



Austria's productivity successor body: WIFI

In some European countries, the role and functions of productivity centers have been usurped by another national body. Austria is a case in point. Austria is built on a structured system of partnerships developed immediately after World War II in 1946, as a sort of productivity center in macro form. Thus, all the main interest groups in society are constituted into self-governing “chambers,” in which membership is compulsory and to which mandatory fees are paid. There are chambers of enterprise (for companies), of workers and employees, and of farmers. This “social partnership” system of cooperation has not, however, precluded the parallel development of free associations of interest groups in the form of trade unions and employers. The ensuing neocorporatist principle of tripartitism has produced an enduring climate of compromise, consensus, and socioeconomic “wellness.”

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In 1950, those chambers jointly established the Austrian Productivity Centre. Fully financed by US Productivity Finance and national counterpart funds, its aim was to provide information and training in productivity concepts and techniques. But within five years its purpose mutated as it was required to develop self-financing training and information transfer activities, although claiming then and now that it is a not-for-profit association. During the 1970s, it merged with the national work-study body to become the Österreichisches Produktivitäts-und-Wirtschaftlichkeits-Zentrum. As such, it has created its own national niche for training and networking experts in marketing and financial management.



On the other hand, the broader functions of a national productivity body have been carried out by the Economic Development Institute of the Chamber of Enterprises (WIFI). WIFI has a staff of 45 at its headquarters in Vienna and 660 in its nine regional offices spread throughout Austria. It is known as the nation’s prime continuing vocational training and development organization. Through its regional centers it provides 20% of the country’s certified training, broken down into some 300,000 participants, 11,000 trainers, and 25,000 courses annually in 80 establishments, each with constantly updated facilities and equipment. Every year 20% of its (mainly modular) courses are developed anew and presented in its annual program book, published in a print run of 500,000 copies. Total annual turnover is €137 million.

WIFI’s educational role is continuously evolving, reflecting both new insights into learning and teaching approaches (it has trained 300 “e-coaches” for 6,000 e-learning participants) and the changing skill needs of enterprises and entrepreneurship. Thus of late it has nudged (for example, through language competitions, information campaigns, fairs, and films on careers) schools to come closer to industry and has developed academic institutes providing university-level education (MBA courses) with a strong practical bent. More action will be needed in this respect in the future if Austria is to achieve the high-tech status it seeks, since today only 18% of the working population have higher educational qualifications, well below the OECD average of 25%.

From its inception, WIFI has also been involved in awareness and information, research, and business consultancy activities. As competition grew, WIFI propagated the tools, knowledge, and attitudes that enable firms, especially SMEs, to produce more, better, and more cost-efficiently. One particularly effective tool was a “productivity bus” that continuously toured the length and breadth of the country. With time, more emphasis was attached to the problems of specific industries, such as tourism, vehicle maintenance, and electronics. Later still, in the 1970s, WIFI led efforts to introduce new technologies by pushing flexible automation and robotics.


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Over the years, WIFI publications have presented, in a pithy, reader-friendly manner, the pressing and continuing issues involved in business life, such as quality assurance, managing indirect labor costs, lean management, etc. It has also sought to provide a positive spin on Austrian enterprises, at home and abroad, especially an ongoing policy of participation in the world’s major trade fairs and its “Made in Austria” campaigns. Its business consultancy activities have experienced the greatest amount of abrupt change. Until 2000, headquarters continued to provide a thriving consultancy service of its own. But already from the 1980s, membership had its qualms in the wake of a surge of privatizations in the extensive state enterprise sector. Private consultancies, moving into an expanding market, saw WIFI as unfair competition from the very organization of which they were members and financiers. Then, as Austria was experiencing the full force of European competition after joining the EU in 1995,

chamber members decided on a one-third cut in fees. With finances reduced, the headquarters consultancy provision was drastically pared. Its efforts have subsequently focused on knowledge transfer and initiating economic development programs for smaller enterprises in four areas: management; innovation and technology; energy and the environment; and work and health. Rather than impairing its operations, this restructuring has enhanced the value of WIFI's regional offices, which undertake some 15,000 consultancy assignments annually, drawing on a pool of 4,000-odd external consultants.

Internationally, although WIFI does not limit its knowledge transfer to the successor countries of the former Hapsburg Empire (it has contracts with Saudi Arabia for a career information and advisory system to counter youth unemployment and is accredited as an official foreign training institute by the People's Republic of China, for example), it realized from the "regime change" period starting in 1990 the mutual economic and societal potential of providing European countries to its east with a helping hand in enterprise training. From early training seminars provided jointly with local training providers, sometimes with franchises, the first WIFI center as such was launched in 2004 in Hungary, followed by those in Poland and Croatia. The graduates have WIFI qualifications on

which Austrian firms involved in expansion strategies in those countries can rely; in 2006, some 300 Austrian enterprises used this contract platform.

WIFI is like no other productivity center in Europe. It also has a future like none other because it is "owned" by enterprise, serving a medium-sized economy of eight million inhabitants which has grown to become a European leader in wealth creation and where unit labor costs fell 38% in the decade up to 2005, making it Europe's fastest-growing and fourth-richest economy with the benefits equitably spread among all groups of society. Austria has consistently low levels of unemployment. What more can WIFI want? Constant vigilance and adaptation, if possible proactive, to emerging challenges will ensure its longevity. 

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