



## Articles & Commentaries



### p-Guru



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### Success is Spelled With 4Cs

A small country with no natural resources, Singapore realized from the day it attained independence the critical role productivity would play and that workers, employers, and government had to pool their efforts and strive for continuing increases in productivity and output in all enterprises.

Since then, there has been a continuous push for greater efficiency and effectiveness. In the 1970s, the nascent productivity effort focused on technical and management systems, contributing to the success of Singapore's first industrialization drive. In the 1980s, there was an increasing realization that the new economic environment demanded not only diligent but also skillful workers. Taking a leaf from the Japanese book, Singapore's productivity movement was born in 1981 to focus on the human aspects of productivity.

It was a challenge. Productivity does not come naturally. To improve productivity, people had to change and change is never easy. The productivity movement in Singapore has now lasted for more than two decades. From 1981 to 2003, labor productivity improved by an average of 4% a year, driving economic growth of 6% a year. What underpins such sustained growth? I would like to share the four Cs for successful national productivity movements: nurturing a productivity culture; building people and organizational competencies; strengthening the connectivity of people, capital, and systems; and facilitating the right conditions.

#### Nurturing the productivity culture

The culture of any group, organization, or society is the sum of its philosophy, values, beliefs, rites, personality, rituals, and rules for behavior. It shapes how people act, directing them to be fast or slow workers, individual or team players, agile entrepreneurs or sluggish bureaucrats. A productive nation must start with a "productivity mindset." One of the key success factors of a productivity movement is the need to rally the people, change their mindset, harness their passion, hone their skills, and build them into a cohesive competitive team. The productivity movement therefore begins with people.

The importance of promoting the right mental models transcends the passage of time. In Singapore's investment-driven phase of economic development, positive work attitudes, such as teamwork, pride in work, skills upgrading, and service quality, were stressed. While these qualities continued to remain important, a new slant was needed for the new knowledge-driven economy. For example, skills upgrading must not be viewed as once-in-a-lifetime learning. Lifelong learning and learning to learn have to become second nature to the workforce. Other qualities are also needed. Two attributes often cited are creativity and innovation. A successful productivity movement in the 21st century must nurture creative and innovative workers who do not just solve problems and perfect the existing, but who can harness knowledge and technology to create new values and make a significant difference to their organizations.

### **Building competencies for value creation**

With human capital as its only resource, Singapore has depended on education and training as critical cornerstones of its productivity strategy. The Skills Development Fund, Institute for Productivity Training, on-the-job training, and critical enabling skills training are only a few of the initiatives developed to equip workers with the foundation and technical and managerial skills to enable them to perform better. The aim is to develop workers who are not just highly skilled but multi-skilled, and not just passive technicians but knowledge workers who are able to think, use information, and be innovative. We cannot mandate productivity. We have to provide the tools to let people become productive.

With the knowledge content of all work increasing steadily, all workers will require more knowledge to perform their jobs. Jobs at the lower end will need higher minimum skills than before. At the higher end, managers must be able to manage knowledge better in the organization. Facilitating infrastructure and systems must be put in place to ensure that the skill requirements are met and to provide organizations with a systematic process for reviewing their human resources practices and developing people to achieve better business results. In 2000, Singapore developed a National Skills Recognition System to provide a framework for establishing job skills, competencies, and alternative skill acquisition routes and certifying workforce skills.

Organizations themselves must have the right capabilities for wealth creation. The world's most competitive enterprises have not only invested in and exploited superior technology, but also possess management and organizational capabilities that bring technology and manpower together into synergistic collaborations within the enterprise. They move "beyond quality" and aspire to excellence and "best-in-class" performance. A broad, holistic "business excellence" approach is required.

### **Strengthening connections and collaborations**

Another crucial aspect is collaboration and connection. By strengthening and leveraging linkages at national, regional, and international levels, the productivity movement can help to enhance knowledge and technology flows for the nation's development. Singapore has enjoyed huge benefits from such connectivity.

One example of domestic connectivity is tripartite cooperation among the government, employers, and workers. Many policies have been formulated in consultation with both employers and workers and implemented with their

involvement. The harmonious climate resulting from tripartism has engendered confidence in foreign investors.

Thanks to international connectivity, including connectivity to the APO, Singapore's productivity movement has been able to benefit from the experience and guidance of others. The Japanese productivity movement was a significant source of early inspiration. Over the years, new ideas and lessons have also been drawn from best practices in other developed countries. Like its workers and organizations, a productivity movement that wants to remain relevant and successful must also practice lifelong learning by scouring the world for best practices.

### **Enhancing environmental conditions**

It is increasingly acknowledged that competition spurs productivity improvement and economic development. In a competitive market, firms constantly try to gain an advantage over their rivals by increasing efficiency or offering more attractive terms to customers. This competitive process encourages the development of improved products and, in the long run, enhances economic growth and living standards.

To foster competition, sound physical infrastructure, legal and institutional mechanisms, standards and technical infrastructure, and financial and knowledge infrastructure are needed. A successful national productivity movement needs a gamut of supporting structures to facilitate the process of value and wealth creation. For example, globalization has placed many of Singapore's companies at the forefront of strategic processes, in close proximity with world-class businesses. They must meet high technical standards, requiring them to view standardization as a strategic management tool and technical standards as best practices. The government supported the development and adoption of IT standards that would enable companies to exchange information efficiently and quickly. This initiative was aimed at improving interoperability among companies and adopting the best of technologies and practices.

Standardization initiatives are useful for helping businesses to lower costs and create value. The productivity movement could examine issues relating to the cost of doing business, such as regulatory burdens on firms, access to financing for small businesses, etc.

### **Conclusion**

There is a vast spectrum of areas to be addressed by the productivity movement: imbuing enterprises and employees alike with the right mindset; equipping them with the right capabilities; forging linkages among people, among organizations, and between organizations and knowledge; and enhancing the business environment. The drive for productivity has often been described as a marathon with no finishing line. With new and drastically different challenges in the economy arising all the time, I would venture to add that it is more like a decathlon—an event that requires not only a steel will but also mastery of many different competencies. To win this decathlon will require a combination of speed and stamina, flexibility and determination, and critically, innovation, in addition to the 4Cs.



