



the IPA review

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CONTENTS

| | |
|---|-----|
| People and Productivity | 97 |
| The Margins Judgment | 105 |
| A Report to Read | 110 |
| A Mark of Achievement or A Cause for Censure? | 116 |
| Contributed Article— “Efficiency in British Industry in the Post War Years” by Sir Charles Renold | 123 |

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People and Productivity

AN article by Nathaniel Peffer, a visiting American professor, published in the Melbourne “Herald” last September makes disturbing reading for Australians. Professor Peffer spent nearly a year in this country. The crux of his article lies in the assertion that no people in the modern world work less hard than the Australians. This is a serious, even damning, indictment. Is it true?

Admittedly the Professor had some good things to say to our credit. Australians, he writes, are among the most fiercely individualistic and independent of people without a trace of the proletarian humility so common in industrial Europe. Most Australians who have visited overseas countries would undoubtedly agree that this is so. Moreover, our aversion to hard work is partly explainable, says Professor Peffer, by our warm equable climate which is a constant temptation to leisure and to our well-known passion for sporting activities.

But these good marks hardly lessen the gravity of his criticism. “Go slow”, writes the Professor, is a matter of both reasoned principle and instinct. Australians take satisfaction in giving the boss as little work as

possible, because in the workers' eyes he is still the enemy as he was back in the last century when the workers fought to establish unionism and the living wage. This war, the author rightly says, has been won, but labour cannot bring itself to believe that the employers have accepted its results, as they have. "The 40 hour week, therefore, is in reality nearer to a 30 hour week."

National "go slow" is, however, not the Professor's only point of criticism. Australians, he says, are in general an inefficient people. "What is true of lack of industriousness is true of lack of efficiency." Australians, he maintains, cling to old ways of doing things. Little has been learnt about modern methods as practised in the United States and Europe. Plant, labour and materials are inefficiently used. Employers, no more than employees, contends the Professor, wish to interfere with long week-ends. "If labour works at a tranquil tempo, so does management."

* * *

IF Professor Peffer's strictures are on the whole over-severe, it has to be conceded that in some respects they come uncomfortably close to the truth. Certainly it would be hard to prove, either by statistical analysis or by personal observation, that Australians work as hard as the Americans, the British or the Canadians, to take three countries. In Britain one gets the grim sense of a people struggling for economic survival, a feeling that is entirely absent in sunny Australia. In the United States, and to a lesser degree in Canada, there is something dynamic in the atmosphere, something in the air of urgency and impatience that is not paralleled in this country.

It is not difficult to confirm these general impressions with the simple statistical test of the amount of time spent at work taking into account the average working week, annual vacations and statutory holidays. By this test Australia falls short of the other three countries mentioned. Moreover, the amount of time "spent *at* work" is not the same thing as the amount of time "spent *in* work". Tea breaks are almost universal in Australia. Sometimes they are protracted. In the United States at any rate, tea breaks are an exception rather than a ruling practice. Late starting and early stopping are

by no means uncommon in this country. Factors such as these would probably tip the scales further against Australia.

Professor Peffer's accusations of technical inefficiency are much less valid than his indictment of general slackness. Certainly, with one or two notable exceptions, it seems over-harsh to contend that Australian industry has yet learnt little about modern methods of production and organisation as practised in other countries.

Year after year a surprising number of business executives make their pilgrimage to England, Europe and America to study new developments in their particular industries. In fact, there can be few, if any, large businesses in Australia that are not continuously represented abroad by one or more of their top men. Where Australia may lag behind other countries in technology and organisation is due largely to two factors. One is that Australia is a long way from the rest of the world; although, as we have just implied, industry strives at considerable expense to overcome this handicap. The second, and more important one, is our small population which makes it difficult to indulge in technical research on the scale possible to larger countries, and uneconomic to push mechanisation and organisation to the lengths which are common, for instance, in America. Technically, and in narrow managerial competence, Australia is to be praised rather than criticised. Our main failing, in this regard, may be that industry has yet fully to realise the value of the University-trained mind at the level of top business policy. But this is gradually changing.

Moreover, the general average of ability among Australian workers is high — perhaps as high as or higher than in any other country. The Australian is much quicker-witted, more self-reliant and inventive than the average European worker. What he may lack by comparison with the American in specialised education and training he makes up for in a rare genius for practical improvisation.

Why, then, does he not work as hard? It can scarcely be attributed to an inherent constitutional laziness. In doing the things they like Australians at times exhibit an almost frightening energy. They approach their sports, for instance,

with a gusto and determination and desire to excel which would be hard to parallel anywhere. They put a good part of their "leisure" into working in their gardens, painting their house or in other odd jobs. Why, then, do they penalise themselves by spending less time at their daily task than the other English-speaking peoples?

THE main reason — and it is one that we should face up to — is that in no other country is there a stronger incentive to do less work than in Australia. The climate is notably good; the beaches close to the main centres of population are unsurpassed; the opportunities for enjoyable recreation of practically any kind are unusually extensive. Probably no country could match Australia in the number of tennis courts, golf courses, sports grounds and race courses per head of population.

One of the greatest obstacles to the achievement of high industrial productivity in Australia is that a good life can be won with comparatively little effort. After all, one might argue that the ratio of tennis courts to population is as significant an indication of a national standard of living as the number of radio sets; or that the surf beaches of Sydney in the human satisfaction they afford are worth incalculably more than another hundred thousand motor cars or a million television receivers. For good or for ill, Australia is incomparably rich in those things which don't have to be made on an assembly line.

Another thing that makes possible for Australians a higher standard of living than their efforts would otherwise merit, is the high value which the world places on the great Australian product — wool. Since the war, wool has indeed been the golden fleece. In 1953/54 the amount of wool bought by other countries represented a per capita income for occupied Australians of over £100. Probably the people of no other country get such a bountiful return in wealth for a comparable output of effort. Of course, if for any reason wool values were to be halved the Australian people would either have to work a great deal more or accept a big reduction in their standards. This is a contingency that in recent years they have never really confronted. But why, it might

be asked, should they anticipate misfortune when the sun is shining so brightly with the promise of more "fair weather" to come?

* * *

Bosses and workers waste a great deal of energy accusing one another of laziness. The worker stabs at the bosses' occasional game of mid-week golf, the boss at the workers' tendency to keep one eye on the clock. It is time that they both realised that this kind of mutual recrimination gets us nowhere. The attitude of both employers and employees to their work is, in essence, not greatly different, because it is the product of the same broad physical and economic environment.

* * *

ALL this has been said not in extenuation but by way of explanation. When all the reasons, logical and compelling as they may be, have been advanced, the hard truth remains that Australians spend less time at their daily task and, if primary industry is excluded, produce less per head per year than the people of the other industrial countries with which we are customarily compared. We are speaking here of course in generalities and averages. In some Australian industries productivity is commendably high, even by the best world standards. In others it is distressingly and absurdly low. Insofar as these things can be statistically assessed, the weight of evidence would suggest that, in the broad, man-hour production in Australia, with all its relative advantages, approximates that of Britain. But British productivity, by general acceptance, is only one-half to one-third of American and substantially less than Canadian, and is increasing at a considerably slower rate than that of Western Germany.

It is highly doubtful whether this state of affairs can for long be continued. If Australia were perfectly free to choose her own way of life, perhaps she would prefer to remain on her present course — that is, one of maximum recreation and leisure with the shortest possible working hours and comparatively low productivity. But in a situation where other countries are advancing more rapidly, this course, which is already acting detrimentally to our economy, must mean a continued impairment of our ability to compete in export markets, a

further retreat into economic isolationism, a lowering of relative living standards, a slowing down of development, and a reduced prestige throughout the Western World. *Australia must either keep pace with the rest of the world or eventually go under.*

Of course it would be difficult to convince the Australian people of this. For one matter, provided wool prices hold over the long period any decline would be relative and gradual. The only thing that would present the issue in stark form would be a precipitous and sustained drop in wool. It would then quickly be seen that in order to preserve the standards to which we have become accustomed sweeping changes would be necessary. In a brief space that would bring about a re-orientation in the Australian attitude such as could be achieved only over a long period of years through the slower process of education — a process we have yet hardly commenced. A substantial fall in wool values would be, in effect, a whip applied to the backs of all sections of industry and of Governments which would rapidly produce a startling response. Naturally enough Australians hope this will not occur. What, then, can be done?

* * *

IN previous articles in this publication we have maintained that high productivity is in the end the consequence of an "attitude of mind." At first sight this reason looks irritatingly abstract. Nevertheless, it is the starting point for all worthwhile thinking on the problem. Given the right "attitude of mind", the appropriate mental climate, all those things which obviously go to foster high productivity follow almost automatically. If the right "attitude of mind" is lacking, attempts to introduce the technical, industrial and governmental measures necessary to the rapid increase of productivity are likely, at worst, to be abortive and, at best, to produce a disappointing response. The ground must first be assiduously prepared, cultivated and fertilized before a bountiful harvest can be won.

We seemed to have developed the habit of talking of efficiency almost as if it were something apart from people. In fact, given certain natural resources, the level of efficiency

of a community is traceable directly back to the people in it — to their attitudes, their knowledge, their native vigour and initiative, or the lack of it. The vast capital equipment that makes the American economy so productive is not a gift from on High, but the result of the desires, the virility and the enterprise of the American people.

America excels in productivity, overwhelmingly because the American people place great importance upon it. Much more than any other people, the Americans realise that a better standard of life depends upon hard work and raising output per man. A recent article in the London "Economist" discussing the work of the British productivity team sent to America to study "Industrial Engineering" makes this pregnant comment: "The core of the comparison between particular industries in the United States and Britain lies in the nature of the two societies — not in those particular practices, techniques and items of equipment that the teams almost unanimously reported were not unknown in their British industries, though they were far more widely adopted in the American."

The most beneficial results to Britain which have flowed from the reports of the 67 teams of managers and workers' representatives sent to investigate American industries between 1949 and 1953 lie in this direction rather than in the particular technical and organisational practices in which American industries were superior. These reports, and the publicity which has attended them, have produced among British management and trade union officials an awareness of the importance of productivity which in the long run will prove of greater value to Britain than the conclusions relating to specific industries, capable of more or less immediate application.

That this "awareness" is now taking root is proved by the formation last year of the British Productivity Council whose purpose is to continue the good work of the Anglo-American Productivity Council in endeavouring to raise standards of productivity in British industry. The Council represents jointly management and workers. It is non-political. To quote from the introduction of one of its own pamphlets "All members are agreed on the essential need to raise the productive

efficiency of British industry, including the distributive services; in order to improve the country's competitive position and to secure the higher standard of life which it is in the interest of all to achieve." *The most significant feature of the present constitution of the Council is that its Chairman is a trade union official.**

One of the greatest obstacles to the achievement of high productivity in Britain is the hang-over of the old-time rigid caste structure of British society. This obstacle is not present in Australia. But we have our own indigenous barriers to overcome — our unrivalled climate, the lure of the out-of-doors, our unequalled recreational and sporting facilities, our geographical and mental remoteness, the shelter provided by ceiling prices for wool, our obdurate perpetuation of old-time boss-worker rivalries.

The Australian worker is not lazy; the Australian manager is not technically inefficient. But they are human; their attitudes are the natural product of their own distinctive and beneficent national environment. What we should set about doing, and without further delay, is to modify these attitudes by the inculcation of a new national sense of the importance of productivity. *For ten or more years we have talked of little else but of economic stability and security. Is it too much to hope that economists, governments, employers and trade union officials could now be persuaded to switch at least some of this attention to "productivity"? Is it too much to hope that employers and unions and the Commonwealth Government would co-operate to set in motion the kind of education which has been going on in Britain now for the best part of a decade?*

Or must we wait for the flood before all hands rush to the pumps?

*Mr. Tom Williamson, C.B.E., General Secretary, National Union of General and Municipal Workers.