

Labour Management and Firm Financing: Explaining Workplace Change in CUB's Breweries, 1991-2003

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The nature of the relationship between company financing and labour management has become increasingly analysed in recent years. Companies in countries characterised by large and relatively liberal capital markets are generally seen to favour market mediated relationships with workers, customers, suppliers and financiers. Moreover, management in these companies are more likely to prioritise the interests of financiers over other parties. Together these observations create a relatively bleak outlook for labour. While there is a growing literature around national systems of corporate governance and models of corporate financing, the extent to which these aggregated tendencies impact on individual company and enterprise level operations remains relatively untested. Some scholars have argued that management retain a capacity to make strategic choices about labour management and that indeed the extent to which companies are sensitive to capital market pressures will vary greatly.

This paper examines the labour management choices made by Fosters, a large Australian multinational company, with respect to its brewery workforce, specifically at its Kent brewery in New South Wales. Fosters management elected to develop a partnership arrangement with its unionised workforce in order to introduce a substantial workplace change program. This change program combined both a focus on cost cutting and skill development. Fosters introduced this program at a time of corporate crisis with the company heavily indebted and unprofitable. That such a program was introduced in this particular context reinforces the notion that strategic choices remain open to management in terms of their approach to labour management. The tightness in financial markets was important for encouraging management to introduce operational reforms at the brewery. However, these conditions did not determine the pursuit of a partnership approach to change.

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