



A·P·O *news*

MONTHLY NEWSLETTER OF THE ASIAN PRODUCTIVITY ORGANIZATION

Global water crisis: the APO's response

The world is facing a water crisis that has been described as the greatest challenge of the 21st century. The problem is multi-faceted as it involves not only the issue of water shortage but also those relating to wastage, pollution, and floods and droughts. In a short span of seven years, there were three world water fora: 1997 in Morocco; 2000 in the Netherlands; and 2003 in Japan. To focus world attention on this problem, to generate a greater awareness of the need to make water available to people and its conservation, and to persuade governments to take immediate remedial actions, the United Nations has declared 2003 as International Fresh Water Year.



Japan's Crown Prince Naruhito delivering the inaugural address at the Third World Water Forum, Kyoto

What is the magnitude of this water crisis? How grim is the picture? Here are some sobering data provided by the UN and other agencies: water use worldwide has more than doubled since 1950; two billion people in the world are without clean water and sanitation; in the worst water-famished countries, people live on just two gallons of water a day, far below the 13.2 gallons stipulated by the UN as the absolute minimum for water needs; in about 20 years time, average water supply per person around the globe is likely to be one-third smaller than it is now; agriculture uses more than 70% of global water and industry about 20%, much of it wasted; Asia has the world's dirtiest water and in Europe only about 10% of the main rivers are clean; more than two million people die annually from water-related diseases like cholera; and advanced countries like the USA and Japan use more water than they need.

The Third World Water Forum held in Japan, 16–23 March, sought to find ways for the sustainable management of the world's water resources and to achieve the UN's goal of halving the number of people without access to safe drinking water and basic sanitation by 2015. The ministerial conference that formed part of the forum adopted a declaration that states that water is a driving force for sustainable development, environmental integrity, eradication of poverty and hunger, and human health and welfare. Prioritizing water issues is an urgent global requirement, and each country has the primary responsibility to act.

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May 2003

"We judge ourselves by what we feel capable of doing, while others judge us by what we have already done."

Henry Wadsworth Longfellow

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Oldies' productivity

That continental European countries' age pyramid is rapidly becoming top heavy is a cause of considerable concern for policy-makers; aging populations are an increasing burden on state budgets which pay not just their pensions but also their health and welfare services. With constantly increasing life expectancy and declining birthrates, the problem can only worsen unless significant action is taken. Nor are the prospects any better: Europe's birthrates are well below replacement levels and falling. In Spain and Italy they are now near the level when the population will halve in a single generation.

"Naturally, in knowledge societies where 'human capital' is the key factor, more education is important for longer-term productivity."

Such demographic changes imply a sharp rise in the "dependency burden," the number of active persons paying for the inactive, especially the retired—from 4:1 in 1963 to nearly 2:1 today—and a decline in potential economic growth by as much as half or more from the current 2.5% since an aging population has a negative impact on productivity. The overall result could be a fall in the European Union's (EU's) share of "world gross product" from the current 18% to 10% by 2050.

Tight national budgetary situations are compounded by individuals spending more time up front on education and training, still paid for mainly by the state rather than the individual, and by more early retirements. Naturally, in knowledge societies where "human capital" is the key factor, more education is important for longer-term productivity. However, the early retirements clearly are not, especially when the state foots the bill to smooth labor market restructuring as a growing

number of European companies, because of past "benign" industrial policies, have had to adapt to greater regional and global competition.

Since the taxpayer must pay for these policies, the youth are increasingly being asked to work for the leisure of the elderly without knowing whether there will be a sufficient number of workers to pay for their own retirement. In this respect, Europe is at a disadvantage when compared with the USA: in populations of roughly the same size, for every three Europeans aged between 25 and 34 there are four Americans (Developing Business Leaders for 2010 Conference Board). Options for tackling this problem—and there is no single policy solution—all demonstrate the essence of positive productivity development and the need to combine changes not just in knowledge and skills but also in attitudes. To resist significant change is clearly not an option; hard choices have to be made from "least bad" alternatives. This is particularly so in the case of the EU which will have 100 million "new" Europeans in 2004, most of whom are elderly. This raises a first policy option: importing significant numbers of migrant workers to make up for the shortfalls in labor.

Just outside the boundaries of the EU there are vast sources of skilled labor. Already nearly one-tenth of Portugal's current workforce is made up of migrants from Russia and Ukraine. Indeed, the government's 2002 productivity program sees a significant national productivity potential in making much greater use of their skills as they are often graduates who work as unskilled laborers. However, post-9/11, the migrant option lost its appeal.

What about lengthening working life? There are some signs of this happening. After years of declining retirement age, northern Europe is increasing retirement flexibility to between 63 and 68 years. Although obstacles to using the skills of

pensioners are being reviewed, the voice of vested interests in favor of their maintenance remains loud as working pensioners are seen as taking jobs away from the unemployed. Some national programs have been launched, like in Finland, to highlight good corporate practice in the productive use of older workers, such as more flexible working practices and reduced work intensity. However, even broad actions can only make marginal differences. Of much greater significance is the reform of pension systems which, however, goes beyond any productivity remit.

"Efforts must be intensified to raise the productivity of the existing workforce, particularly in those areas least subject to competition."

Efforts must be intensified to raise the productivity of the existing workforce, particularly in those areas least subject to competition. In this respect, Europe, seeing competition as the driving force of productivity, is continuing to open up to competition vast areas of what were previously public services, with railway freight transportation currently in the news. Private industry and services are subjected to the continuing pressures of competition within the European market (exports to countries outside the EU account for no more than 15% of their GNP). In addition, national governments are starting to tackle two major obstacles to increased corporate productivity.

The first is costs, particularly the indirect labor costs levied by the state on companies to provide welfare. European governments have been proclaiming for the past decade (when pressure to do so started to be exerted by the European Commission) that these costs really are being reduced. But with no abatement in the rising bur-



den of welfare, notably pensions, there has been little positive effect. The nations' vested interests that oppose real productivity-enhancing actions—particularly in the “non-private” sectors—have dug their heels in. Indeed, a major challenge for the present decade is for the nations to raise the productivity of their healthcare, pension, security, and educational systems.

The second obstacle is bureaucracy. Over the past half century, Europe has heaped regulations upon regulations so that there are often no rapid and short-cut approaches to change. Latent enterprise is dulled as regulations and tax burdens do not encourage individuals to develop this initiative. One of the many results of bureaucracy has been a growing “unofficial” labor market. This is bad, not least since those concerned pay no income tax. And when change is proposed it is less than enthusiastically embraced and its implementation often sabotaged by (again) vested interests.

Nevertheless, there is some hope that “old Europe” will not succumb and go into permanent decline under population imbalances. However, much depends on resolute government, not a phenomenon for which politicians are renowned. ☺

Anthony C. Hubert is President of EuroJobs, an organization he established to promote efforts to raise the quality of working life and productivity in Europe. He was formerly Secretary-General of the European Association of National Productivity Organisations. He writes regularly for this column.

From the **SECRETARY-GENERAL'S** schedule

April 2003

1 April

APO Secretary-General Takashi Tajima spoke at the opening session of the APO Liaison Officers' Meeting held in the Secretariat, 1–3 April.



Mr. Tajima speaking to the APO Liaison Officers

2 April

Paid a courtesy call on Japan's Minister of the Environment Shunichi Suzuki. He was accompanied by APO Senior Program Officer (Environment) Takuki Murayama.

11 April

Attended a seminar on “Participation of the Private Sector in Promoting Environmental Conservation Technology and Global Environment Facility” organized by the United Nations Industrial Development Organization and held at the United Nations University, Tokyo.

14 April

Attended a symposium in Tokyo on “In Search of a Prescription for the Japanese Economy.” The keynote speaker was Nobel laureate Prof. J.E. Stiglitz. The event was organized by Nihon Keizai Shimbun Inc. and the Japan Center for Economic Research.

16 April

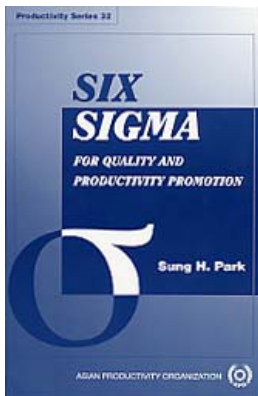
Attended the 4th US–Japan Dialogue on “Entrepreneurship in Asia,” Tokyo. The meeting was organized by the Global Forum of Japan and the Mansfield Center for Pacific Affairs.

24 April

Attended a briefing at the Ministry of Foreign Affairs, Tokyo, on the Tokyo ministerial conference on “Reconstruction and Development of Sri Lanka” to be held on 9–10 June 2003.



New APO publication



Productivity Series 32

SIX SIGMA FOR QUALITY AND PRODUCTIVITY PROMOTION

By Sung H. Park

APO 207 pp. April 2003 ISBN 92-833-1722-X

Six Sigma is a company-wide management strategy for the improvement of process performance with the objective of improving quality and productivity to satisfy customers' demands, reduce costs, and increase profitability. Motorola first launched a Six Sigma initiative in 1987, resulting in significant improvement in both quality and cost savings. In the wake of that success, leading electronic companies such as IBM, DEC, and Texas Instruments launched their own initiatives in the early 1990s. After GE and Allied Signal undertook Six Sigma programs as strategic initiatives in 1995, it spread rapidly in non-electronic industries worldwide.

There are several reasons for its popularity. It is a fresh quality management strategy that builds on previous ones like TQC, TQM, etc. It incorporates a systematic, scientific, statistical, and smarter approach for management innovation, suitable for use in the knowledge-based information society. The essence of Six Sigma is the integration of customers, processes, manpower, and management innovation. Finally, Six Sigma provides a scientific and statistical basis for quality assessment of processes. The method allows comparisons among all processes and demonstrates how well each enables top management to adopt strategies to achieve process innovation and customer satisfaction. Another important aspect of Six Sigma is employee involvement.

The first three chapters give an overview of Six Sigma, its framework, and applications. Relating the conceptual framework to experience, the book details the experiences of Six Sigma pioneer Motorola, GE, and ABB, the first European company to adopt Six Sigma. The author also includes the experiences of Samsung and LG in the Republic of Korea. Chapters 4–7 introduce Six Sigma tools and other management initiatives for successful application. A number of practical issues related to Six Sigma are examined, particularly those relevant to the knowledge economy. The final chapter focuses on the implementation of Six Sigma, with actual case studies of improvement projects in the manufacturing, non-manufacturing, and R&D sectors.

Although the book was written to give corporate managers and engineers in Asia a clear understanding of Six Sigma concepts, methodologies, and tools for quality and productivity promotion, it will also be useful to researchers, quality and productivity specialists, public-sector employees, and other professionals with an interest in quality management.

For order and inquiry on APO publications and videos, please contact the Information and Public Relations Department, Asian Productivity Organization, Hirakawa-cho Dai-ichi Seimei Bldg. 2F, 1-2-10 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan. Phone number: (81-3) 5226-3927, Fax: (81-3) 5226-3957, E-mail: ipr@apo-tokyo.org

COMMON SENSE TALK



"It is a socialist idea that making profit is a vice. I consider the real vice is making losses."

Sir Winston Churchill

"A ship in port is safe, but that is not what ships are built for."

Grace Murray Hopper

"Most plans are just inaccurate predictions."

Ben Bayol

"The man who does not read good books has no advantage over the man who cannot read them."

Mark Twain

"Democracy does not guarantee equality of conditions—only equality of opportunity."

Irving Kristol

"No problem can withstand the assault of sustained thinking."

Voltaire

"You do not destroy an idea by killing people; you replace it with a better one."

Edward Keating

"What we do not understand we do not possess."

Johann Wolfgang von Goethe

"Faced with the choice between changing one's mind and proving that there is no need to do so, almost everyone gets busy on the proof."

John K. Galbraith

"Do not let what you cannot do interfere with what you can do."

John Wooden

"We judge ourselves by what we feel capable of doing, while others judge us by what we have already done."

Henry Wadsworth Longfellow

— Management of research and development —

The beginning of the 21st century is characterized by economic globalization, trade liberalization, and rapid advances in information and communications technology. These developments have led to intense competition for markets. R&D capability is considered essential if a business is to remain viable. This is leading many corporations to invest in R&D, especially to meet changing customer needs and expectations. To help throw further light on this new requirement, the APO organized a seminar on “Research and Development Management” in the Republic of Korea, 1–4 April 2003. It was attended by 17 participants from 12 member countries. Experts from the Republic of China, India, and the host country conducted the program, which was implemented by the Korea Productivity Center.


The seminar program covered the following issues: R&D evolution from imitation to innovation: Lessons from Korea; R&D management: Imperatives at national and corporate levels; R&D management and economic growth: Government and corporate policies; Role of the Science and Technology Information Center in the promotion of tripartite collaboration in the Republic of China: Commercialization of new technologies; and Issues of intellectual property rights and the World Trade Organization (WTO).

Participants visited the Songdo Techno-Park and the Korea Institute of Science and Technology as part of their field studies. They also suggested the following:

1. It is necessary to have an R&D policy that balances basic and applied research.



Participants visiting Korea Institute of Science and Technology

2. In a situation of scarce resources, public–private sector partnership in R&D should be encouraged and/or strengthened.
3. Healthy linkages among industry–institutions–academia to foster applied R&D should be encouraged, particularly for product development in fast-changing markets.
4. Governments should strengthen their role as R&D facilitators by establishing technology incubation centers, techno-parks, etc. and promoting R&D investment by the private sector by creating a favorable legal and fiscal environment. 

The demand for good corporate governance

The recent bankruptcy scandals involving Enron and WorldCom in the USA have brought to the fore the issue of good corporate governance. The collapse of those two giant companies has undermined public trust and confidence in business corporations. It demonstrates that the time has passed when business corporations could survive based solely on their superior products and advanced technologies. Present economic realities have made it amply clear that issues of transparency, accountability, and equity in corporate governance are important for investor confidence and for overall national economic performance. Their lack can cause irreparable damage to business and society.

Good governance was the theme of this year’s APO Kyoto Forum in Japan, 3–6 March, the 19th since 1985. More than 50 senior officials from business and government from 18 member countries took part. APO Secretary-General Takashi Tajima, speaking at the opening session, said

that corporate governance—the internal mechanisms by which businesses are operated and controlled—should ensure that business corporations take into account the interests of the stakeholders as well as those of the community in which they operate.

The keynote address on “Corporate Governance in Japanese Management” was delivered by Masayoshi Morimoto, Advisor, Sony Corporation, and Executive Advisor to President, Benesse Corporation. Others in the distinguished panel of speakers were: Koji Tanabe, Director-General, Ministry of Economy, Trade and Industry, Japan; Prof. Yoshiya Teramoto, Waseda University; Takehiko Itoh, Director, NSK Ltd.; Christy Wood, Senior Investment Officer, CalPERS, USA; Yoichi Takei, Director, ChuoAoyama Audit Corporation; Prof. Midori Wakakuwa, Professor Emeritus, Chiba University; and Yasuhiko Osamura, Chairman, Federation of All Matsushita Workers’ Unions.

Impact of trade liberalization on agricultural producers and the rural poor

Agricultural trade in Asia and the Pacific is growing. Globalization and trade liberalization are expected to increase it further. Liberalization of agricultural trade brings both opportunities and challenges for the region. It has both positive and negative effects on various groups of people, including agricultural producers, the rural poor, traders, and consumers. For example, in net importing countries, cheaper foreign agricultural products would mean lower domestic prices and declining farmers' income. The lower prices, however, would benefit consumers and increase their purchasing power. For countries with a strong international competitive edge, they would be able to export more. In high-income countries, the impact on farmers is largely negative, at least in the initial stage as they struggle to adjust to the new environment. Despite these examples, however, the full extent of the impact of trade liberalization on each country is difficult to ascertain as there are many interacting factors.

To assess the impact of trade liberalization on agricultural producers and the rural poor and to identify measures for alleviating the negative consequences, the APO commissioned a survey on "Impact of Trade Liberalization on Agricultural Producers and the Rural Poor" in 12 member countries in 2000. It was completed in 2002. A symposium was held in Tokyo, Japan, 11–17 March this year, to discuss the survey findings. It was implemented by the Association for International Cooperation of Agriculture and Forestry, Japan. Thirteen participants from 13 member countries took part. Apart from the survey report, the participants also received special presentations on: 1) Agricultural trade liberalization: implications for food security and the rural poor in developing countries; and 2) Trade liberalization, agriculture, and poverty in low-income Asia.

Participants in the symposium listed the following as among the challenges arising from trade liberalization: ensuring food security; enhancing regional groupings for trade and economic cooperation; minimizing adverse impacts on people, the environment, and resources; penetrating the markets of developed countries; meeting stakeholders' needs and improving their benefits; and providing assistance to the weaker countries.



Symposium in progress

As for the opportunities that trade liberalization brings, the following are some possibilities the participants identified: greater access to international markets; cheaper products for consumers; ability to exploit one's competitive advantage; attracting more foreign direct investments; encouraging more domestic private-sector investments; promoting regional trade and economic cooperation; and liberalizing the domestic market.

The participants placed emphasis on the need of developing countries to build their capacity in a number of areas, including: understanding the provisions of the WTO agreement, international trade obligations, and the procedures for dispute settlement; negotiating skills; trade liberalization issues; aid to industries; manpower development; marketing research; trade-related intellectual property rights; and information and communications technology applications.

Improving the economy and the ability of agricultural producers and the rural poor to adapt to and gain from the changing global trade environment is seen as fundamental to every country, commented the participants. In particular, they called for increasing economic growth, poverty alleviation, improving agricultural productivity and sustainability, production of higher value-added products, and more sophisticated marketing efforts. 🌀

Global water crisis: the APO's response.... *(Continued from page 1)*

The APO was represented at the water forum by Secretary-General Takashi Tajima, Director for Environment Augustine Koh, and Senior Program Officer (Environment) Takuki Murayama. It joined with 50 countries and regional and international organizations in undertaking to fulfill a "Portfolio of Water Actions." The APO's commitment relates to industrial water conservation and safe drinking water. It will sponsor an international symposium on "Water Resources Management (WRM)" in Singapore later this year and an "Asia Water Symposium" in 2004. The Singapore meeting will review the WRM

approaches currently in use, study successful cases, and lay down guidelines for more effective WRM and economic sustainability.

As part of its Green Productivity and Integrated Community Development programs, the APO has been actively involved in promoting water conservation, wastewater management, and access to safe potable water. A number of publications were also issued on water use efficiency in irrigation, productivity of rainfed areas, and participatory irrigation management. 🌀



p-Experts deputed by APO

ISLAMIC REPUBLIC OF IRAN

Mr. Shuichi Yoshida, President, GTR Institute International, Japan, was deputed to conduct Gamba Kaizen Workshops, 26–30 April 2003.

SINGAPORE

Dr. Barry David Inglis, Director, National Measurement Laboratory, CSIRO, Australia, was deputed to conduct a review of the National Measurement System, 1–9 April 2003.

Mr. Shaye Silcox, Chief Executive Officer, Australia, was deputed to participate in site visits and the Post-Site Visit Meeting of the Singapore Quality Award for Business Excellence Program, 19–27 May 2003.

THAILAND

Mr. Kittu Kumpeera, Director, Environmental Management Division, Kenan Institute Asia, Thailand, was deputed to provide technical expert services in the Green Productivity Demonstration Program at Evergroup Co., Ltd., 28 April–2 May 2003.

APO/NPO update

New APO Director, Alternate Director, and NPO Head for the Republic of Korea

Mr. Jae Hyun Kim, Chairman & CEO, Korea Productivity Center, was designated as the new APO Director and NPO Head for Korea w.e.f. 25 April 2003, in place of Mr. Hee Beom Lee.

Mr. Jun Yeong Choi, Director-General, Industrial Policy Bureau, Ministry of Commerce, Industry & Energy, was designated as the new APO Alternate Director for Korea w.e.f. 28 March 2003, in place of Mr. Jong Kap Kim.

New APO Alternate Director for Vietnam

Ms. Nguyen Thi Bich Hang, Managing Director, Vietnam Productivity Centre, was designated as the new APO Alternate Director for Vietnam w.e.f. 15 April 2003, in place of Mr. Duong Xuan Chung. She is also concurrently the APO Liaison Officer.

NIPO new e-mail address

From 18 April 2003, the e-mail address of the National Iranian Productivity Organization (NIPO), Islamic Rep. of Iran, has been changed to: nipo@nipo.ir

Program calendar

Fiji

Seminar on Emerging Trends in Hotel and Catering Management, 20–27 August 2003.

Japan

Training Course on Management Consultancy for Productivity Improvement, 1–12 September 2003.

Seminar on Development/Strengthening of Small and Medium Enterprises, 15–19 September 2003.

Malaysia

Study Meeting on Total Factor Productivity Measurement and Analysis: Sector-specific Measurement, 26–29 August 2003.

Training Course on Development of Women Entrepreneurs, 9–13 September 2003.

Mongolia

Forum on Labor-Management Cooperation: Challenges to Increase Employment, 9–12 September 2003.

Philippines

Development of Productivity Specialists, 7–25 July 2003.

Training Course on Development of Women Entrepreneurs, 15–19 September 2003.

Kindly contact your NPO for details of the above activities, including eligibility for participation. If you need the address of your NPO, it is available from the APO Web site at www.apo-tokyo.org.



p-TIPS

Keeping employees happy (and it's not about the money)

How do Asia's best employers treat their employees? *The Far Eastern Economic Review* (17 April 2003 edition) analyzed the results of a survey by human resources consulting firm Hewitt Associates of the USA. The respondents were 84,183 employees, chief executives, and human resources staff in more than 300 companies in China, Hong Kong, Republic of Korea, Malaysia, the Philippines, Singapore, Republic of China, and Thailand. Site visits and interviews were also conducted.

Being among the best employers means having the happiest employees. Although it may surprise some, the survey results showed that pay was not the most important factor in job satisfaction. Recognition, benefits, work-life balance, and career opportunity were ranked as more important. Not surprisingly, eight of the top 20 in the Hewitt Associates survey were in the hospitality industry. Because hotel customers are in direct contact with staff at all levels, savvy hotel managers have long realized that contented, confident employees give better service and are an important part of the product.

While by no means an exhaustive list, the following were common themes in the many examples of how Asia's best employers reduce staff turnover, inspire excellent job performance, and ultimately benefit their bottom line:

- 1) Respect every employee, consult with them on changes, act on their suggestions, and recognize contributions.
- 2) Create a positive work environment where all employees have the tools needed to do their jobs.
- 3) Care for employees as a family, be open and honest, and maintain communication.
- 4) Trust employees. Give them responsibilities to create a culture of performance.
- 5) Ensure that company goals and objectives are in line with employee goals.
- 6) Provide training and development opportunities; let employees know that career advances are possible.
- 7) Pay people fairly and look after their welfare.

Sri Lanka's productivity policy reports

In the August 2002 issue of the APO News, we reported on the announcement by Sri Lankan Minister for Employment and Labour Mahinda Samarasinghe that his country would introduce a national productivity policy as one of its strategies to achieve rapid economic growth. Two teams of advisers, specialists, and consultants, both local and international, were commissioned by the Minister to study and make recommendations. Early this year, the report National Productivity Policy for Sri Lanka was released. It has two components: private sector and public sector. As explained by APO Director for Sri Lanka Mahinda Gammampila, "A vibrant private sector has to be ably supported by an equally competent and committed public sector."

The private-sector report was submitted by a tripartite 24-member Advisory Committee on Productivity, which was supported by the US Agency for International Development through The Competitiveness Initiative. The public-sector report was prepared by the Postgraduate Institute of Management, University of Sri Jayewardenepura, based on a preliminary study by experts from the National Productivity Corporation of Malaysia deputed by the APO.

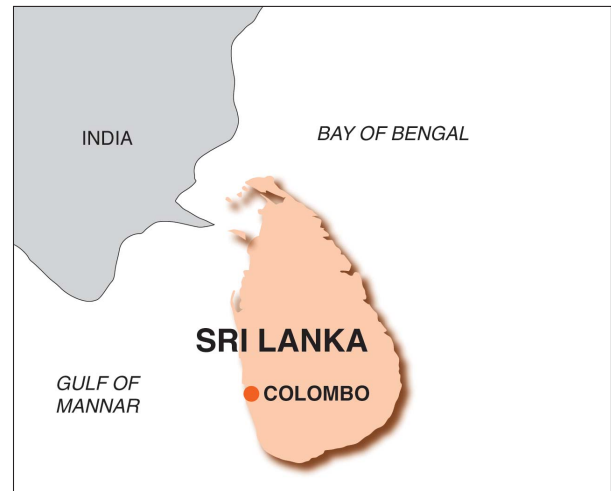
Both reports are premised on the vision of "a future of peace and prosperity in which all Sri Lankans enjoy a higher standard of living and a better quality of life achieved through steady improvements in productivity at the individual, firm, and national levels, with gains shared equitably across all occupations and all walks of life." In this quest to improve productivity, the private sector sees its mission as promoting economic and social stability through enhancement of productivity in the formal and informal sectors of the economy; progressive labor-management relations; improved gain-sharing; technology; investment; and a sound, supportive legal, regulatory, and administrative framework. The public sector, on the other hand, has set the target of a 5% annual productivity growth rate for the nation and of 8% for each public-sector organization. At these productivity growth rates, the government will be able to achieve its planned annual GNP growth rate of 10% in the years to come.

The report on the national productivity policy for the private sector recommends that specific targets should be established for productivity, savings, investment, and reduction of government deficits. It also presents the following eight main groups of initiatives for implementation:

1. Establish a more supportive economic framework.
2. Encourage more savings and better investment.
3. Improve labor market flexibility.
4. Develop the workforce.
5. Enhance enterprise-level productivity.
6. Encourage new businesses and support SMEs.
7. Encourage a culture of quality and productivity.
8. Implement the strategy and monitor progress.

The public-sector report lays down five guiding principles for the formulation of national strategies and policies for productivity improvement:

1. Customer-based production of value;
2. Continuous improvement of quality as a core work value;



3. Result-driven organizations;
4. Decentralization, decent work, and employee involvement; and
5. Proactive management.

The report also identifies the following five key areas of concern:

1. Developing a world-class workforce;
2. Reforming the public sector to make it more efficient and effective;
3. Coordinating productivity initiatives undertaken by different sectors of the economy;
4. Applying principles of business management to public administration; and
5. Encouraging and recognizing individual employee productivity.

The private-sector report, in its conclusion, states that the national productivity policy is ambitious but necessary. Converting the recommendations into objectives, policies, and programs will not be easy as it will involve changing the attitudes and actions of people, businesses, and government. However, if it succeeds, there will be great rewards. This is how the rewards are envisaged:

"The standard of living of the average person will increase. People will be able to provide better for their families. Employers will invest more in capital and technology, making their employees more productive. This in turn will encourage them to invest more in their employees to upgrade their skills and training. The average wage will increase. Sri Lanka will again be seen as an attractive home for those wishing to invest and start businesses, or expand their businesses. Productivity will then lead to prosperity and a better quality of life for all Sri Lankans." 