



Phil Teece

*Manager, Personnel &
Industrial Services*

On the eve of a major lecture tour of Australia, one of America's most respected management academics has blasted the approach to productivity improvement used by many large organisations.

Paltry quick fixes create havoc in the future

Writing in last month's *HR Monthly*, Wayne Cascio, Professor of Management and Director of International Programs at Denver's University of Colorado, says many companies are trying only quick fix solutions, often producing short term results he describes as paltry, when compared to the enormous long run damage they do.

At the heart of the problem according to Cascio is a management mania with cost cutting in general and 'downsizing' in particular. He accuses many executives of blatant hypocrisy in their handling of the workforce: while senior managers often glibly repeat 'people are our greatest asset', looking at what they really do with their human resources, as distinct from what they say about them, reveals a glaring credibility gap.

Far too often, says Cascio, leaders of our corporations—even as they mouth platitudes about how highly they regard the workforce—treat their staff merely as 'units of production' to be cut, instead of as important assets to be maintained and developed. And the irony is that, for all the rhetoric about hard-headed cost efficiency which drives this attitude, the approach doesn't work in economic or productivity terms.

To prove it, the University of Colorado carried out an extensive study of American organisations which had used heavy cost cutting and downsizing as their preferred strategy. There were no exceptions

to their finding that five years after commencing these programs such companies were distinctly less profitable, relative to competitors in the same industry. Measured productivity declined or remained static in more than 60% of such companies despite—or perhaps because of—the massive upheaval created by wholesale sackings and career dislocation. Share prices lagged behind those of competitors by 5–45%.

Cutting costs does not equate with cutting staff

So, if downsizing is so fashionable, why hasn't it worked? Because, according to Cascio and his team, the *only* strategy used in these companies was to cut costs by cutting people. The careers of most of those who were sacked were destroyed; those who remained became narrow-minded, risk-averse and preoccupied with their own self-interest. Nobody benefited, least of all the organisation. He argues strongly that unless crude cost cutting is replaced, or at least accompanied, by a broad ranging program to change the way that work is actually done it will be ever thus.

This will strike a chord with many ALIA members. It certainly is familiar to me. In recent months, I have received numerous calls for help from librarians facing exactly this sort of threat. It is especially depressing to note that as America is coming to accept the arguments and findings of people like Professor Cascio, many Australian managers are still in the first flush of excitement about precisely the policies which he and other management academics have now exposed as fatally flawed.

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We have emphasised the importance given to provision of information in numerous Government sponsored studies of ways to make Australia more efficient, productive and internationally competitive. We have reminded employers that libraries have been identified as having perhaps the most crucial role to play in that process.

In fairness to some the response from employers has not always been negative. But it is clear that continuing work will be necessary to prevent library and information services being seen merely as optional on-costs ripe for removal or reduction. As I have pointed out to several employers, it is supremely ironic that only a few short years ago exactly the same myopic attitude was taken by many managers to the training and development function in organisations.

Giving our workforce the right skills

Now, as a result, the whole country is caught up in a scramble against time to repair the damage in a bid to give our national workforce the skills to compete with countries which adopted a rather more enlightened attitude from the word go. What a pity it will be if Australia makes exactly the same mistake with regard to information in general and library services in particular.

So that the National Office can gauge as accurately as possible the extent of this problem I would appreciate hearing from members about their experiences with reorganisation and rationalisation of their function in ways which seek either to replace or severely reduce it. Please call me at the National Office if you wish to comment. ■