

# Voice, Exit and Loyalty

– submission on Productivity Commission public inquiry into Workplace Relations Framework<sup>1</sup>

Dear Commission,

I suggest the Commission review workplace relations within the framework of Albert Hirschman's theory on assessing the health of an organisation in terms of exit, voice and loyalty ([http://en.m.wikipedia.org/wiki/Exit,\\_Voice,\\_and\\_Loyalty](http://en.m.wikipedia.org/wiki/Exit,_Voice,_and_Loyalty)).

I would also be interested in the Commission's views on Thomas Piketty's suggestion that institutions (such as minimum wages) have a material impact on inequality<sup>2</sup>. To what extent might workplace institutions help ensure that Australia remains an egalitarian society?

Finally, what are the prospects of raising labour productivity by reducing the working week to 4.5 days? I assume that it is productivity of hours worked that we are really interested in, not productivity gained by spending more time working. Speaking personally, I would welcome the opportunity to reduce my time doing remunerated work to (say) 20 hours a week once I reach 50, and do so for as long as I am in good health, while spending the remainder of my time doing other productive work that are not remunerated – e.g., looking after the elderly and children, reading and writing, and volunteer work.

Thank you for considering my suggestions and queries. I look forward to reading your draft report.

Kien Choong  
31 January 2015

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<sup>1</sup> This submission does not contain confidential information

<sup>2</sup> Piketty 2015, *Capital in the Twenty-First Century*. See the discussion in Chapter 9 (“Inequality of Labour Income”), where Piketty contrasts wage inequality outcomes in the United States (stagnant minimum wage) with France (rising minimum wage).