

## **Can Improvements In Productivity Bring About Benefits To All?**

Since the advent of the National Competitiveness and Productivity Council, discussions have prevalent within the public domain about what the benefits of productivity would be for any nation that chose to implement productivity strategies.

Internationally, one of the most successful competitive councils is that of the National Competitiveness Council of Ireland. Although there is a slight variation in this council's name in relation to St. Lucia's council, both entities were formed to meet the same objectives. As with all such councils worldwide, the main focus is to raise the nation's economic wellbeing and to increase its capacity to compete globally. This is done by implementing strategies that will raise national productivity, which in turn will result in the country reaching a higher level of competitiveness. Ireland's success in doing just that over recent years, highlights how a shift in a nation's productivity can result in positive social and economic benefits. Ireland has gone from being labelled as 'The Poorest of the Rich' by The Economist in 1988, to a nation whose competitive presence is noted worldwide.

In their 'Competitiveness Scorecard of 2012', the council is quoted as stating that

*'(We) do not have to be the best at everything to be competitive, but we do have to have the best combinations of policies so that we create the right environment for long term sustainable growth.'*

These policies in turn have been productive in nature and thus brought about benefits to employees, companies, consumers, the general public and to the country as a whole. Therefore, what must be noted from Ireland's success story is that national efforts towards productivity enhancements usually result in benefits to all.

Implementation of productivity strategies does not yield overnight success however productivity improvements that will result in substantial benefits require reasonable length of time to source and identify. This is because they involve not just the studying of existing processes, but the exploration of new processes and the customisation of others.

In regards to any given company and its owner, what is notable is that the pursuit of productivity improvements, even though incur costs in the short run, would result in rewards for the enterprise. What is also significant is the long term benefit that businesses can derived from productivity improvements.

In the world of business, productivity improvements can be asset-related or labour-related. Asset related productivity improvements can be realised through better machines, automation and improved technology. Labour related improvements require among other things, changes in mind-set, the training and retraining of staff, management and staff buy-in and all other conducive environmental and organisational cultures that encourage and reward staff for initiating and developing improvements in the work place.

Benefits from productivity improvements may at times seem elusive, whilst the costs of such improvements are all too real. What must be remembered however is that improving the productivity of a company, the public service, or a country in time will yield rewards to all stakeholders. Those rewards may include,

- Benefits to the employee- through a better quality of work life, job security, higher wages and improved working conditions.
- Benefits to the company- through Sustainable investment in people and technology, greater market share, higher profits and an increase in competitive structure.

- Benefits to the consumer- through higher customer satisfaction leading to an improved image of the nation, a high quality of goods and services and lower cost of goods.
- Benefits to the general public- through improved public services without the need to increase taxes, and
- Benefits to the country- through a higher standard of living, greater investment in infrastructure and a reduction of social inequality.

Improvements in productivity within a nation can generate a better competitive presence globally; Ireland is living proof of this. What must be remembered is that these improvements are not geared towards instant change as this is not the result that should be aimed for. Sustainable economic change should be the goal.