



Institute of Management Services

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Malaysia Needs to Enable Women to Enter the Workforce

According to the United Nations Resident Coordinator Michelle Gyles-McDonnough, Malaysia needs to make every effort to maintain the current healthy growth rates and possibly push them higher to ensure the government's ambitious targets for Vision 2020 can be met. Michelle Gyles-McDonnough, said that several measures could be taken to boost productivity and growth.

Among initiatives that Malaysia could take in aiming for higher growth include undertaking more developmental mega projects, a move that

would not only push growth but indirectly drive labour productivity.

Under Vision 2020, Malaysia needs to register an average GDP of 7.0 per cent per annum



leading in the years leading to 2020. Malaysia's first quarter GDP this year was at 6.2 per cent.

Meanwhile, on the productiv-

ity growth among women, Michelle Gyles-McDonnough said "One way of increasing this productivity is to look at the policies and framework necessary to enable women to enter the workforce".

She further said, "Malaysia has made very clear the intention to increase female participation in the labour force, including investing government resources in education. Women make up of over 68 % of tertiary graduates in this country but do not remain long in the labour force."

Vince Cable Speaking on Productivity

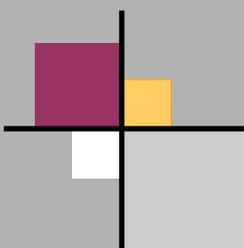
The Rt Hon Dr Vince Cable MP recently delivered a speech on relative productivity at the Social Market Foundation, London in which about the economy and the need to restore labour productivity which has stagnated since 2008. He indicated that without productivity growth we will not escape the low-wage, low-productivity trap.

He also indicated the need to ensure that growth is driven more than it has been – particularly in the pre-crisis dec-

ade – by business investment and by exports (and import-competing goods and services) and less than it has been by private and government consumption, especially if the latter is financed by unsustainable levels of private and government borrowing and debt.

He said that productivity remains weak, but the key is the rebalancing of capital investment and the growth of manufacturing.

He concluded by saying those high productivity sectors which we need to expand, like advanced manufacturing, are constrained by a damaged banking system which is providing limited credit to small and medium sized enterprises – as well as by skills shortages and a lack of investment. The implication is that, beyond the current recovery, it will be difficult to sustain rapid growth in output and living standards without a major spurt of productivity.





India Milk Production

The Indian National Dairy Development Board (NDDDB) plans to import about 80 Holstein Friesian and Jersey bulls from Denmark as part of strategy to improve the genetic potential of Indian cows under the National Dairy Plan (NDP).

The NDDDB Chairman, T Nanda Kumar said “These high genetic merit bulls are selected based on the milk yields that their mothers

have given — anything above 30 litres per day.

Boosting productivity of the Indian cattle through genetic improvement is a key component of the World Bank-funded NDP, being currently implemented by NDDDB. “We are right now importing over 80 bulls and will review going ahead,” Nanda Kumar said. The bulls will be acclimatised for the Indian climatic conditions for at least six

months, before being given away for cross breeding.

India ranks first in milk production, accounting for close to a fifth of the world output, but productivity of the cows is low. The average productivity of indigenous cows stood at 2.36 litres per day in 2012-13, while that of cross breeds stood at 7.02 litres per day.

Manufacturing output has soared in the state, according to a report released Tuesday by the Los Angeles County Economic Development Corp.

California Productivity Surges

Manufacturing jobs in California have decreased dramatically — 40% of them gone in less than 25 years — but productivity in the state is leading the nation.

Even as the workforce has shrivelled under the pressure of automation, offshoring and aggressive cost-cutting, manufacturing

output has soared in the state, according to a report released Tuesday by the Los Angeles County Economic Development Corp.

The state is the top contributor to nationwide manufacturing output, responsible for 11.4% of U.S. production, compared with 10% from Texas, the re-

searchers report said. The manufacturing industry’s productivity is growing faster than any other part of the California economy, helped along by technological advances.

UK Productivity

Labour productivity in the UK changed little during the first quarter of this year, according to figures from the Office for National Statistics.

Output per hour grew by 0.2% in service indus-

tries and by 0.5% in production industries.

The data also showed whole economy unit labour costs increased by 0.1% in the first quarter 2014 and were 1.4% higher than a year ago, continuing the slow rate of growth of re-

cent quarters.

This continued flat productivity growth gave little scope for many employers to increase wages.



UK Productivity Puzzle

Many of the manufacturing and service sectors have experienced several years of falling productivity.

The productivity recovery shows no sign of happening. Productivity growth measured by output per hour was flat comparing the first quarter of 2014 with the previous quarter - and that

has been the story for the last four years. That is bad news for many wage-earners, as ultimately only increases in labour productivity can support real wage increases. Many employ-

ers will be reluctant to push wages up while productivity performance is so dismal.

Productivity stars and laggards by industrial sector 2010-2014Q1

Manufacturing (2010=100)		Services (2010=100)	
Transport equipment	+28.4	Admin and support services	+16.1
Electrical equipment	+10.0	Whole sale, retail and repairs	+5.5
Rubber, plastics, mineral products	+4.9	Professional, scientific, technical	+0.7
Metals and metal products	+2.6		
Food and drink	+2.5		
Textiles and clothing	+1.7		
Paper and printing	-4.8	Arts, entertainment, recreation	-0.1
Machinery and equipment	-5.7	Government services	-1.8
Other manufacturing	-9.5	Transport and storage	-2.0
Chemicals	-13.4	Other services	-2.8
		Accommodation and food	-3.7
		Information and communications	-4.5
		Finance and insurance	-9.8
		Real estate	-12.6

Note: all figures output per hour. Source: Office for National Statistics

One of the more striking features is the big differences across some industrial sectors. We have a few sectors where productivity has grown strongly and is above its 2010 level, a

number where productivity growth has been stagnant, and some which have experienced a large decline. The table below illustrates the varying levels of productivity by industrial sector.

There have always been differences between sectors and some of these contrasts will have sector specific reasons behind them, but the overall picture is that large parts of the manufacturing and service sectors have experienced several years of falling productivity.

Australia Poor Construction Productivity

A recent report highlighted that only around half of the significant construction and infrastructure projects undertaken throughout Australia since 2006 have been delivered on time.

The report indicated particular concern at the significantly lower levels of productivity in Australia compared with many other countries.

Skills shortages, though less of an issue now compared with a recent years, are expected to surface again as infrastructure projects ramp up, especially in light of a generational shift at a project director level and a lack of training and expertise in project management.

The latest study comes at a critical time for Australia, with

the Business Council of Australia expecting \$760 billion in real terms (public and private) to be spent on infrastructure in the next 10 years and the federal government alone having committed to spending \$50.3 billion on road and railways over the next six years.

“Australian Skills shortages, though less of an issue now compared with recent years, are expected to surface again as infrastructure projects ramp up, especially in light of a generational shift .”

What Is Workplace Productivity When the Workplace No Longer Exists

Hear that sound? That’s the sound of knowledge being drained from organizations at an alarming rate because of turnover in the job market.

For example, in March of this year, more than 4.4 million people changed jobs in the United

States. So what does that mean? 4.4 million units of knowledge, irretrievably lost from companies’ knowledge bases in just that month.

The challenges of workforce productivity with staff turnover and modern workforce expecta-

tions are becoming increasingly apparent as companies lose valuable knowledge from employees while still trying to adhere to the expectations of the modern workforce, like mobility, flexible work hours, and evolving technology.



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The Institute's mission is:

to promote to key stakeholders in UK government and commerce:

an understanding of the concept of productivity and its improvement;

and

the importance of structured approaches to productivity analysis, measurement and enhancement.

to identify good practice and professional standards in productivity improvement by individuals or organisations; and to create and deliver education, training, advisory and support services aimed at helping individuals and organisations to establish and maintain that good practice and those professional standards.



Russia plans to Increase Productivity

In an effort to transform Russia's oil-dependent economy into a sustainable engine of growth, the government has unveiled a series of legal and financial measures aimed at fulfilling President Vladimir Putin's ambitious pledge to increase Russia's labour productivity 50% by 2018.

Productivity in Russia is less than half that of Germany, less than 40 % that of France and just 28 % that of the U.S., although it still exceeds the levels of China, Brazil and India, according to a study published in April by the Plekhanov Russian University of Economics.

President Putin in 2012 set the government the formidable task of raising productivity 50 %

across the Russian economy by 2018. But so far progress has been slow, with productivity economy-wide rising just 3.8 percent in 2012, according to the study.

In May 2014, Putin once again called for a drastic overhaul of Russian industry as the key to sustainable economic growth.

"Russia needs a real technological revolution, a serious technological renewal, we must perform the most sweeping technological upgrade of our enterprises in the last half decade," Putin said in a speech to domestic and foreign business leaders at the St. Petersburg International Economic Forum.



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