Multinational Corporations and Industrial Relations in Australia: Boeing

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Introduction
Multi-national corporations (MNCs) have a long-standing presence in the Australian economy; making important contributions to employment, investment, research and development and trade. Around half of Australia’s exports are sourced from MNCs. Their reach is also evident in the extent of direct investment (FDI). In 2005, for example, the level of FDI in Australia was around A$300b, with the leading investor countries being the USA and the United Kingdom. Expressed as a ratio of FDI to GDP this was in the order of 3%; higher than that in most OECD economies. Australian firms, too, invest aboard. In 2005 these investments was estimated to be A$250b. with the USA, the UK and New Zealand the major destination countries.

Despite their significance, there is a lack of comprehensive information on the industrial relations (IR) practices of overseas owned MNCs operating in Australia and those of Australian MNCs offshore operations. Some of the studies include, for instance, Davidson and Guildy’s (2006) and Timo and Davidson’s (2005) review of the IR practices of MNCs in the luxury hotel sector in Australia and McGrath-Champ and Carter’s (2001) analysis of Australian MNCs operations in the Malaysian construction sector. National surveys of the IR practices of MNCs have been undertaken but these are dated and limited by the databases utilised. Walsh (2001), for example, analysed the 1995 Australian Workplace Industrial Relations Survey (AWIRS) data to show differences among MNCs by nationality in terms of their IR practices, providing some support for the ‘varieties of capitalism’ perspective regarding the policies of MNCs.

Australia’s long tradition of legal regulation of IR practices through a third party tribunal system provides an opportunity to study how MNCs develop and adopt IR practices to unique contexts. The Australian IR system has not been static, changing extensively over the past decade particularly as a result of a drive towards workplace bargaining and following the policy initiatives of the (then) conservative federal government which promoted individual bargaining, marginalised unions and severely curtailed the powers of the traditional IR tribunals. Drawing on the case study evidence of two IR disputes within one MNC this paper seeks to contribute to the understanding of the IR practices of MNCs in Australia.

Multinational corporations have had a strong and enduring presence in the Australian economy. The relative level of FDI is high in terms of the OECD and is the level of foreign ownership in the Australian economy. Over the past 20 years the industrial relations system has been subject to ongoing change in regulations and institutions. The trade union density has declined abruptly, the role of third party arbitration and conciliation has diminished, there has been a shift towards workplace bargaining and a rise in individual bargaining (Burgess and Macdonald, 2003). At the same time the contours of work and employment have shifted dramatically in terms of the industry and demographic distribution of the workforce and in terms of employment arrangements, notably the rise of non standard employment arrangements (Watson et al, 2003).
The article reflects upon the recent experience of one multinational in the aerospace sector: Boeing, a global manufacturer based in the USA. For the past decade the level of industrial disputation in Australia has been relatively low, so it is noticeable when there are major IR disputes at separate workplaces of the one MNC. Given the considerable shifts in the industrial relations environment in Australia, there is the opportunity to examine how MNCs adapt to the new environment. In the two case study organisations we can observe that both organisations have developed an aggressive stance towards employees and unions and both organisations are prepared to utilise the new IR legislation. Boeing, as an MNC has a range of options available to improve its IR conditions (eg outsourcing, relocating production), however there are limits imposed by servicing and contractual agreements, particularly procurement arrangements with governments. Boeing’s plants in Australia have quite different IR traditions, reflecting whether there is a Greenfield or an existing site. In both cases there is a pragmatic and reactive strategy implemented that in part is governed by the prevailing economic environment and by the choices offered by the national industrial relations system.

The article is organised as follows. There is a discussion of multinationals and industrial relations. Then there follows a brief review of previous studies of MNCs and IR in Australia. Following this the changes to the industrial relations system are outlined. The two case studies within Boeing are then discussed. Finally, the article concludes with a discussion regarding the choices and decisions made by MNCs in the context of a shifting national IR landscape.

**MNCs and Industrial Relations**

Collings (2008) reviewed the literature on MNCs and IR. He noted the general neglect of the area of study and its over shadowing by the research interest in the human resource management (HRM) policies and strategies of MNCs. This he attributes to the unitary view associated with mainly US based MNC research. Collings (2008) distinguished between HRM and IR in terms of a number of dimensions. Specifically, IR studies are generally employee centric; substantive issues are linked to union recognition, bargaining, pay and conditions, employee participation and dispute resolution. The review focussed on a number of key issues, specifically IR systems and MNC location, and international collective bargaining. Collings (2008) highlighted the relative under development in what he termed international industrial relations, in particular the lack of progress on the development of bargaining strategies and structures across countries. While there is an elaborate and substantive literature on MNCs and HRM strategies and policies (see Dowling and Welch, 2004), the issue of employee and union strategies in an MNC context is relatively under researched. Unions are constituted and have legal status within a local or national regulatory context, they have limited options available to them in terms of influencing workplace conditions outside of this regulatory context. While there are international forums for unions, international labour codes and international labour confederations, the actions and strategies of unions take on a very local focus.

Tony Edwards (2002) examines the transfer of employment practices across borders. While such practices are embedded in national context the question arises as to why would MNCs transfer employment practices? Edwards suggest that there are three broad reasons. First, the rational approach which is linked to efficiency gains – it pays to transfer employment practices across MNCs. Second, there is the cultural approach that is, within the national tradition of the host country for the MNC to take a particular approach towards IR. The third reason is the political approach, IR decisions assume strategic importance in terms influencing government policy or accessing particular markets. In turn there are MNC influences that shape the nature and type of transfer that takes place. These are:

- country of origin effects
• dominance effects – what national system is seen to be successful and offer a model to follow;
• international integration effects – how does the subsidiary fit within global operations;
• host country effects.

In the case of Boeing the issue of transference is considered. We can see elements of international integration in how they responded to the changed IR laws. However, the choices and constraints faced by MNCS can be very different depending upon contextual conditions. Boeing itself, though based in the USA, comes from a pluralistic tradition in that many plants and US workers are unionised, and there has been recurring disputation regarding contract settlement (Maynard, 2008).

In his discussion of MNCs and IR Cooke (2006, 333) suggests that MNCs that have IR advantages will attempt to diffuse these advantages, where no advantages exist there will be no attempt at diffusion. However, diffusion itself is not costless nor seamless, with legal and contextual barriers eroding IR strategies that are transplanted into subsidiaries. Part of the calculation governing the diffusion of IR practices centres on the role and importance of unions and collective institutions. Cooke (2006, 336) comments that “deeply embedded workplace cultures and traditions in host locations can impede the diffusion of evenly highly preferred IR strategies abroad”. However, even within these embedded traditions. Cooke (2006) highlights the very different rates of unionisation across MNCs according to industrial sector in Australia and the ability of US based MNCs in Ireland to avoid union recognition, despite the strong collectivist tradition in Ireland (Gunnigle et al, 2002). On balance Cooke (2006) suggests that where possible MNCs will pursue union avoidance strategies wherever possible. This general observation applies to the case studies, union avoidance IR policies are clearly part of the operations of Boeing, however, the choices are constrained and largely opportunistic in the Australian context.

The issue of transfer is linked to the relationship between home countries and subsidiaries, and which of the above influences shape decision making. To a certain extent IR policies will be a mix of strategic and reactive decisions. This applies in both case studies and the focus of the study is on the response of each organisation in the context of the Australian IR system. The interest is in how the changes the system have changed the approach of the organisations to IR or whether they maintain a stable approach that reflects such factors as country of origin or dominance effects. The examination here is on publicised IR processes and outcomes within both a host country (for Boeing) and country of origin (USA). In the context of the case studies examined here the focus is in part on location and IR, and in part on the response of local subsidiaries and overseas head offices to national regulatory change in the industrial relations system. The research is confined to an examination of the public record, what has been reported in the media or is available on web sites. The focus is on management strategy, union recognition and bargaining, we do not address directly trade union strategy, but do comment on the apparent absence of international industrial linkages in Boeing.

**Previous Australian Studies of MNCs and IR**

Australia has a long history of MNC presence and the fundamental research questions pertinent to the IR policies of MNCs are very relevant to Australia. Sectoral studies include those by Davidson et al (2006) and Timo and Davidson (2005) on the ER practices of MNCs in the luxury hotel sector, McGrath Champ and Carter (2001) examined the ER practices of Australian MNCs in the Malaysian construction sector and Rodwell and Teo (2001) examined the impact of country of ownership on HRM practices in the hospitality sector. Purcell et al (1999) examined the HRM practices of Japanese MNCs in Australia. McGraw (2004) examined the relationship between head offices and local subsidiaries in the development of HRM policy and found a strong degree of...
organisational turbulence in the development of policy, with organisations responding pragmatically to ongoing environmental change.

The findings suggest very different outcomes by sector and country of MNC origin. The studies of the hotel sector found an almost uniform adherence to cost minimisation and labour flexibility strategies regardless of the country of origin of MNCs. The workplaces were highly segmented and dominated by low wage and non standard employment (Davidson et al, 2006). In this sector trade union density is low and there has been a long tradition of using casual, part time and agency staff, especially for supporting operations (cleaning and catering) (Knox, 2006). In contrast, in the manufacturing sector there are relatively high rates of unionisation and the use of collective agreements to facilitate productivity improvements (Purcell et al, 1999). However, there are local variations to host country IR conventions. Japanese and German MNCs are present in manufacturing, yet it is very unusual in Australia to see bonus payment systems (Japan) or works councils (Germany) – see Purcell at et al (1999).

The Australian Workplace Relations Survey (Moorehead et al 1995) indicated that around 17% of workplaces were foreign owned. Head offices for these workplaces were primarily located in 4 countries: the USA, the UK, Japan and New Zealand. At the aggregate level the data suggested that foreign owned workplaces were more likely to have a union and a delegate present than Australian owned workplaces (table A4.1). In part this would reflect the high MNC presence in manufacturing. Using the AWIRS data Walsh (2001) tested 2 propositions. First, that foreign owned and Australian owned workplaces have similar HR strategies and practices. Second, that there would be uniformity of the HR strategies across different head offices in the Australian context. For proposition one, Walsh (2001) found that foreign owned MNCs were more likely to have developed HRM strategies than Australian owned workplaces. That is, there was likely to be more focus on training, teams and productivity enhancing HR practices within the MNCS. On the second proposition the finding was that the range of HRM strategies was more extensive in UK and US based MNCs. That is, there were differences in HRM practices according to the country of ownership. This accords with the findings of Purcell et al (1999).

The analysis of the IR policies of MNCs has largely been sectoral specific. There are several studies of the mining sector where both Australian based and overseas based MNCs have engaged in an ongoing campaign to de unionise workplaces and to offer employees individual non union contracts. In some cases MNCs have been able to use Greenfield sites to bypass unions and collective agreements. Waring (2001) outlines the IR policy of US based Peabody Coal in the development of its Bengalla mining site. In other cases the confluence of weak demand conditions and new IR instruments allowed employers to significantly alter employment conditions of mining workers (Waring et al, 2001). The two largest mining companies, BHP Billiton and Rio Tinto, have both attempted to de unionise mining operations and shift workers to individual agreements in the iron ore sector (Peetz, 2005, ch.6). There are however, limits to de-collectivisation, as world commodity prices have increased the mining companies are now more concerned about retaining and attracting skilled employees in the face of growing demand (Barry and Waring, 2006). While BHP followed Rio Tinto in developing individual contracts in the 1990s, since the expansion in demand and commodity prices there is evidence of a shift back towards collective agreements over the past 5 years (Barry and Waring, 2006).

In the whitegoods sector (Lambert et al, 2005) have outlined the consolidation of the sector in Australia to the point where all Australian owned manufacturers have disappeared. They outline the global strategy of the Swedish based Electrolux in dealing with unions and in realising cost savings. In Australia the company was able to use IR laws to limit trade union activity and change
employment conditions. According to Gillan and Lambert (2006, 147) in the case of Electrolux “it is the integration of Australian production facilities into a global production and marketing network with the consequential corporate strategic interests and priorities of local managers that have underlined a significant weakening in the bargaining capacity of unions and workers…” In the case of Electrolux the developments in IR laws in Australia enabled the company to introduce extensive changes to work practices in the context of integrating its Australian operations into its global supply chain. For manufacturing MNCs always have the opportunity to relocate production to sites that offer strategic and cost advantages. This has become easier to sustain with falling tariff protection following multilateral and bi lateral trade agreements. However, in the case of mining this option is not available. The MNCs cannot shift production offshore, and while changes in IR laws have been used by MNCs to undermine unions and collective agreements, this has been tempered by the need over the past 5 years by the need to maintain production and attract/retain labour in the face of growing world demand for commodities. MNCs are not necessarily footloose organisations, they do have choices and resources to generate options, however, as the case studies generate the nature of servicing industries mean that there are limits to relocation and offshoring.

**Legislative Change in the Australian Industrial Relations System**

The Australian IR system has been undergoing change for over 2 decades. A very collective and solidaristic national IR system as represented by the Wages and Prices Accord of the 1980s gave way to a more decentralised system of workplace bargaining in the 1990s. The Liberal-National coalition (conservative) government embarked on a far reaching program of legislative change in the 2000s. Essentially the legislative changes sort to diminish the influence of collectivism and trade unions, and promote individualism and non union bargaining. At the same time employment rights and conditions were reduced and a number of new IR institutions were introduced. This activity culminated with the Workplace Relations Amendment (Work Choices) Act of 2005. Essentially the new system moved away from the system of collective awards being supported by trade unions and third party processes, and used the corporations power of the Federal constitution in an effort to shift the industrial coverage of many workers from state tribunal systems into a Federal system characterised by individualism. As Sappey et al (2006, 2) commented

“The amendments to the Workplace Relations Act 1996 basically end the system of industrial awards that has dominated Australian industrial relations for a century. It reconceptualises the regulation of employment by putting the primary focus on individual relationships and not collective relationships. It makes individual level bargaining easier and collective bargaining harder. It places few restrictions on the conduct of employers and at the same time regulates the conduct of trade unions to an unprecedented degree. It effectively sidelines federal and state industrial relations tribunals.”

In his review of the Work Choices legislation, Hall (2006) suggested that it main features were:

- The shifting legal foundation from conciliation and arbitration authority towards corporate authority
- The rationalisation and freezing of award conditions (minimum employment conditions), the back stay of collective conditions in Australia
- Fewer regulations over agreement making, including removal of the no disadvantage test
- Increased regulation of trade unions and industrial action
- Reduced employee protection from unfair dismissal
The practice and reality of the new system was somewhat different from the claims by the government that the IR system would be simplified, that employers and employees would be given choice and that rights and conditions of employment would be protected (Hall, 2006). There were suggestions and research that indicated that employers had lost conditions; that some employers were using the laws to intimidate employees into accepting inferior conditions; that many employers and employees were confused by the complexity of the system and that many workers felt unprotected and vulnerable (Peetz 2007a, 2007b; Elton and Masterman-Smith, 2007 ). The evidence on individual agreements (Australian Workplace Agreements) suggested that they were not individualized, offered employees little choice and in many cases eroded employment conditions. The 2007 Federal election saw the IR legislation as one of the central issues of the election campaign, subsequently the opposition Australian Labor Party was elected on a platform of repealing many of the aspects of Work Choices (Gillard, 2007).

Work Choices represents a culmination of the conservative government’s IR agenda of providing employers with greater choice over labour use strategies (enshrining managerial prerogative) and limiting the activities of trade unions and reducing access to collective agreements. The expanded options for employers pre dated Work Choices. Previous legislation (notably 2001) had introduced individual agreements, privileged individual over collective agreements, diminished the status of collective agreements and placed extensive regulations on trade union activity. It would be wrong to suggest that the direction of Australian legislative change was towards deregulating the IR system, if anything there were more regulations, in addition there remained the system of state IR regulation. However, the clear direction was towards facilitating workplace agreements, with or without unions, and with fewer guaranteed conditions of employment. Employers were offered options in terms of the process and content with respect to agreement making, and they were provided with a framework to individualise and de unionise agreement making. In this benign context MNCs had their managerial prerogative strengthened and should have been in a very good position to deal with trade unions and industrial action.

**Boeing: Complexity and Industrial Turmoil**

Boeing is the leading global aerospace company with commercial and military airline manufacturing. It is based in Chicago and employs over 160 thousand persons across 70 countries (Boeing, 2008). Boeing has many unionised plants in the USA and has been hit by recent disputes such as the strike by machinists at its Portland and Wichita plants in 2005 and a national strike by machinists in 2008 (The Australian, 2009). Many of the company’s workplaces are unionised and they have collective agreements in place with the unions. In September 2008, 27 thousand machinists went on strike over a new contract. The strike was eventually resolved over 57 days, it was estimated that Boeing lost US$100m. for every day of the strike (The Australian, 2008). In its home country context unions, industrial disputes and collective agreements are part of the company’s operations.

It is the dominant firm in Australia’s aerospace industry. According to its website (Boeing (n.d.) it has over $800 million invested, employs towards 4000 people at 28 sites and is a ‘significant contributor to research and development, training and investment in its people in high tech new jobs, and generates millions of dollars in export revenue every year. Boeing is Australia’s most capable aerospace organisation’. Some of the worksites are unionised, others are non unionised, and even across those work sites that are unionised there are often different unions representing tradeworkers and engineers. In part this even union coverage represents the fact that some locations are brownfield where Boeing has acquired an existing site, other sites are Greenfield, especially where Boeing is servicing defence force jets, often in isolated locations. Two recent disputes involving the firm suggest though that in pursuing ‘capability’ Boeing has adopted quite
‘hard-line’ industrial relations strategies in some of these disputes. However, there are limits to extreme managerial prerogative, even for an MNC and even within a Work Choices context. Boeing is interesting since there has been quite a number of disputes across its Australian operations at a time of low level disputation, however these disputes are quite local, involve local issues and have not spread across plants. We can observe quite plant specific responses and IR strategies. The two examples that are presented below represent very different IR disputes. One is about the right to collective bargain; the other is a rare “wildcat” strike in the context of employee dismissal.

Boeing: Williamtown

Boeing provides contracted maintenance services to the Royal Australian Air Force fighter base located at Williamtown in New South Wales near Newcastle. The Military Aerospace Support subsidiary of Boeing a history of individual agreements; other sites were unionised with collective agreements

A series of grievances were raised at the workplace in 2004 regarding working conditions. These were not resolved. Subsequently a section of the workforce sort union membership and a collective agreement. The dispute which commenced in 2005 when Boeing rigorously refused to negotiate a collective agreement for the site. It is beyond the scope of this paper to detail the complex set of legal and industrial relations strategies and tactics adopted by the company, a number of the maintenance employees, the Australian Workers’ Union (AWU) and the New South Wales government (see Whittard et al, 2007) however a number of key features of the dispute, pointers to Boeing’s approach need to be highlighted.

Essentially, the dispute was over the right of workers to collectively bargain over Boeing’s determination to retain individual contract arrangements. In support of their demand, a group of the workers, joined the AWU and mounted a strike (some argue that they were, in effect, locked out) and community picket line for over 200 days. Boeing was able to legally resist as, contrary to the International Labour Organisation Conventions on the right to collectively bargain (Australia is a signatory), an employer cannot be compelled to negotiate collectively. In their article Whittard et al (2007: 10) found that it was ‘not an easy task’ to identify Boeing management’s reasoning even ‘given the extraordinary length of the dispute, the disruption it created and the costs it imposed on all parties, and the enormous media and political attention it aroused . . .’. They do cite evidence though of Boeing’s preferred emphasis on individual agreements; a preference which was consistent with their acceptance of employees rights to join unions but unwillingness to bargain collectively (with or without union representation). For example, they cite the inquiry by the NSW Industrial Relations Commission into the Boeing dispute. The Commission found that (IRC, 2006: paragraph 168):

“Therefore, we consider the fourth reason advanced by Boeing to justify its position is properly characterised as one whereby it wishes to avoid, as far as possible, any context in which it is required to engage in negotiations about the terms and conditions of employment of its employees, and to limit the capacity of its employees to be represented in such negotiations by a union. We accept that this approach, from the point of view of Boeing’s self-interest, provides a rational basis for Boeing’s refusal to enter negotiations for a collective agreement. The system of individual contracts which it has established is one, however, which entrenches an inequality in economic and workplace power between Boeing and each of its employees at Williamtown, and thereby maximises Boeing’s discretionary capacity to set and change terms and conditions of employment to suit its own interests. A departure from that system to one of collective bargaining with a union
would, for Boeing, carry the risk of diminishing this inequality of power or limiting or removing Boeing’s discretionary capacity…’

Subsequently in Oct 2006 Boeing announced a non union collective agreement at defence sites – collective agreements were now acceptable, but trade unions were not. The company had switched towards the acceptance of collective agreements but sort to exclude unions from its defence establishments. This outcome was remarkable given the lengths Boeing went to resist collective agreements. In this case Boeing was able to use the existing IR legislation to resist collective bargaining and trade union presence.

**Boeing: Port Melbourne**

The second recent case is instructive in that in this instance Boeing’s operations were unionised. In April 2008 a major dispute occurred between Boeing, its workforce and the Australian Manufacturing Workers’ Union (AMWU) at its subsidiary Hawker de Havilland Aeronautics plant located at Port Melbourne. Arguably, the dispute at the plant gained national media attention for three reasons - the facilities’ important role as part of Boeing’s international supply chain, providing components for the new-generation 787 Dreamliner manufactured in Seattle, the extensive resort to legal remedies used by the firm and, more broadly, because its news worthiness given the current record very low levels of industrial action being experienced in Australia (Skulley, 2008a). Briefly, the dispute arose over the dismissal by the company of two workers which, it claimed, had been involved in time sheet irregularities and led to a ‘wildcat’ strike by the 700 workers employed at the site. This is itself of interest since the then IR legislation reduced the ability of employees to engage in strike activity. A picket line was also established. Boeing reacted in a series of legal moves which started with an application to the Australian Industrial Relations Commission (AIRC) for an order not to take industrial action. When the order was ignored, the company sought an injunction from the Federal Court of Australia which, if it not complied with, may have resulted in the AMWU and, potentially, individual workers being sued for damages. Boeing claimed that it was losing $1.2 million a day and that the strike posed a serious risk to the supply of components to the USA (Skulley, 2008b).

Much of the argument in the Federal Court which was heard by Justice Marshall went to the issue of whether the AMWU had covertly agreed to the industrial action. Counsel for the company claimed the Victorian Branch secretary of the union had given ‘a nod and a wink’ to the strikers; an allegation which the union denied (Skulley, 2008a). The court decided to issue an injunction which ordered a return to work and which required the AWWU to assist with the order being satisfied. Later the court rescinded the injunction against the AMWU on the basis the union was not engaged in organising the strike (Workplace Express, 2008a).

In issuing the injunction Justice Marshall was reported as saying that ‘the rule of law was important and ‘“it doesn’t look good” . . . when people flout court orders’ and that while the workers were “technically in contempt”. . . he did not propose to do anything about it at this stage’. Interestingly too, particularly for the purposes of this paper, in the obiter dicta his Honour pointed to Boeing’s responsibilities (Skulley, 2008b):‘But the company can do something about it at very short notice and there may come a time when they do something about it, however distasteful it is’. A comment possibly suggesting that the obligation to resolve the dispute fell to the firm.

Other commentary was more direct. The Green Left Weekly, for instance, pointed to a number of actions by Boeing which they contended were consistent with the company’s ‘anti-union’ strategies; a position which had been facilitated by the changes in the regulatory settings under the Work Choices amendments to the federal industrial relations legislation. The newspaper claimed that Boeing’s other Australian operations were ‘either almost totally non-unionised or dominated
by industrially weaker unions’ (Windisch, 2008). Citing AWMU delegates and other sources at the plant, it argued that the company dismissed the two employees without activating the agreed dispute settlement procedure, instigated legal action which threatened personal liability for damages rather than seek a negotiated resolution and ‘launched a campaign of misinformation and intimidation’ by writing and telephoning the employees directly. Boeing also convened a meeting at a local sports arena which was attended by ‘several hundred’ workers. Apparently, it provided an opportunity for the company to reinforce any disunity among the strikers by communicating the message that those who returned to work would not be subject to any action for damages. The Managing Director issued a statement which said, inter alia (Workplace Express, 2008b):

Following a discussion of a range of issues, many employees favoured a return to work and decided to put a formal vote to a mass meeting on site at 0800 on Friday. In return, the company undertook to drop any legal action against employees who return and stay at work through the life of the current EBA. The dispute was resolved on the basis of a return to work (the strike had lasted for three weeks), that an unfair dismissal claim would be lodged to the AIRC and that all legal action against the AMWU and the employees would be discontinued. After the dispute’s settlement, the AMWU (AMWU, 2008) placed a statement on the union’s website which indicated the dispute had originated in the inability of the problems over the time-keeping system to be heard by the AIRC. Boeing was indirectly held responsible in the union’s view by arguing that the Commission did not have the jurisdiction to deal with the dispute. Overall, however, the dispute showed that ‘there is a need for good workable IR laws which allow workers and employers to sit down and sort these problems out. Legal tactics to prosecute workers were never going to resolve the dispute.

In this case we can observe that Boeing was prepared to use the Commission and the industrial laws to limit industrial activity. However, its scope for unilateral action was limited by the fact that the strike took place without trade union sanction and that the plant held a strategic position in the supply chain for the construction of the 787.

Conclusions
Across Australia Boeing has a mix of union and non union plants, individual and collective agreements. The Williamtown and Melbourne disputes were about different issues but demonstrated that the company was prepared to use the IR laws to exclude unions in one case and to penalise unions in the other case. Subsequently there has been a strike at its Sydney plant over reaching a collective bargaining agreement with its workforce (Sydney Morning Herald, 2008). There are limitations imposed on offshoring or relocation since in the main Boeing services commercial and military aircraft based in Australia. Also it is clear that some plants are unionised and bargain collectively, others are non unionised and have individual agreements. The IR laws were used to exclude and penalise trade unions, but the company is still engaged with and bargaining with unions at many of its sites.

The Australian industrial relations system has undergone significant changes over the past two decades. In this time the legislative intent has been to encourage more decentralised bargaining, reduce the influence of third party tribunals, introduce non union and individual bargaining, and more closely regulate trade unions. The 2005 Work Choices legislation represented the culmination of this shift towards a different IR regime. In terms of the choices available to MNCs with respect to IR the recent legislative changes have expanded employer choices and improved the ability of employers to limit trade union workplace access, limit industrial action and implement individual and non union agreements. In some sectors, such as mining, there was an extensive push by MNCs to de unionise workplaces and move to individual agreements, however, this has been tempered by changing commodity market and labour market conditions (Barry and Waring, 2006). In the case of
Boeing we can observe a pragmatic response at each workplace to the development in the IR laws. We can observe that collective bargaining avoidance was pursued to extraordinary lengths in the case of Williamtown, but in the case of Port Melbourne it had to deal with a unionised workforce and it was able to resort to the threat of legal sanctions offered by the recent legislation against the trade union and its members. The IR laws have had some influence in organisational tactics. Cooke (2006) suggests that where possible MNCs will pursue union avoidance strategies. This general observation applies to one of the case studies, union avoidance IR policies were part of the Williamtown dispute, however, the choices are constrained, the processes are different at each workplace and largely opportunistic and pragmatic in the Australian context. However, there are limits to managerial unilateralism as there were potential problems for its global supply chain from the disruption of production at the Port Melbourne plant. In Williamtown, by 2006 a collective bargain was struck, despite the resolution against collective agreements in 2004 and 2005.

References
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