



PRODUCTIVITY AT WORK: CALL FOR EVIDENCE

An inquiry into the role of employees and trade unions in meeting the productivity challenge

There is a broad consensus that increasing productivity is the key economic challenge of the day and is critical to improving living standards for UK citizens. But what does being asked to deliver higher productivity mean for employees? What needs to happen in the workplace to equip employees to meet the challenge? What is the role of employee voice, management practices, reward systems, work organisation, and training and development? What employee incentives and motivation are needed to boost productivity?

These and related questions will be addressed in a new inquiry into productivity at work. The inquiry will be led by the Smith Institute, an independent think tank with expertise on employment issues (see, for example, the Institute's report [Making Work Better](#)). The inquiry is being supported by: Prospect, BECTU, FDA, USDAW, SOR, ATL and Community.

This 'Call for Evidence' outlines the scope of the inquiry and sets out the main questions we will be addressing. We want to gather as much evidence as we can to inform the inquiry. Therefore, we would appreciate any information and views you can send us. Feel free to cascade this note to others. Please send your response to: info@smith-institute.org.uk.

Workplace productivity

The purpose of this inquiry is to take a fresh look at the productivity challenge from the point of view of employees and their trade unions. This critical aspect has been overlooked by politicians and policy-makers and often ignored by employers. The Government's productivity plan, [Fixing the Foundations: Creating a more prosperous nation](#), mentions the skills gap, but is silent on other issues such as workforce involvement, better pay and conditions and productivity bargaining. We want to gather evidence and opinion on what employees and unions think - what's their understanding of productivity, what experience have they had, what are the key issues and lessons, and what changes should be made? We want to capture these insights and know-how to shape a workplace agenda for improving employment policy and practice and improving productivity.

The 'productivity puzzle'

The UK has had a problem with weak productivity for some time, but the downturn dealt UK productivity a new blow from which it has since failed to recover. Labour productivity remains 20 percentage points below the G7 average, and well below France and the USA. While the causes of this are both varied and not fully understood, it has long been recognised that workplace practice and culture - such as poor management practices and low investment in the skills and development of the workforce - are key factors. Low-paid,

low-value work and the general lack of opportunities for workers to progress and fulfil their potential are also identified as brakes on improving productivity.

What will the inquiry cover?

The debate on productivity is usually conducted in terms that are understood by economist but few others, with little or no resonance for people at work. This inquiry aims to challenge this. It will seek to engage trade unions and their members alongside a wide range of stakeholders in a practical rather than theoretical way.

The inquiry will involve: gathering evidence from employees, employers and a wide range of other stakeholders and experts; a major online survey of what union members think; and discussion events with frontline employees and their representatives around the UK. We will publish the findings in March 2016 and circulate the report to employers, unions, politicians, policy makers, media, experts and relevant agencies. Our intention is to promote a progressive debate about how collectively we can help solve the 'productivity puzzle'.

The inquiry will focus on the following questions:

- **What does workplace productivity mean?** What does it mean in a restaurant, hospital, factory or office setting? Is productivity simply a case of increased volumes of output or can it be about quality outcomes and adding value to society? Do employees know whether or how their employers are measuring productivity?
- **What are the key factors for improving productivity in the workplace?** What enables both employees and managers to work together in a productive way? Technology is a hugely important driver of productivity, but has the critical role of the workforce in the design and implementation of technology been neglected? Is management doing enough to improve workplace productivity and make the most of the skills, insights and expertise of staff? What role do incentives and motivations for employees play in increasing productivity?
- **How can employees and their representatives best help meet the productivity challenge?** What role can individual and collective voice play? What can we learn from experience and best practice, including changes in workplace practices and improving skills? How can 'productivity bargaining' (linking better pay and conditions to increased productivity) be improved?

Have your say

We will be writing to employers, trade unions and other organisations but also value contributions from any employee or manager who has an interest in the issue. The consultation runs until end-January 2016. If you wish to know more about the inquiry or submit evidence please email info@smith-institute.org.uk

Thank you in advance for your support and co-operation.

The Smith Institute
Somerset House, South Wing, Strand,
London, WC2R 1LA
Tel: 020 7845 5845
www.smith-institute.org.uk