



Institute of Management Services

Newsletter February 2017

The UK National Minimum Wage's Impact on Productivity

A recent study by Marian Rizov, Richard Croucher and Thomas Lange indicates that low pay poses issues for managers internationally.

The study examined productivity in low-paying sectors in Britain, since the introduction of the National Minimum Wage (NMW).

It used a multiple channel analytical strategy, emphasizing the wage incentives channel and linking it to a model of unobserved productivity.

It was found that the NMW positively affected aggregate low-paying sector productivity.



These findings highlight increased wage incentive effects with implications for management practice and public policy

since 'living' wages may be productivity enhancing.

The full study report can be found [here](#)

Institute 2017 Elections

In 2017 four vacancies will arise on the Institutes Council of Management. A formal notice of Election will appear in the Spring edition of the Management Services Journal seeking nominations from Institute Corporate Members. These are members that hold the membership grade of Member or Fellow.

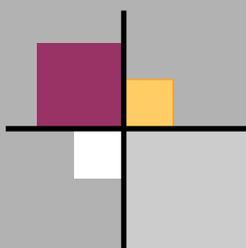
The Institutes Council of Management has responsibility for running the Institute and makes all executive decisions. It meets three times a year in Lichfield. Elected Council members also have responsibil-

ity for other areas such as education, membership, finance and media.

Expenses are paid to cover travel costs, but otherwise these are voluntary positions.

The Institute would like to encourage younger members of the Institute to consider standing for election to Council as it affords an excellent opportunity to gain experience in running a large voluntary organisation and this will ensure that the Institute is well placed to continue to move forward in the modern world.

If you are interested please fill in the nomination form displayed in the Journal telling us why you would like to be elected and what experience or skills you could bring to the running of your Institute and return it to our head office by the closing date.





“The Economist, through a series of articles, has been highlighting trends of persistently falling global productivity levels across both developed and developing countries.”



The International Monetary Fund predicts UK growth in 2017

The International Monetary Fund (IMF) is forecasting better than expected growth for the UK in 2017, Equally it is predicting that 2018 will see a fall in UK productivity .

In its latest World Economic Outlook, the IMF said it now expects the UK economy to grow by 1.5% this year, marking a 0.4% upward revision to forecasts made in October. The UK is among a number

of countries - including the Germany, Japan and Spain - to see growth forecasts raised "mostly on account of a stronger-than-expected performance during the latter part of 2016," the report stated.

"Preliminary third-quarter growth figures were somewhat stronger than previously forecast in some economies, such as Spain and the United Kingdom, where domestic demand

held up better than expected in the aftermath of the Brexit vote."

The UK's Office for National Statistics (ONS) said Britain's economy expanded by 0.6% between July and September last year.

Productivity slowdown: A global disease?

Over the last few years the , *The Economist*, through a series of articles, has been highlighting trends of persistently falling global productivity levels across both developed and developing countries.

It is bizarre how the geopolitical landscape in parts of both the West and the

East seem to be quite isolated in discussing or highlighting the numbers that remain to be seen or gauge the likely socio-economic effects of such trends in the future.

The slowdown in global productivity levels seems to physiologically have some kind of a diabetic effect on

the global economy body further affecting global employment levels, wages, price levels etc.; and can easily culminate into a deeper economic shock at any point of time. At the same time, there are no direct quick fix solutions to the problem as well.

UK Jumps to 13th Place for Productivity Potential

The United Kingdom has climbed up to 13th place from 14th a year ago in KPMG's Variables for Sustained Growth Index. The index measures 181 different countries' productivity potential by considering areas such as education, technology, strength of institutions and infrastructure.

The UK obtained an overall score of 7.23, above the average score of 6.76 for

G7 countries, however the impact of Brexit could put this at risk amid fears of lower trade and a reduction in skills due to lower EU migration.

KPMG head of macroeconomics, Yael Selfin, said: "The world experienced a number of surprises in 2016 signalling that globalisation as we knew it may no longer work. The subsequent impact on the world economy from less trade

and reduced flows of people and ideas as a consequence of this could be significant.

"The result of the EU referendum means the UK is one of the countries likely to see the most change as part of this shift. The country needs to work harder than ever to demonstrate our doors remain open to the world.

World Productivity Congress

The World Productivity Congress is being held on 2 - 4 April 2017 at the Gulf Convention Centre in Bahrain.

This premier global convention dealing with productivity development. It is organised on a partnership basis between the World Confederation of Productivity Science (WCPS) and a host organisation which is normally a Network Partner of the WCPS.

The Congress brings together a distinguished group of leading businessmen, industrialists, scholars, politicians, adminis-

trators and productivity experts from around the globe and from all sectors of industry, commerce and public service.

It is this breadth of expertise and experience that makes the Congress an important event for shaping future governmental approaches to productivity development, and for shaping future organizational strategies.

For registration and all related information, visit our website: www.ims-productivity.com.



Why Not Upgrade Your IMS Membership?

All Institute members are urged to consider upgrading their membership. If you have held the grade of Member with the designatory letters, MMS or MMS(Dip) for at least five years and have gained the necessary experience in your profession you could well meet the criteria to apply for the grade of Fellow FMS.

You may have held the grade of Associate AMS for three years and should consider up-

grading to a full Corporate Member of the Institute which allows you to use the designatory letters MMS.

“Being entitled to use the term ‘Associate’, ‘Member’ or Fellow’ of the Institute of Management Services is a ‘badge’ of recognition indicating achievement, impact and high standards as well as the professional standing of those elected,” said Julian Cutler IMS Chairman.

Making an application for upgrading your membership of the Institute is straight forward your application will be fully considered by our Membership Panel which consists of three senior Fellows of the Institute. If you would like to find out more about upgrading your membership with the Institute see the link below. [Click here](#)

“Being entitled to use ‘Associate’, ‘Member’ or Fellow’ of the Institute of Management Services is a ‘badge’ of recognition indicating achievement, impact and high standards said Julian Cutler IMS Chairman.”

Institute Website



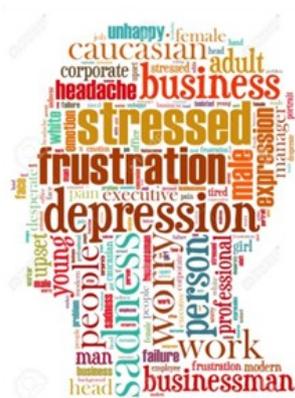
The IMS website has been in existence for a number of years and the Institutes Media Committee is considering ways to improve an update the site.

Members are invited to email their views on possible improvements that would enhance the website and make it more appealing and informative. It is hoped that this will attract new potential members to use the

website as well as current members.

If you would like to respond to this request please send your email to: admin@ims-productivity.com

Blue Monday



The third Monday in January has been labelled Blue Monday because it is considered to be the most miserable day in the year.

The Blue Monday theory suggests that weather, debt, low motivation, post-Christmas melancholy, failure to give something up or commit to New Year's resolutions and the need to take action all contribute to this particu-

lar day being the "most depressing day of the year".

While mental health campaigners dismiss the legitimacy of the theory, they welcome the fact that it encourages conversation about mental health.

Kelly Feehan, services director for the Chartered Accountants Benevolent Society (CABA) said, "Blue Monday is widely regarded as the most depressing day of the year; and one which has attracted criticism for trivialising mental health. However, what can't be denied is that Blue Monday has encouraged people to talk about mental health."

"We know from our own research that 32% of British employees would not tell anyone at work if they felt they were suffering from stress, anxiety or depression, with workers over 55 most likely

to keep quiet. Therefore, it is good news that initiatives such as Blue Monday have been created to help people open up and speak more candidly about how they're feeling," she added. Feehan also highlighted the effect mental illness can have on productivity in the UK.

"How we're feeling can have a significant bearing on workplace productivity. For example, concerns triggered by issues linked to Blue Monday such as money worries and feeling down can affect critical functions such as sleep, thus impacting how we perform day-to-day."



"Achieving excellence through people and productivity"

Institute of Management Services

Brooke House
24 Dam Street
Lichfield
Staffordshire
WS13 6AA

Phone: 01543 266909

Fax: 01543 257848

E-mail: admin@ims-productivity.com

Website: www.ims-productivity.com

Management Services Journal

Current Issue

Now Available online

If you no longer wish to receive a Journal by post please contact our Administrator

Email: admin@ims-productivity.com

