



Articles & Commentaries



p-Guru



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Towards Sustainable Productivity Development

Introduction

This is a sequel to my earlier article in the APO News (see Feb. 2001 issue) in which I laid down the framework for sustainable productivity development. I shall now attempt to address the question of what practical steps we should undertake to ensure that the productivity movement can be sustained and reinforced in a changing environment. Let me state at the outset that there is no universal formula for success. The pointers in this article are based on my many years of experience as the Executive Director of the Hong Kong Productivity Council (HKPC), and as a consultant to several governments both inside and outside the Asian region.

Empowering the NPO Governing Council

The tripartite approach to productivity is the guiding principle that shapes and forms the productivity movement in Asia. In most countries in the region, the government, management and labor are represented on the governing council of National Productivity Organizations (NPOs). In some instances, the governing council has not been truly empowered to perform the functions it has been entrusted to undertake. There is mutual distrust between management and labor, and the government maintains an arm's length relationship with the governing council. As a result, the governing council becomes a weak structure that focuses its energies on domestic issues such as the budget and internal administration. I believe that it is not possible to add new impetus to the productivity movement unless the tripartite approach to productivity is given true support, form, substance and empowerment. As an NPO, the governing council has the dual functions of advising its government on issues affecting productivity and of serving as the supreme policy-making and strategy-formulating body of the NPO. It is through the governing council that the NPOs can establish linkages between macro and micro issues affecting productivity, and develop strategies and programs that create both industry-wide and company-specific impact.

Monitoring Changing Requirements

We are living in a world characterized by rapid changes -- changes in the market place, in technologies, in industrial structures, in the way corporations are governed, and in the way we work. How do we ensure that the NPOs are reinventing themselves to keep pace with the changes? There is no easy answer. There are, however, a variety of approaches. For example, the governing council of an NPO should see to it they are represented on the various important industrial boards and advisory committees set up either by the government or by industry. This would enable the NPO concerned to contribute its knowledge, and, at the same time, to obtain feedback on the changing industrial scene. HKPC is represented on over one hundred advisory committees, as are many other NPOs with which I am acquainted.

Several NPOs also undertake regular studies commissioned by the government and by industry. For example, HKPC participates in many major industrial studies that analyze individual sectors of the economy in the context of world-wide trends, and present a strategic framework for programs and policies to facilitate growth and improve the value-added content of the industry. Notwithstanding these studies, there is no substitute for keeping our ears to the ground. There must be a true and effective communication channel between the NPO and the industry it serves. One effective channel is the consultancy and other services that the NPO provides. NPOs' programs must be constantly evaluated and measured to ensure that they are as close to customers' requirements as possible.

Establishing a Service Model

One effective service model for NPOs consists of three essential elements: development, consultancy and training. Many NPOs are engaged in knowledge transfer without first ensuring that the knowledge concerned is appropriate and tailored to suit the requirements of industries. It is therefore necessary to undertake development work, but development cannot take place in a vacuum. Consultancy fills this vacuum by providing not only the parameters but also a testing site for development work, and the refinement of knowledge. In HKPC, we undertake many software development projects in partnership with industrial companies. Training provides a delivery system for transferring the knowledge gained in consultancy and development services to industries.

To renew itself, the NPO must regularly review the activities it undertakes. Each activity should be judged by its position in the development cycle. At the introductory stage of a new activity when the market is unready, and the NPO's capability requires further development, the cost recovery should be low as it may be necessary to lower prices to gain market acceptance. As the activity approaches maturity, it should be possible to increase prices. As the activity approaches the declining stage, the NPO should consider an exit mechanism to enable it to move on to something new. This process will enable the NPO to renew itself constantly to gain new relevance to the changing requirements of the economy.

Forming Strategic Alliances

As the NPO takes up a new activity, it is not always easy to gain the knowledge and expertise required quickly to provide the service that is needed. While staff development should form the cornerstone for institutional building, it is always

possible to shorten the learning curve by forming strategic alliances with other centers of excellence. In HKPC, we rely heavily on strategic alliances to develop and improve our capability. For example, HKPC successfully launched a new Competence-based Management Development Program in 1995 following the award of the Approved Center status by the University of Oxford Delegacy of Local Examinations. We set up the HKPC-Xerox Quality Institute in the same year. HKPC was also appointed by Banyan System Inc. as the authorized training center to provide training for networking professionals in Hong Kong.

Participating in Globalization

In addition to strategic alliances, NPOs should undertake extensive networking not only to keep track of global developments, but also to establish linkages with organizations that are engaged in productivity promotion. We are living in a globally interdependent world, and with the collapse of distance, we can truly contribute to and benefit from the world-wide productivity movement.

Conclusion

It is only possible to scratch the surface in this short article which attempts to deal with a topic that requires extensive treatment. However, I hope readers will find some of my ideas refreshing and helpful.



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