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A major new report on enterprise bargaining in Australia's higher education sector confirms many of ALIA's concerns about productivity measurement and its effects on librarians.

*A degree of difficulty: Enterprise bargaining in universities* (Fast Books, Glebe NSW, ISBN 0 947329 17 X) is the final report of a major study funded by the Department of Employment Education and Training (DEET) under its Evaluations and Investigations Program. It concludes that while enterprise bargaining provides an opportunity to 'blow away the cobwebs', difficulties which are particularly apparent in higher education could do significant damage unless great care is taken. Crucially important to proper assessment of productivity and performance, the report says, is an appreciation of the social and intangible activities of universities and the achievement of sensible balance between cost and quality.

Bringing together the many and diverse functions of universities to produce a valid definition of output is described as a 'daunting task', yet is nevertheless seen as essential if measurement of productivity, efficiency and performance is to be relevant. And integral to the complexity of this process is tension between the 'quality' aspects inherent in social, non-market activities of universities, on the one hand, and the drive for cost minimisation arising from more 'managerial' or 'commercial' policies, on the other. The report identifies increasing pressure for trade-offs between these social and commercial outcomes as a likely major characteristic of enterprise bargaining in higher education. This will be intensified by current funding difficulties. It is argued that too great a readiness to bargain away quality under pressures for internal cost reduction will seriously damage real performance and represent yet another example of short term expedience compromising broader long term results.

The report identifies at least seven op-

tions for productivity and efficiency measurement in Australian universities. At one end of the spectrum is a straight-forward *pursuit of cost efficiency* method under which employees would bargain for a share of direct savings made in performance of their own duties. Pay rises would be self-funding and easy to implement. However, activities not seen as core functions would fare badly. An in-built tendency for divestment of all but basic functions could have serious effects on quality of outcomes. This illustrates the clash between quality and cost described above. It finds expression at an organisational-comparison level in recent controversy about DEET's published higher education performance data, in which several leading universities were rated among the least efficient in terms of certain measured costs yet simultaneously ranked among the highest performers in the first quality review.

Other predominantly cost-minimisation approaches include *simple labour productivity measurement* systems in which all inputs and outputs must be fully quantifiable. While this provides ease of calculation, interpretation and application to wage levels, the complexity of higher education outputs suggest that it is simplistic to consider such a method for this sector, or for other complex service industries.

*Occupational measurement* schemes in which separate employment categories receive different rewards based strictly on their own productivity results are not recommended. The report suggests it is too difficult to link increased performance by a single group to overall organisational efficiency, which should be the objective of any efficiency program. Moreover, some employees would be unfairly disadvantaged since the productivity of some occupations is much easier to measure than others. These findings support the view — often expressed in this column — that librarians will be well advised to pursue organisation-wide allocation of efficiency dividends, rather than outcomes based on separate occupational categories, in their enterprise

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bargaining strategies.

Other methods are more complex. *Paired indicator* models, for example, would link direct cost-focused measures such as library staff per customer, with indicators of the quality of the service provided. This concept is extended in the so-called *Scorecard approach* which appears to be a favoured option. Here, a whole array of output measures is presented. These are combined using a weighting system to obtain a more comprehensive picture of organisational performance. Many earlier studies have emphasised that adequate measurement of performance in complex organisations, especially universities, can only be achieved through multiple indicators. This method provides them.

Whichever system is adopted, however, the report emphasises the very real difficulty of performance measurement in the non-market sectors of industry. Particularly convincing is the authors' presentation of contrast with the private sector. There, productivity-based pay claims are seen as attractive because managers and employees are engaged in a 'positive sum game'. If workplace changes bringing increased outputs with fixed inputs are negotiated, then additional revenue is certain to be earned. This can then be shared between the employer and the workforce. Clearly this is less so in non-market industries generally. And in particular, the funding crisis in higher education means that, even where revenues might increase, management may be reluctant to pass them on to the workforce as pay rises.

*A degree of difficulty* is a challenging analysis of the complexity of new industrial relations orthodoxy. Its findings are of particular significance for ALIA members employed in higher education but will also be of real interest to librarians and others working in other non-market sectors elsewhere. Members directly involved in negotiation of enterprise agreements will find the report a useful resource in developing their negotiating strategies. ■