impliquant une forte présence syndicale, Tellcorp adopta une approche plus juridique en vue de restreindre ou d'exclure l'activité syndicale. Lorsque la législation fédérale a été mise en vigueur en 1996, la direction des entreprises Tellcorp et Sellcorp fut en mesure d'affaiblir la représentation syndicale en gelant l'effectif existant et en forçant les nouveaux travailleurs récemment embauchés à signer des contrats individuels de travail. Tout comme chez Servo, cette conversion a été présentée aux travailleurs comme l'enjeu d'un engagement envers l'entreprise.

En fin de compte, les pratiques que nous avons analysées ici n'étaient pas seulement l'appariement inoffensif d'habiletés souhaitables sur le plan interpersonnel et social avec le caractère interactif du travail propre aux centres d'appel. De telles stratégies doivent être aussi interprétées plus largement comme des moyens à la disposition des entreprises pour maintenir des prérogatives managériales en cherchant à écarter l'opposition éventuelle des employés avant qu'elle ait l'occasion de s'implanter sur les lieux de travail.