

# Measuring productivity

## The key to enterprise bargaining



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When ALIA members seek help with enterprise bargaining, two questions are dominant: 'How do we measure productivity?' and 'What performance indicators can we use?' These are not easy questions but they capture the essence of Australia's new approach to industrial relations.

To answer them, first we must ask what we mean by productivity. Do we want to provide more services for the same cost; the same level of service for less cost; a greater return to shareholders or owners; or simply a reduction in direct costs? Only when there are clear objectives can there be any useful measurement of progress. Too many organisations are prone to head down a productivity enhancement track without clearly defining either their goals or their current performance level.

Productivity bargaining is now central to industrial negotiation and wage fixation throughout Australia. Basically, it involves change at the workplace for improved wages and conditions. But productivity improvement should be about more than giving up a benefit in exchange for a pay rise. If that is all bargaining amounts to it can be only a very short-term process. An economist might define productivity improvement as the effective use of all resources to remove waste and reduce the time taken to deliver a higher-quality product or service. If this is so, much more than direct labour costs and work practices needs to be included. For sustainable results and continuing gains there has to be a wider agenda.

But if managements need to take a broader view, so too do librarians. Often members bemoan the difficulty of measuring efficiency. Sometimes they say: 'library services can't have quantified performance measures; it's not that sort of work'. In a labour market environment dominated by performance-based pay, competition policy and the quest for efficiency improvement, this is an industrial suicide note. It can lead only to decline, for libraries and for librarians. 'If you can't measure it, get rid of it' is a mantra for many industry sectors now, whether we like it or not. And if we don't want to be forgotten we had all better start measuring what we do and how well we do it.

It is certainly true that some work lends itself more easily to simple numerical targets. But the argument that 'service based' activity cannot be measured is often code for laziness. Frequently, a claimed inability to measure performance masks a failure to define what is important in the first place. Nobody, surely,

would suggest a library service cannot identify its critical success factors — those things it must do and do well to meet its charter. And any diligent professional will know what can be done better. Therein lies the basis for a productivity improvement program and the measurement of progress toward its achievement.

Specific performance indicators for library settings have been the subject of much analysis which some ALIA members will be familiar with. The work of Marianne Broadbent in Australia and Susan Jurow in the United States of America will spring to many minds. And a massive resource for the subject is Exon and Williamson's *Performance indicators database: selecting the best performance indicators for your library*, Curtin University, ISBN 1 86342 579 0, reviewed a year or so ago by Jennifer Cram in *The Australian Library Journal*, vol 46, n° 1. So there is no shortage of expert opinion on which to draw.

But what of the process for effective adoption of productivity and performance matters in industrial arrangements? There must be proper consultation between management and staff in developing formal provisions for inclusion in an enterprise agreement or industrial award. If there is no common ground at the outset, no more than lip service will be given to the program and little will be achieved. Staff will certainly need information on what is planned, but they can have too much information. A disorganised process where masses of data are circulated randomly will only help to confuse people. All work areas should be involved in planning. There should be a systematic process for solving problems. Everyone should understand how performance measures will be used. Adequate resources should be provided and there should be training of staff in how to work with the process, where that is necessary. Time frames have to be realistic. And, critically, there must be feedback on, recognition of and rewards for performance.

Some time ago, ALIA's booklet *The importance of productivity*, in the enterprise bargaining and workplace reform series, set out approaches for formalising agreements on productivity improvement. It remains relevant. Together with the the sources of information on library-specific performance indicators cited above, it forms a sound framework on which ALIA members can construct arrangements which suit their own particular work environment. Those who have yet to grapple with performance measurement should do so without delay. That way lies the only route to better wages and conditions in the future. ■

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