

Phil Teece Manager, Personnel & Industrial Services

dominating word in the lexicon of labour market deregulation is 'flexibility'. Most employers include 'improvements in flexibility' among their objectives in pursuing new enterprise based working arrangements. Only rarely do the policy pronouncements of economic and employment Ministers miss the opportunity to remind us that increased flexibility is crucial to Australia's continued economic well-being. And sometimes it seems that employer associations talk of nothing but flexibility in outlining industry's ideal future world.

But what do we mean by flexibility? Research on developing trends in Australian workplaces is suggesting strongly that it is far from a straightforward or refined concept. And there are suggestions that in some cases the presumed advantages of newer, more flexible arrangements may prove illusory, especially where their effect is to increase the uncertainty and marginalisation of employees.

In an extensive study on gender aspects of enterprise bargaining, researchers Philippa Hall and Di Fruin strongly challenge much of the current rhetoric about flexibility and its effect on productivity. Their review of major federal enterprise agreements appears in a new book *Dimensions of enterprise bargaining and organisational relations, David Morgan (ed), University of New South Wales studies in industrial relations No 36, ISBN 0-7334-OY15-6.* 

Little evidence has been found in this or in several previous studies for any strong correlation between so-called flexibility and improved productivity outcomes. Indeed, one of the researchers' clearest findings is that productivity is being pursued and defined in such varied and nebulous ways that any real cause and effect conclusions are often virtually impossible.

Flexibility can mean quite different things in different parts of the labour market, and philosophical differences exert a strong influence. Post-Fordists do pursue the high quality/high skill/high pay option, wherein more rewarding jobs, greater teamwork, training and more cooperative work practices produce superior outcomes. But more classical, managerialist approaches seek functional, numerical

and wage flexibility by, respectively, widening their demands on employees; reducing labour costs through retrenchment and increased reliance on non-standard employment options like casual, part-time and contract work; and then using the resultant uncertain labour

market and high unemployment levels to

drive down salary levels.

This form of flexibility only reemphasises employment as very much a dual labour market with a widening 'coreperiphery' division between a small and shrinking 'core', enjoying high salaries, promotion prospects and job security and a growing 'peripheral' workforce engaged in either narrow full-time jobs or limitedduration, casualised or contracted tasks. And an intrinsic element of the search for flexibility identified by Hall and Fruin is the gendering of productivity improvement strategies. More positive approaches are much more common in male-dominated industries. For those where women predominate, insecurity, casualisation and diminishing real returns are increasingly the facts of working life.

A separate study on flexibility in working arrangements (Temporal flexibility, SJ Deery and A Mahony, Journal of industrial relations Vol. 36, No 3, Sept 1994 ISSN 0022-1856) confirms the significance of gender in how flexibility is pursued. Employer perceptions of the labour supply strongly affect the way in which they package tasks into jobs for men and women. In short, this study supports earlier research showing that organisations are far more likely to make efforts to create full-time jobs when their workforce is primarily made up of men. Women are assumed to prefer, or be tolerant of, parttime or casual work. And even though the casualisation of work is now affecting men more strongly than previously, relatively it is still overwhelmingly women who are experiencing unstable working hours and insecure jobs.

The suggestion from these researchers is that productivity strategies based on a narrow, negative type of flexibility may be a case of penny-wise, pound-foolish. Breaking up full-time jobs and converting them into part-time, unrewarding and unstable positions may reduce labour costs; but the change can create a nervous,

The most satisfactory negotiations in the long-term are almost always those where the interests of both sides are clearly on the table for discussion.

fearful and uncommitted workforce. This is hardly conducive to worker identification with organisational objectives. Indeed, employees in this position can hardly avoid being distinctly less interested in the overall well-being of their firm, since their association with it is now presented as increasingly transient. And clearly, the higher the proportion of an organisation's workforce which sees itself as 'just passing through', the stronger the negative effect on outcomes will be.

These findings will strike a chord with many ALIA members, faced daily with evidence of the swing toward casual and part-time jobs. They will almost certainly agree with Hall and Fruin's conclusion that the oft-touted benefit of a better balance for women between their work and family responsibilities for part time and casual workers is further from their grasp than ever. This is just another example of the gulf between the rhetoric of labour market flexibility and reality.

The most important implication arising from the obvious variety of potential labour productivity and flexibility strategies is the need for employees to seek broader approaches as a basis for enterprise bargaining. This is more likely to be achieved if employee groups are able to develop their own proposals for productivity measurement, performance indicators and efficiency targets, rather than merely waiting for, then reacting defensively to, a management agenda. The most satisfactory negotiations in the longterm are almost always those where the interests of both sides are clearly on the table for discussion.

In presenting seminars on enterprise bargaining at the recent joint NZLIA/ ALIA conference in Wellington, it was obvious to me that the question of how to handle productivity issues was uppermost in the minds of many participants. To assist members who are grappling with thing problem, the National Office will shortly produce a further booklet in the Enterprise bargaining and workplace reform series entitled The importance of productivity. In the meantime, members are invited to call me at the National Office if they want more information, or if they wish to discuss options for developing their own productivity proposals.