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## "Nefarious" technological surveillance suppressing wages: Expert

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An unheralded aspect of technology's "nefarious" role in monitoring workers is its dampening effect on wage growth, according to a submission to the Senate's [Select Committee on the Future of Work and Workers](#).

The claim is made by the Centre for Future Work's director Jim Stanford in his *The Future of Work Is What We Make It* [submission](#) to an inquiry scheduled to report by June 21 after public hearings (see [Related Article](#)).

"There are positive opportunities to use technology to make work safer, easier, and less monotonous," writes Stanford.

"At the same time, some employers will put technology to work in more nefarious ways, to intensify the pace of work through faster and more demanding production cycles, electronic monitoring of work and workers, and using technology (like digital work scheduling platforms) to undermine or evade traditional employment responsibilities.

"The ubiquitous use of electronic surveillance, monitoring, and evaluation technologies is an especially damaging misuse of technology – and not just because it offends the dignity and privacy of workers.

"It also tends to suppress wages, by altering the trade-off between positive incentives and negative punishments in employers' management models."

Stanford says that since electronic monitoring is less expensive than human supervisors, employers are disposed to rely "more on the 'stick' (of punishment up to and including discharge) and less on the 'carrot'" to improve productivity.

"The use of electronic monitoring and supervision systems is a dark underbelly of new workplace technology," he continues.

"Workers need more protection for their privacy, and the integrity of normal review and discipline procedures must be reaffirmed and protected by labour law."

## "A complex balance"

Elaborating on his submission, Stanford told *Workplace Express* he believed such practices contributed to wage stagnation by reducing the cost of the "stick".

"In terms of efficiency wage/imperfect information theory, employers are able to eliminate some of the ambiguity and incompleteness of the standard employment relationship, which in the past led employers to pay more than a 'market-clearing' wage," said Stanford.

Cheap, "omnipresent" digital monitoring, he said, influenced management strategies in "deep and damaging ways".

"Employers always face a choice in how to motivate, recruit, retain, supervise and discipline their employees: the 'carrot' (positive inducements like good wages, job security, promotion) or the 'stick' (negative punishments like lost income or fewer hours of work, up to and including dismissal).

"That trade-off reflects a complex balance, one element of which is the cost of supervision.

"If it is too difficult or expensive to monitor workers – in the old days, when supervision meant hiring an actual person as supervisor or foreman, the stick was expensive – employers are more likely to rely on positive inducements."

## Robots and AI not the greatest challenge: Stanford

According to Centre for Future Work's submission, technology is nevertheless having less influence on workers than other factors.

"Changes in work organisation and employment relations are already having an impact on the working lives of Australians that is likely more important than the much-hyped development of robots and artificial intelligence," writes Stanford.

"The traditional ideal of a stable, permanent, full-time, paid job with normal entitlements (like sick and holiday leave, and superannuation entitlements) is increasingly out of the reach of many Australians – especially young workers.

"Temporary, part-time, casual, irregular, and nominally independent or self-employed positions are now the norm for more than half of workers (and the overwhelming reality for most young workers).

"In the extreme, jobs are being replaced by 'gigs': digitally-mediated, on-demand, piece-work tasks allocated and compensated through faceless digital platforms."

The result, he writes, is that "almost one in three jobs in Australia is part-time, which is one of the highest part-time rates in the industrial world".

"And almost one in three part-time workers (or over one million workers) would rather work more hours, but are constrained by labour market conditions from getting more work."

## A future of "great work" attainable

The Centre for Future Work's submission concludes with five recommendations "which relate directly to the recent trends in technology and employment".

The Centre recommends:

- **Widening** the definition of 'employer' in labour law and employment regulations, so that digital intermediaries and other new business models cannot escape their normal responsibilities;
- **Limiting** the use of electronic systems for employee surveillance and discipline, to protect workers' privacy, and ensure that normal due processes are followed in discipline and discharge;
- **Extending** rights to collectively negotiate the terms, timing, and effects of technological change in workplaces, including right for unions to negotiate over training, adjustment, and transition measures;
- **Facilitating** a reduction in lifetime working hours (including shorter regular hours, greater opportunity for family, education and long-service leaves, and early retirement options), and measures to provide greater stability in working hours for part-time and irregular jobs; and
- **Revitalising** sector-wide labour regulation and negotiation institutions, including strengthening the award system to drive wages, and permitting sector-wide and pattern bargaining.

"In sum," writes Stanford, "the common, defeatist conclusion that the quantity and quality of work is out of our collective control, driven instead by inexorable forces of technology and competition, is quite wrong.

"Society absolutely retains the power to set clear rules, benchmarks, and expectations regarding how technology is applied, and how work is organised.

"We can attain a future of great work, great living conditions, and strong families and communities, if we are willing to exercise this power to build an effective, inclusive labour market."

[Centre For Future Work submission](#)

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