

# Outsourcing Trade Union Recruitment: A new model for rejuvenation



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# Union decline



- Do you union strategies matter?
  - Internal and external causes
- Unmet demand
- Oesch (2012) – 2 strategies
  1. Retention
  2. Recruitment – preferred strategy because unions have more control over inflows than outflows
- Emphasis on organising over recruiting

# Work Partners



- Recruitment service for unions, charities and business
- Fee = 1 year of membership fees per member recruited
- Recruiters focus on the benefits of being in a union
- Face-to-face conversations
  - ‘You have to have an authentic conversation. You know, eyeball to eyeball, about the benefits that are there. So you have to wear out a lot of shoe leather, you know, talking to people. That’s the key thing that you can never do enough of, essentially’ (Stuart McGill)
- Based on ‘chugging’ – charity mugging
- Dedicated recruitment strategy – decoupled from organising

# Successes



- **Australian Education Union**
  - Increased TAFE membership by 67% in 2 years
  - Overall, 7000 new members in schools, TAFEs and early childhood centres over 2 years
  
- **Australian Manufacturing Workers Union**
  - Recruited enough members in K-Mark Autos to run an enterprise bargaining campaign

# Outsourcing



- Contracting out a function, either previously performed internally or where there is a new need, to an independent organisation
- Economic rationale:
  - Reduce costs – redirect labour costs from high-wage labour markets to low-wage labour markets
  - Transferring risks to contractors while enabling the principle to retain control over the service (ie. transfer the responsibility of employee relations to a third party)
  - Focus on core business
  - Lack of in-house resource
  - Increased flexibility

# Working for Work Partners



## Conditions

- Casual employment on common law contract
- Base rate + bonus for each person recruited + further bonus if members stays longer than 3 months
- High churn rate
- Regular motivation, training and mentoring for staff

## Scandal

- Off-shore call centre in Philippines planned
- Failure to pay superannuation and other entitlements to staff
- Slow to negotiate workplace agreement with NUW
- 5 months after scandal broke, Work Partners ceased to operate, and workers owed money
- Several new companies registered by McGill or associates

# Outsourcing Concerns



Jeff Lawrence (former ACTU Secretary)

- As a matter of principle, unions could not have ongoing commercial relationships with an employer which does not pay workers their basic entitlements (*The Australian*, 2011)

Tony Sheldon (National Secretary, TWU)

- Union should set a higher standard when it comes to employment contracts in outsourcing (*The Australian*, 2011)

# Response



- **Unions reassessed relationship with Work Partners**
  - Reluctance to disassociate
  - Sought assurances from Work Partners that staff would be paid appropriate and union contract negotiated
  - Resigned with new companies
- **ACTU has established ‘in house’ recruitment team to provide direct recruitment services to individual unions**



# Outsourcing Concerns



Paul Howes (National Secretary, AWU)

- ‘A union isn’t something you sell. It’s not steak knives, it’s not Union Shopper, it’s not discounted home loans. It is an industrial organisation made up of working people collectively organising to get a better outcome collectively. It’s a whole notion of what it is to be a union, so my issue with professional salespeople is that you’re actually diluting what it is to be a union.’ (7.30 Report, 2010)
- ‘We don’t use them. We are not going to use them as we don’t think you can outsource core union work’ (*The Australian*, 2011)

# Response



- It's not outsourcing
  - Work Partners supplemented existing union recruitment
- Unions already outsource legal advice and call centre work. What is different about recruitment?

# NTEU



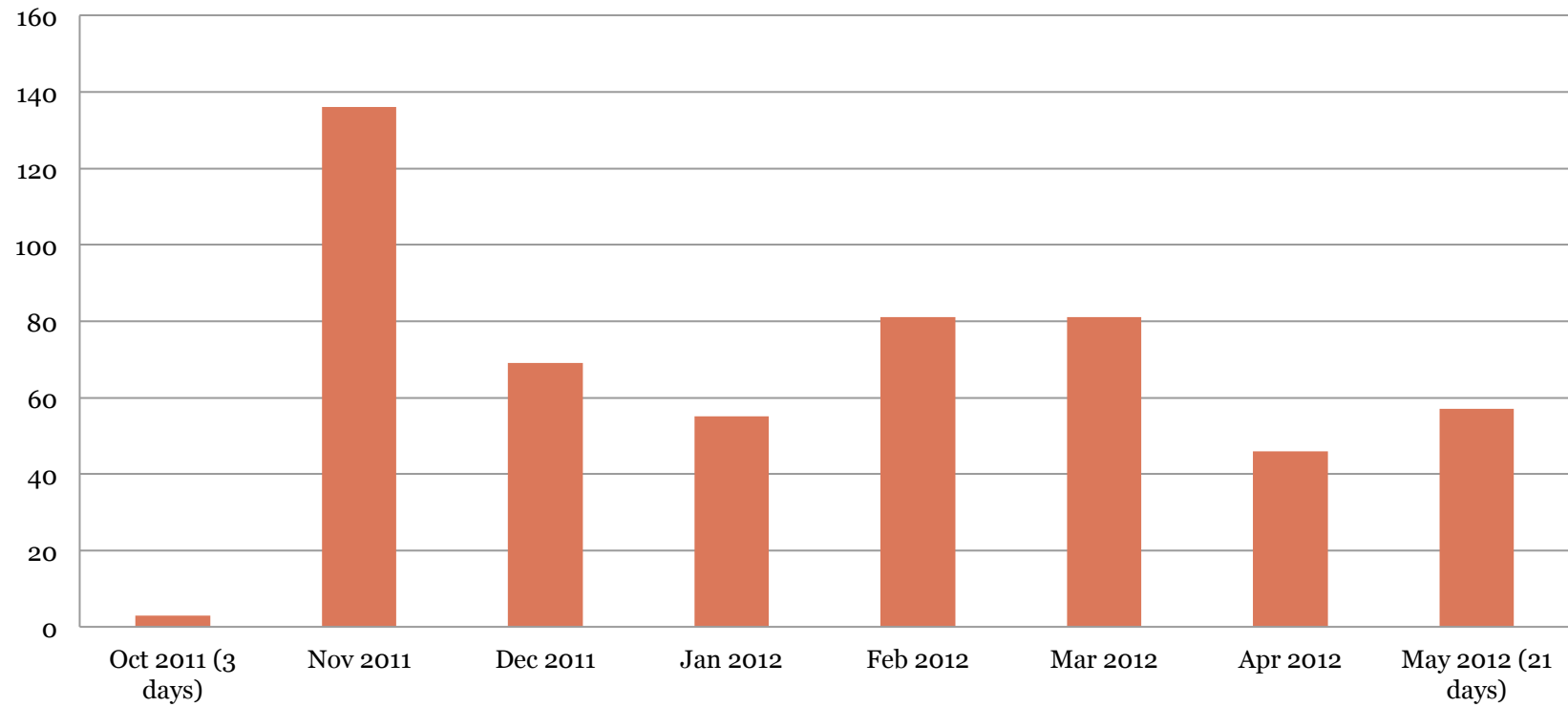
- Represents academic and non-academic staff in universities as well as administrative staff in TAFE and adult education
- Membership in decline – particularly academic membership
- Recruitment strategy has been linked to organising approach
  - Development of delegate structures
  - Campaigning around workplace issues and enterprise bargaining
- Limited recruitment training

# NTEU and Work Partners

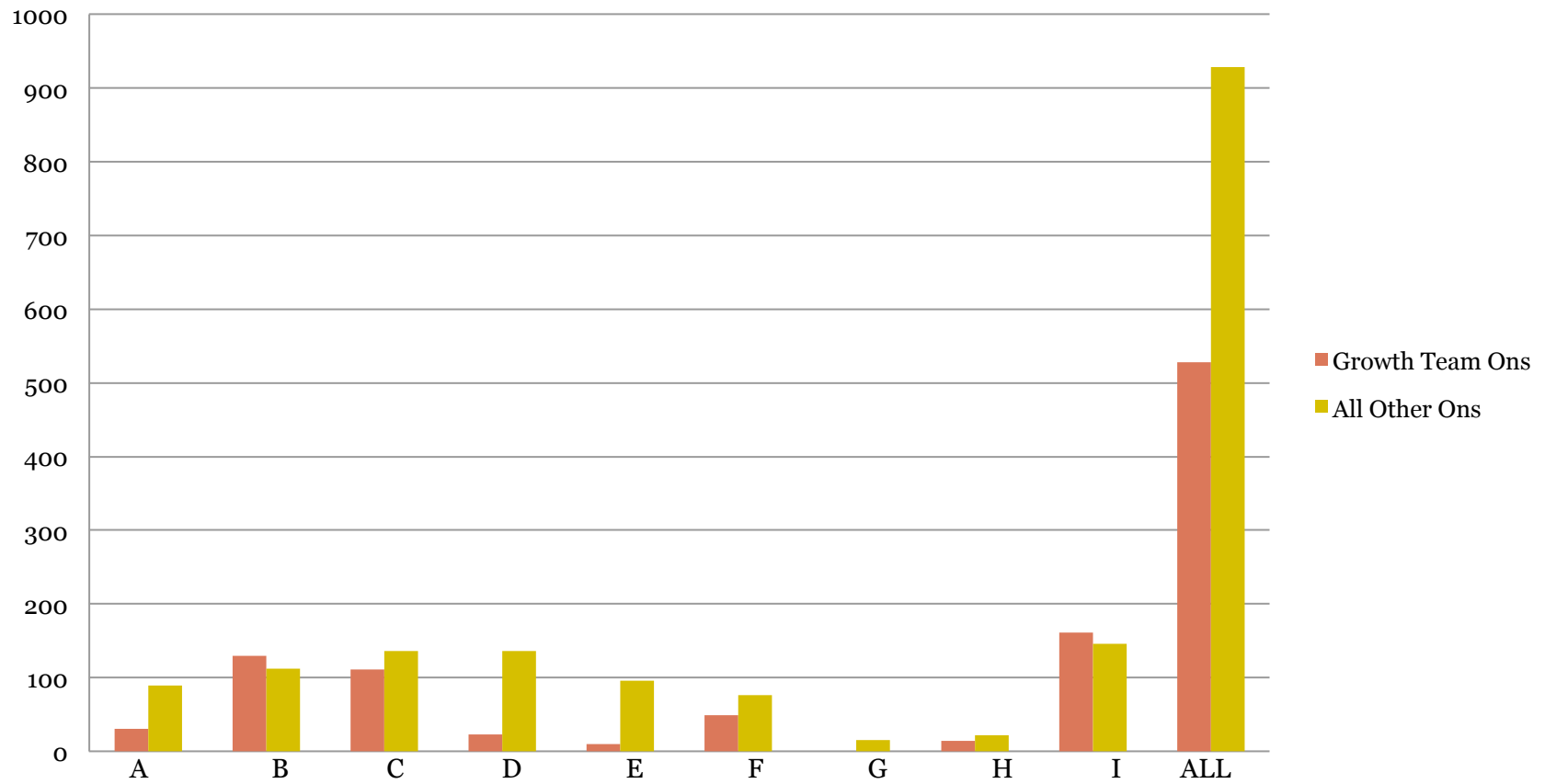


- **Work Partner Trial July 2011**
  - Immediate results
  - Some concerns about the focus of Work Partners recruiters
  - NTEU not seen as 'easy' by Work Partners recruiters
- **Established NTEU Growth Team after Work Partners collapses**
  - Employed three former Work Partner recruiters
  - Changed the script – less emphasis on Union Shopper
  - Recruiters had more contact with the branch
- **Net growth of 1000 members in Victoria since July 2011. Would have been net decline of 39 members without Work Partners or Growth team**
- **Variability in success across branches**
  - Extent of contact and integration with local branch

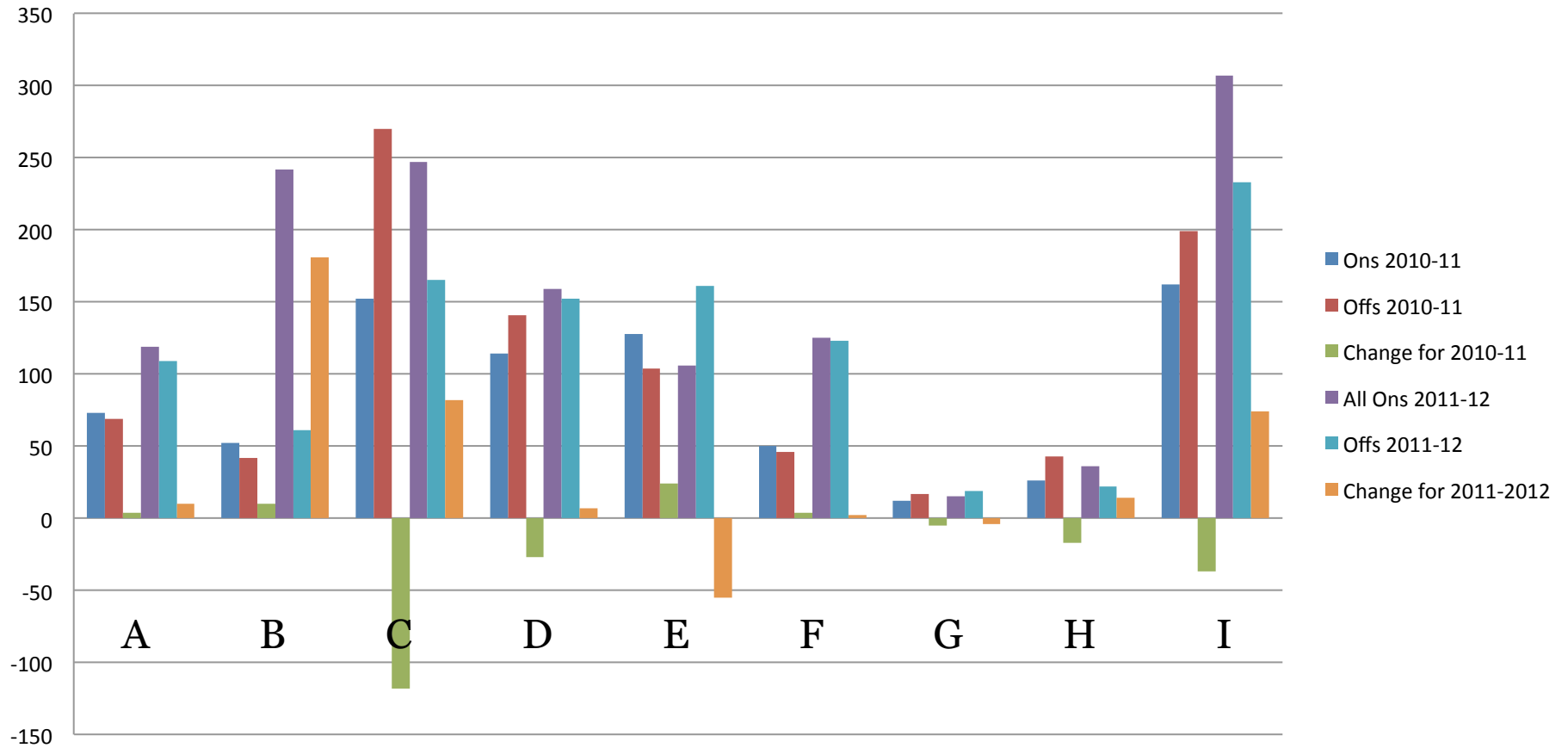
## Growth Team Recruitment Oct 2011 – May 2012



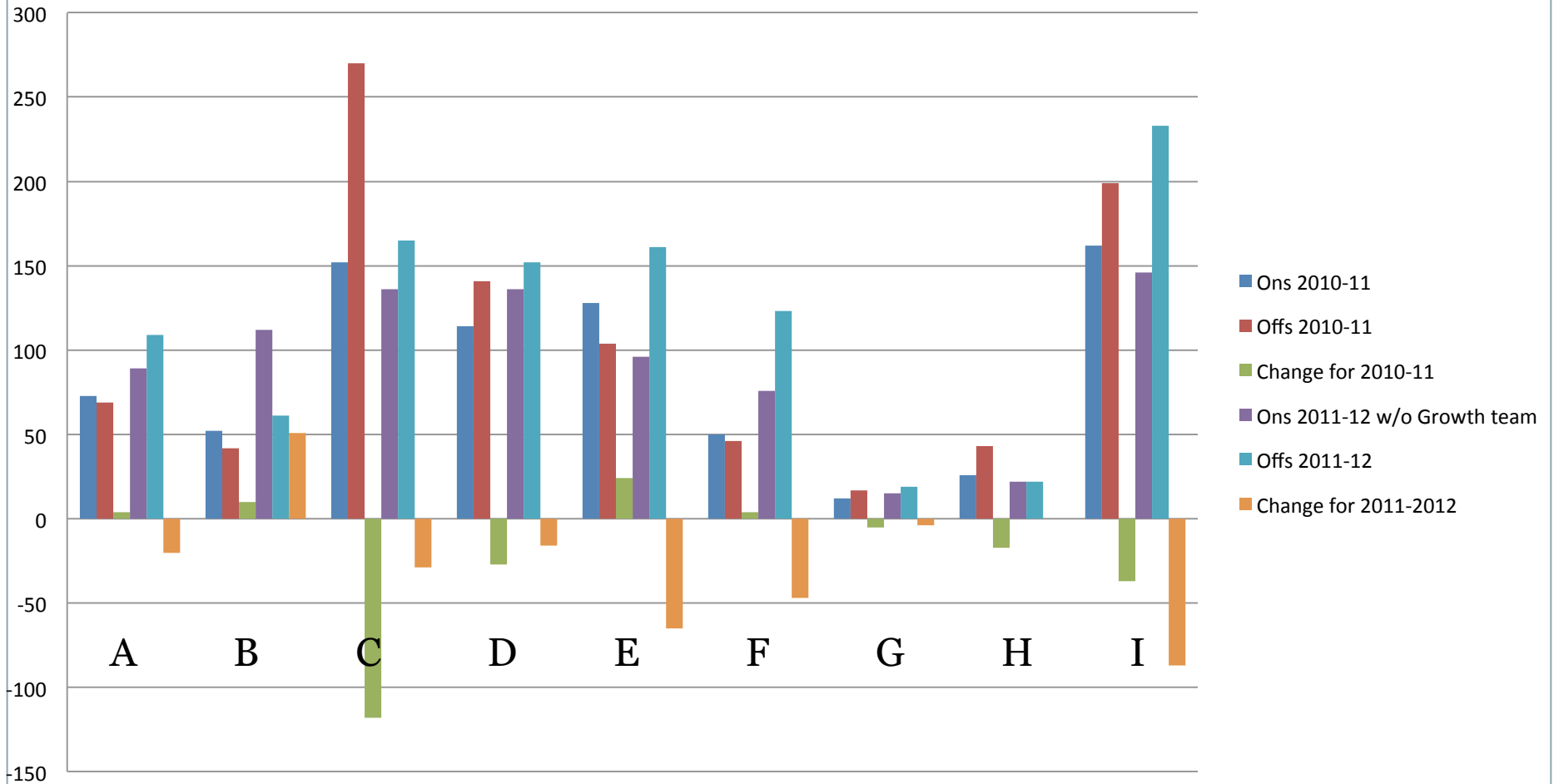
## Branch Recruitment, 27 October 2011 - 21 May 2012



## Changes in Branch Membership, Nov-May, 2010-11 & 2011-12

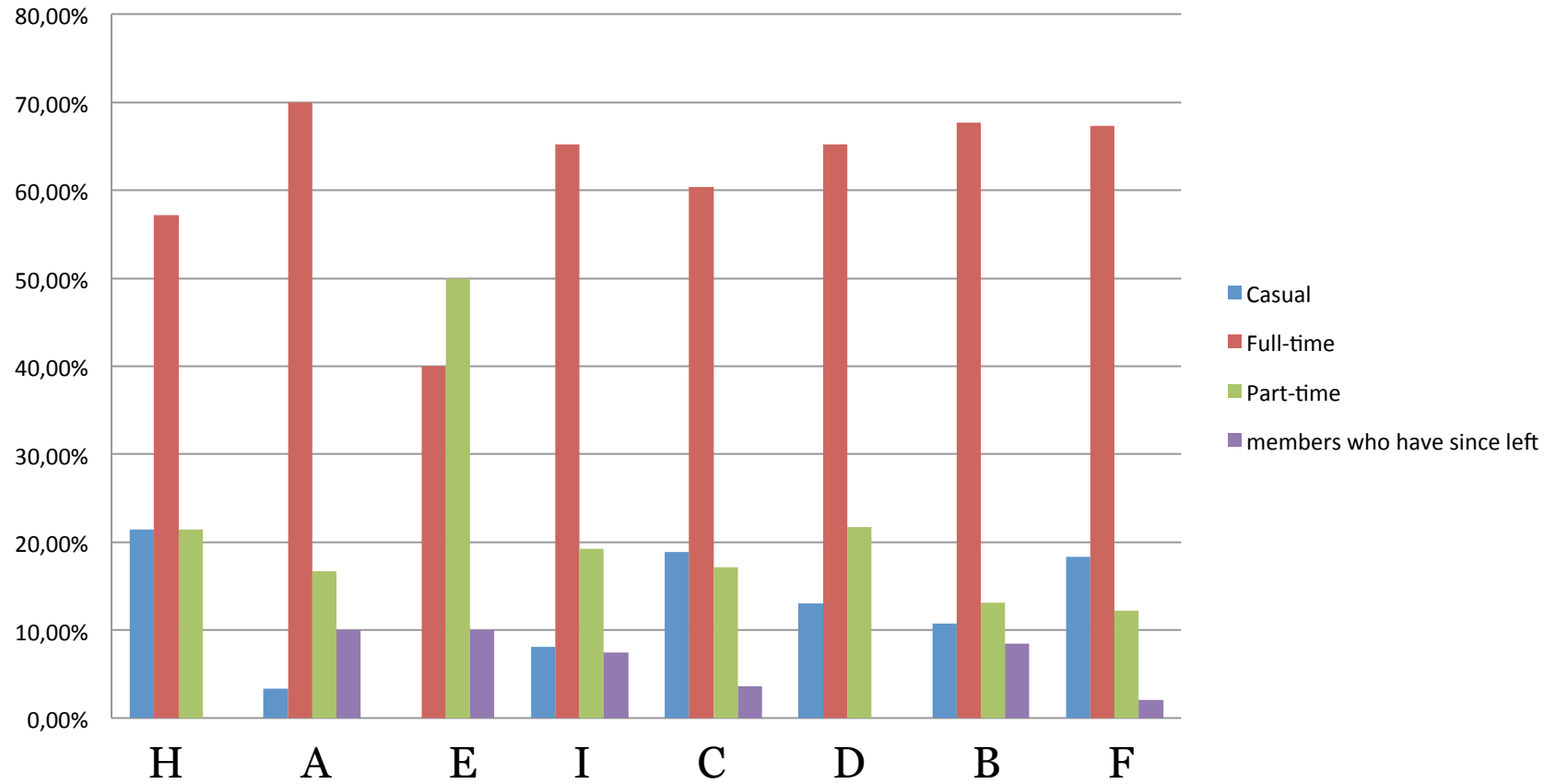


## Changes in Branch Membership, Nov-May, 2010-11 & 2011-12 (Growth Team Ons excluded)

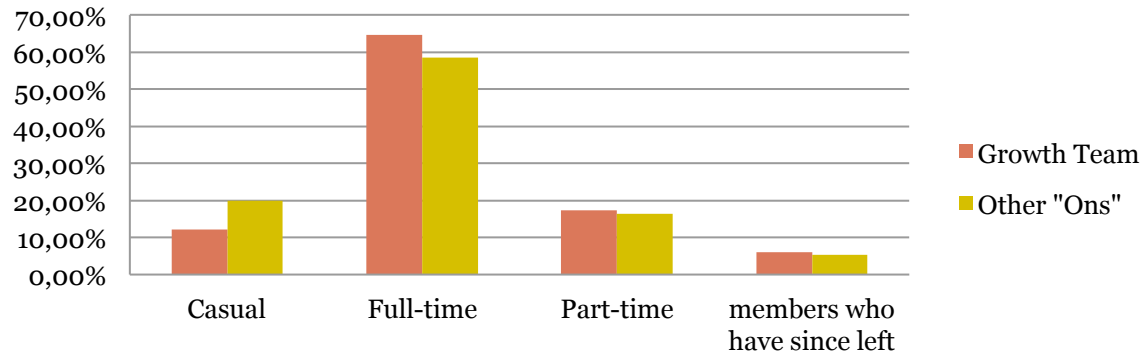




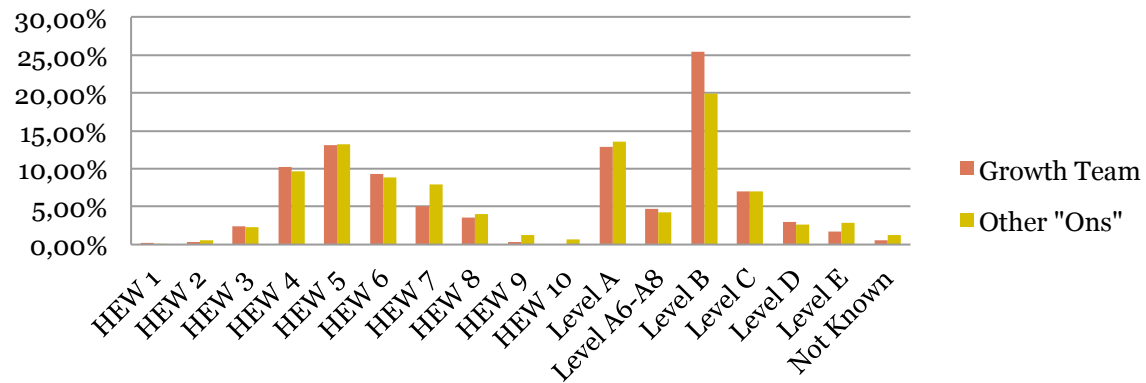
## Categories recruited by the Growth Team



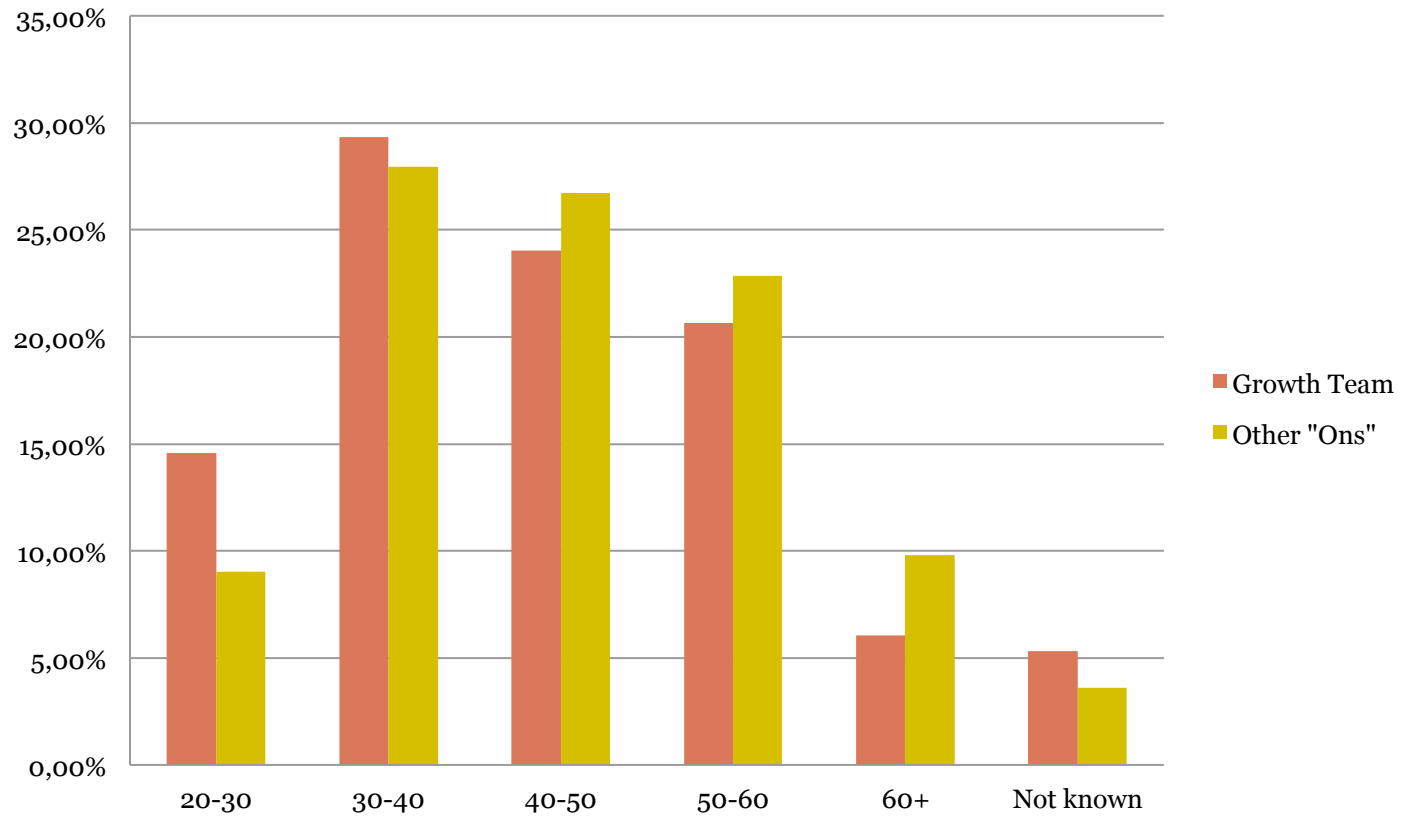
## Member category as % of all "Ons"



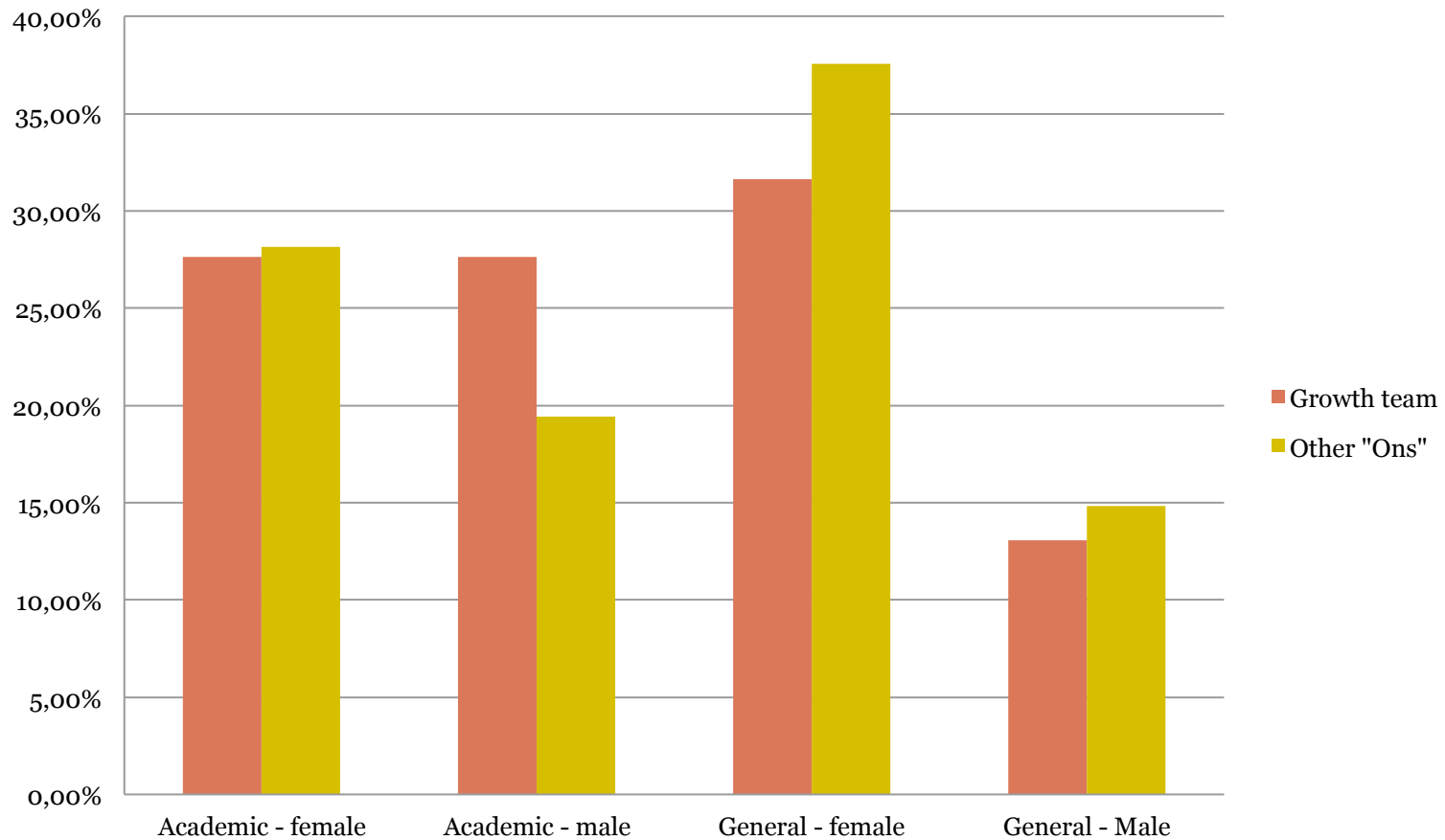
## Classification Levels as % of all "Ons"



## Age Groups as % of all "Ons"



## Academic / General by sex as % of "ons", 27 Oct 2011 - 21 May 2012

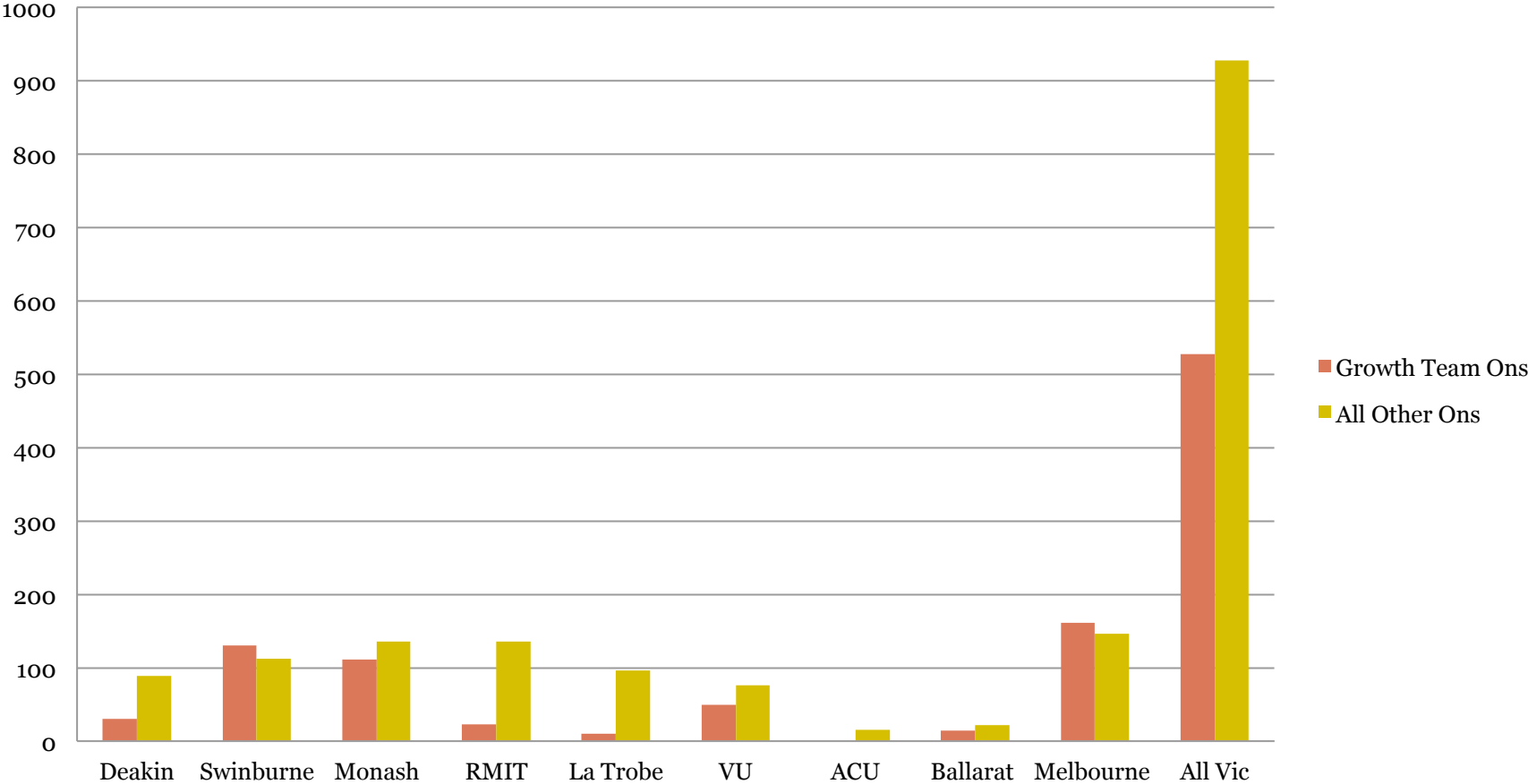


## Despite success, there are some concerns...

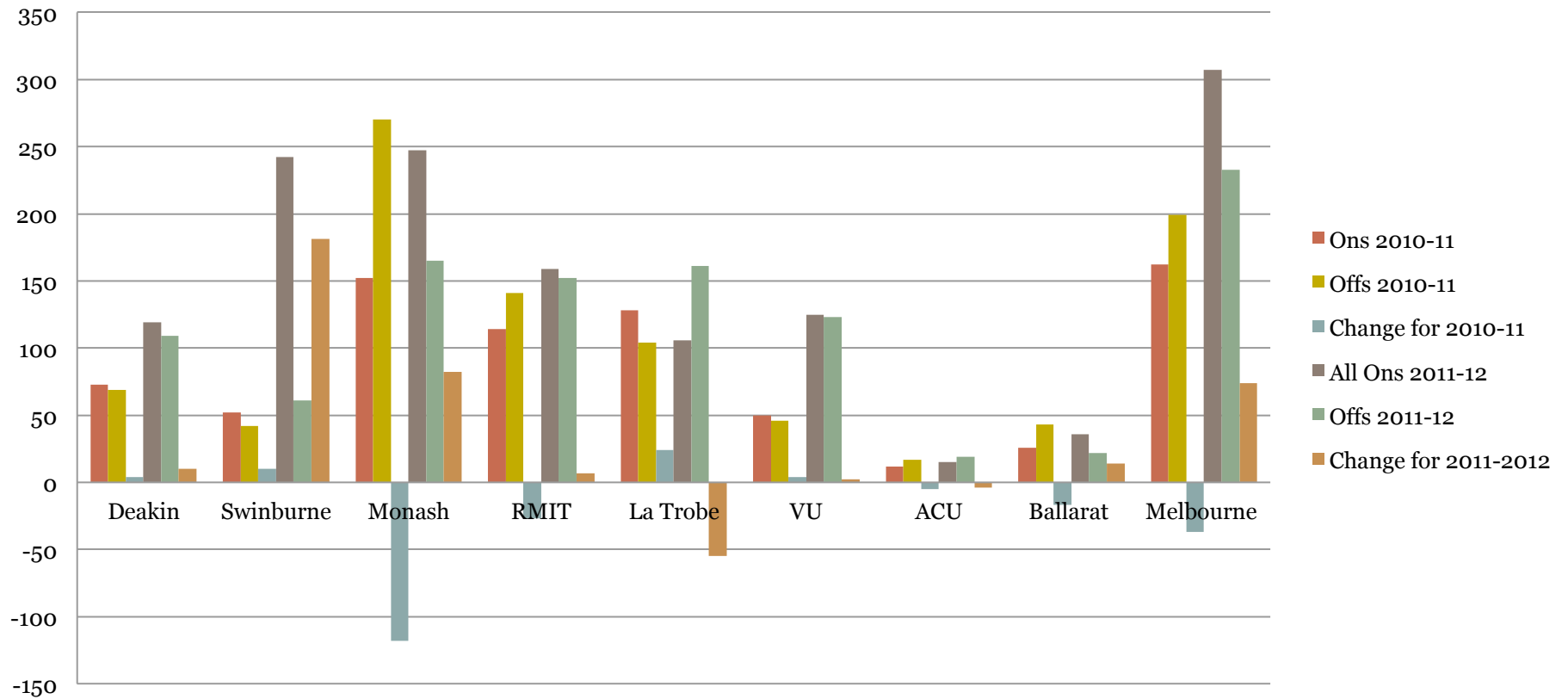


- In-house model unsustainable financially in the medium to long-term
- Concern that the success of the Growth Team will plateau over time
- Fit between recruitment and organising and campaigning
- Options for future include a return to outsourcing to provide more flexibility

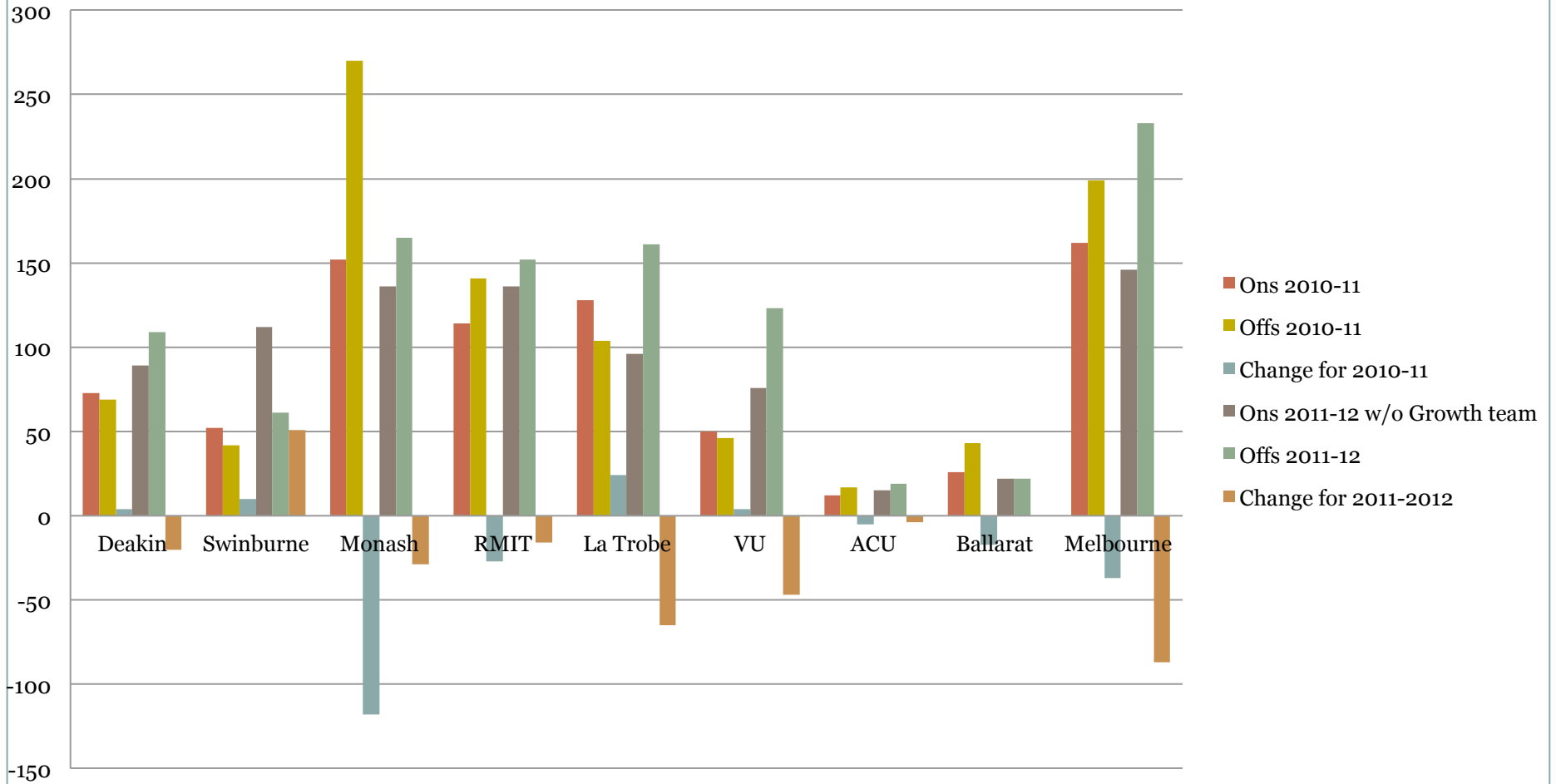
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