



Institute of Management Services

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Italy's Productivity Hampered by Presence of Micro Firms

Italy's productivity gap with other European partners stems from a large predominance of micro-sized firms and not from an inappropriate specialisation of its economy, a recent study said.

Net of those smallest companies, Italian efficiency level would be "not so far from that of Germany", a report by Nomisma economic research institute in Bologna stated. The report, called "Efficiency and Specialisation", was based on data provided by Eurostat, the European Union (EU) statistical office.

"The deep roots of Italy's output gap with a benchmark

country like Germany lie in the strong disproportion in the size of firms that tells the two economies apart," Nomisma chief economist and author of the study Sergio De Nardis told Xinhua.



Low labour productivity is considered a major factor in the continued crisis of the eurozone's third largest economy. It is also a long-lasting problem. Italy after

being among the best in Europe in the 1970s and 1980s, Italy has lagged behind its main European partners since mid-1990s, and its productivity sharply declined.

The productivity gap between Italy and Germany, Europe's largest economy, is now estimated at 20 percentage points. This gap would be almost entirely filled if the distribution of workers by firm size classes in Italy were similar to that of Germany, the study stated.

Container Terminal Response for Improved Productivity.

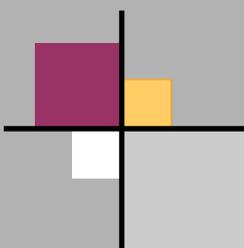
With the introduction of mega-vessels, terminals are seeing the need to ready their facilities to reach unprecedented productivity levels. A recent survey of more than 300 terminal IT directors and operations managers, conducted by Techvalidate on behalf of Navis, provided an insight into the current landscape.

The survey revealed a renewed focus on achieving productivity improvements for

customers, particularly around vessel stowage, yard and gate operations.

With global container trade volumes expected to grow by four to six percent in 2015 (according to industry research), terminals must move more cargo faster and more efficiently. As a result, terminals are investing in modern Terminal Operation Systems (TOS) solutions as the foundation to transform and optimize their operations, mod-

ernize their facilities and meet these challenges. From the first implementation at New Zealand's Lyttelton Port of Christchurch in 2006, to the 100th installation at Modern Terminals' facility in Kwai Tsing, Hong Kong, Navis N4 has quickly become the industry standard for the world's most advanced terminal operations.



Give Cities More Power to Boost UK Growth



Allowing UK cities to make their own decisions on tax and spending could boost economic growth by £79bn a year by 2030, a year-long study has concluded. The amount equates to boosting current UK productivity by 5%, said the RSA City Growth Commission, which conducted the study.

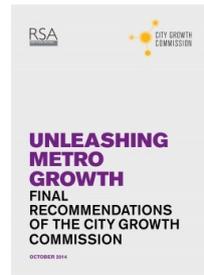
The Commission is pushing for draft legislation to be in place by 2015 and indicated "Our centralised political economy is not 'fit

for purpose'." The commission, chaired by economist Jim O'Neill, concluded that shifting power away from government ministers and officials to cities would drive up the UK's long-term rate of economic growth.

"There needs to be a radical reshaping of the UK's political economy, with our metros given sufficient decision-making powers and financial flexibilities in order to become financially self-sustainable," the commis-

sion said.

The report said that transport links in the north of England should be improved, particularly in the North West in an area it calls ManSheffLeedsPool".



"The Irish economy, however, is expected to perform 'substantially above average' over the next three years."

Irish Economy Grows and is More Productive

The European Commission has cut its Eurozone growth forecast from 1.2% to 0.8%, with anaemic GDP and inflation levels plaguing some of its most important economies.

In its Autumn 2014 Forecast, the commission has predicted that the region will show inflation levels of just 0.5% and while the picture looks marginally better for the coming two

years, the figures are still poor. In 2015, the Eurozone is forecast to grow by 1.1%, with 1.7% growth expected in 2016. Meanwhile, inflation will languish at 0.8% next year and 1.5% in 2015.

The Irish economy, however, is expected to perform "substantially above average" over the next three years. This year, it is forecast to grow at 4.6%,

for 2015 the figure is 3.6% and 3.7% for 2016. It's in marked contrast to 2013, when the economy grew by just 0.2%. Over the next three years, it will be the fastest growing economy in the European Union.



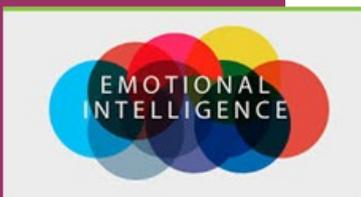
Emotional Intelligence Enhances Productivity

In recent studies Talent Smart have tested more than a million people and found that the upper echelons of top performance are filled with people (90%) who are high in emotional intelligence. The hallmark of emotional intelligence is self-control—a

skill that unleashes massive productivity by keeping individuals focused and on track.

In a survey by the University of Pennsylvania of two million people those questioned ranked in order their strengths in 24 different skills, self-control was

ranked in the bottom slot. This finding illustrates that most people feel they lack self-control and as such their level of productivity is diminished.



Poor UK Productivity

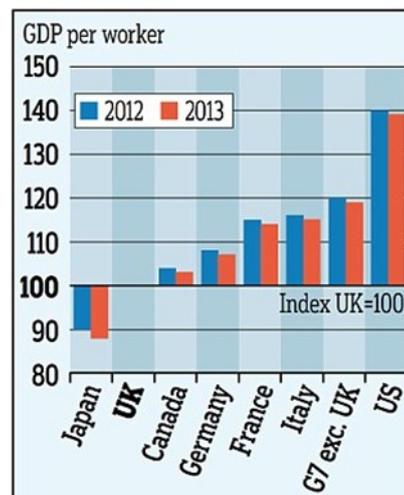
British workers are far less productive than their counterparts in the world's other major developed economies. The Office for National Statistics has indicated that output per worker in the UK was 19 percentage points below the average for the rest of the G7 in 2013.

Output per hour in the UK, another measure of productivity, was 17 percentage points below the average – the widest gap since 1992. Workers in the United States were the most productive, followed by those in Italy then France, Germany and Canada.

Only Japan had workers less productive than those in Britain. Andy Haldane, chief economist at the Bank of England, yesterday said weak productivity was one of the 'reasons to be fearful' about the state of the economy.

He also pointed to low wage growth and paltry returns on savings. Haldane said the economy 'appears to be writhing in both agony and ecstasy' as strong growth and record employment are offset by weak wages and productivity. 'This has been a jobs-rich but pay-poor recovery,' he added. 'The

level of productivity is no higher than it was six years ago.



Australia Fair Work Act

In Australia workers and management will be required to consider productivity improvements when bargaining for new enterprise agreements, while employees will have to meet a new test before they can take legal industrial action.

Employment Minister Eric Abetz has indicated that the government would introduce the changes into parliament

before Christmas as part of its next tranche of amendments to the Fair Work Act. Under the proposals, the Fair Work Commission would have to be satisfied that workers and management had discussed productivity before an enterprise agreement was approved.

However, they would not be required to reach agreement on improving productivity, and they

could agree that there were no further improvements to be made.



Fair Work
OMBUDSMAN

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Singapore Productivity Drive

An increasing number of companies in Singapore are becoming involved in the Government's drive to improve productivity in the food industry.

Some 1,300 food companies in 2014 embarked on productivity and service upgrading projects as part of a national push to boost productivity in this sector

which was launched in 2011. In the period 2011 to 2013, 850 companies became involved.

Around 4,000 staff from food companies have undergone productivity training in 2014 whilst in the period 2011 to 2013 some 2,200 staff had productivity training.



Singapore
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*“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-stowe.fsnet.co.uk

Website: www.ims-productivity.com

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The Institutes Council of Management extends sincere greetings for the New Year to all Institute Members and the wish that the year is a Happy and Prosperous one for you and your family.



Depression Hits Productivity

Research in America has indicated that depression in the workplace costs -- \$44 billion in lost productivity a year. Yet half of employees who self-identify as suffering from depression don't tell their bosses about the disorder for fear of losing their jobs.

The employer coalition Employers Health released results of its survey, the "Impact of Depression at Work Audit," which revealed the following information.

23 % of U.S. respondents indicated they have been diagnosed with depression in their lifetime;

Mental illness short-term disability claims are growing by 10 percent annually,

40 % of those patients reported taking time off of work – an average of 10 days a year; 58 % of employees surveyed who have been diagnosed with depression indicate they had not told their employer of their disorder;



More than 35 % of managers reported receiving no formal support or resources to guide their employees.

“Depression is significantly impacting productivity in the workplace,” the coalition said in its report. “In fact, 64 percent of survey participants reported cognitive-related challenges, as defined by difficulty concentrating, indecisiveness and/or forgetfulness, have the most impact on their ability to perform tasks at work as normal. Presenteeism (being at work, but not engaged/productive) has been found to be exacerbated by these challenges related to thinking on the job.”

The coalition said depression extracts about \$100 billion annually from U.S. employers including \$44 billion a year in lost productivity alone.