

NPOs' challenges in the 21st century

The national productivity organizations (NPOs) in APO member countries recognize that they must transform themselves in the new century to remain relevant. They must acquire knowledge on current issues in the current increasingly competitive global market, improve their ability to devise and implement effective strategies to enhance productivity and quality in all enterprises, and attempt to incorporate organizational excellence approaches in national development plans.

As part of activities to commemorate the 40th anniversary of the National Productivity Corporation (NPC) of Malaysia, the APO and NPC jointly organized a symposium on Managing NPOs' Challenges in the 21st Century, 28–30 November, in Kuala Lumpur. Four key topics were covered: strategies for enhancing national competitiveness; managing human capital development; Green Productivity and sustainability, particularly for SMEs; and knowledge management.

The symposium drew not only participants from APO member countries but also local individuals from the private sector. Twenty-seven NPO heads and senior staff from 18 member countries were in attendance, along with some 50 private-sector senior managers and productivity and quality professionals. Three APO resource persons from the USA and Canada and three local speakers provided the resource inputs.

At the opening session, NPC Director-General Dato' Nik Zainiah gave a welcome address in which she highlighted the key issues faced by NPOs, such as increasing quality and customer value, enhancing competitiveness and innovation, managing change, and doing more with less. She pointed out that Malaysia had benefited tremendously from its productivity-driven growth initiatives. With the unveiling of the Ninth Malaysia Plan, the current administration is committed to realizing Vision 2020 to allow the country to attain developed nation status. The NPC's focus is on developing human capital and organizational excellence as well as nurturing creativity and innovation. Dato' Nik Zainiah called for NPOs to equip themselves to meet new challenges and not simply depend on their countries' wealth and stability.

APO Secretary-General Shigeo Takenaka next delivered a keynote address in which he congratulated the NPC Malaysia on its 40th anniversary and outlined three key challenges confronting NPOs. The first was the deregulation in virtually all APO member countries. As governments become smaller, the revenue base of NPOs will shrink. NPOs must explore ways to enhance their competitiveness by offering more valuable services to their clients, review their competitive advantage, and focus more on niche markets. The second was the necessity to focus on the service sector, a relatively a new area for most NPOs. Experience suggests that productivity improvement in the service sector is more complicated and demands more effort compared with that in the manufacturing and agriculture sectors, the Secretary-General pointed out. The main reason for this is that each customer is different and the underlying concept is the movement from mass production to mass customization of services. Therefore it will be important for NPOs to create a comparative advantage related to productivity improvement in the service sector. The third challenge was staff retention. Training and retraining together with attractive benefit packages will always be a must for organizational competitiveness. In a free-market economy, some degree of job hopping is inevitable, and competent NPO staff will naturally be sought after by other organizations in the public and private sectors. Their skills, abilities, and productivity knowledge can still benefit the nation even if they do leave the NPO.



Delegates on a field visit to Ingress Engineering

Presentations were made by resource speakers Paul Steel, Total Quality Inc. on the evolution of excellence; Tan Sri Ismail Adam, Director-General of Public Services Department, Malaysia, on the need for human capital development for business excellence; Dr. Irene Mia, World Economic Forum, on Malaysia's competitiveness; Lynn E. Johansson on Green Productivity for sustainable development; and Ghazali Mohamed Fadzil, Deputy Director, Centre of Knowledge Management, Central Bank of Malaysia, on managing knowledge.

A panel discussion led by Dato' Nik Zainiah with the NPO heads from India, Sri Lanka, Mongolia, the Philippines, Cambodia, and Bangladesh resulted in the recommendations that the APO should:

- 1) design a standard training program for quality assessors based on the updated Malcolm Baldrige Award criteria;
- 2) study productivity measurement in the informal sector, which is significant in some member countries and contributes to GDP growth;
- 3) emphasize public-sector productivity in national competitiveness agendas;
- 4) explore training certification for its projects, which would contribute to branding of the organization;
- 5) expand NPO–NPO collaboration;
- 6) design Category B projects to cover all countries with different focus areas; and
- 7) continue to focus on the practical aspects of knowledge management.

Secretary-General Takenaka stressed that the APO offered many schemes to develop the capabilities of NPOs such as study missions, the Bilateral Cooperation Between NPOs Program, and Technical Expert Services and urged NPOs to utilize them. He added that the APO would continue to support those programs. The Secretary-General called on NPOs to collaborate either officially through APO assistance schemes or bilaterally through direct contacts with one another.

The seminar wrapped up with a site visit to Ingress Engineering Sdn. Bhd. in Nilai to observe productivity and quality initiatives undertaken to increase competitiveness. 