

Productivity and Labour: Four Paradoxes and their Implications for Policy

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I first met Russell Lansbury when he was academic adviser on the conduct of the first Australian Workplace Industrial Relations Survey (hereafter AWIRS, for details see Callus et al, 1991). At that the time, labour's contribution to productivity was a matter of acute public and policy concern. The Business Council of Australia had recently released its report *Enterprise Based Bargaining: A Better Way of Working* (BCA, 1989). Although it is little discussed today, this report had a huge impact on industrial relations policy. It was based, in part, on two large-scale surveys of BCA members: one of CEOs and one of their workplace managers. A core finding of this publication was that if policy makers implemented the agenda of greater marketisation of relations at work there would be a 25 per cent boost in labour productivity (BCA, 1989: 34).

A short while after the release of the BCA report, we published the findings of AWIRS – a study based on a rigorously constructed stratified random sample of workplaces and many, many months devoted to designing a robust survey instrument. Unsurprisingly, many of the AWIRS findings contradicted those of the BCA. Russell spoke as the academic commentator at the Sydney 'roadshow' held to disseminate the AWIRS findings to the interested public. He noted a number of these quite major inconsistencies in the AWIRS statistics and the BCA assertions which, by that stage, had become conventional wisdom in many industrial relations policy circles. But he made an even more telling criticism of the BCA study. He argued that

* This chapter draws on research I have undertaken over the past decade with colleagues at the Workplace Research Centre (previously known as ACIRRT) at the University of Sydney Business School and elsewhere, especially Karel Williams, Julie Froud and Sukhdev Johal. Wherever possible I have cited relevant publications summarising our findings. Assistance with retrieving and processing the data on the dairy farming sector was provided by Stephen Coats, Astrid Dahl and Serena Yu. Helpful editorial advice was provided by Keith Hancock. All errors of fact and judgment are my own.

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disappeared. There can be no going back. The so-called golden age had its problems – especially for social minorities, for women and the environment. Any enduring improvement in productivity today will require the creative engagement with market forces so effectively elaborated by thinkers such as Keynes and Beveridge. But in today's world the social coalition that needs to be involved in this engagement must be more diverse and embrace a wider, more complex agenda – especially on the issues such as the character and not just the quantity of work, production and consumption (Buchanan et al, 2006; Buchanan et al, 2009).

Throughout his life as a researcher in industrial relations and organisational change, Russell Lansbury explored issues relevant to this endeavour. From his early work on industrial democracy to his later work on comparative industrial relations he explored issues relevant to fair and sustainable social coalitions at the enterprise, sectoral and national levels. Those concerned about improving productivity today have much to learn from this work and the analytical traditions from which it springs. As the flaws in the currently dominant productivity narrative become increasingly apparent, we can only hope that more policy makers and academic researchers will appreciate the significance of his contribution and that of the tradition to which he so ably and generously contributed.

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