



# APO NEWS

Volume 38 Number 7

July 2008



p. 6, Training Course, South Africa



p. 7, Meeting, Philippines



p. 8, Graduation, Philippines

## Maximizing R&D investment

Consistent investment in R&D to develop new technologies and products is a necessity for survival in the globalized economy, where competition has no borders. However, the explicit danger of such a strategy is that technological advances are sometimes underutilized. Recognizing the need to maximize R&D benefits, leading enterprises have introduced the management of technology (MOT) concept as a strategic tool to improve company R&D performance by taking advantage of the full value of new technologies.

“MOT aims to maximize the cost-effectiveness of investments in technology development and ultimately contribute to enterprise value,” stated APO Secretariat Industry Department Director Takuki Murayama in his opening remarks at the MOT Seminar, 9–13 June, Tokyo, Japan. “MOT is a concept, a methodology, or a tool which enables effective, efficient use of new technology, an important management resource,” he added. The seminar was organized by the APO, Japanese Ministry



Identifying major issues in product development

of Economy, Trade and Industry, and Japan Productivity Center for Socio-Economic Development as part of continuous APO efforts to disseminate best practices of MOT in major companies including Japanese case studies and examinations. It also encouraged participants to exchange theories on advanced technology system applicability. Eighteen participants from 14 member countries attended, all of whom were senior R&D managers from SMEs and senior staff and consultants from NPOs and research institutions.

After the opening ceremony, participants split into four groups to identify major issues in company product development. All groups cited problems such as financial limitations, human resources shortfalls, and low levels of technology. Additionally, issues such as the difficulty in uncovering customers' needs and commercializing technologies were mentioned. Professor Hiroshi Osada, Tokyo Institute of Technology Graduate School of Innovation Management, Japan, agreed that companies faced difficulties due to mega-competition and suggested “innovation to cope with change and evolution” and “strategic and systems approaches.” He presented 14 best practice innovation strategies and seven strategic tools for planning, noting that, “The portion of SMEs in Japanese industry is 99%. All the big Japanese companies started from SMEs who had similar problems. In order to overcome their limitations and weakness, they created their own business growth models and carried out innovation.” He also emphasized the importance of both domestic and international collaboration to “catch up” with technological advances and improve global competitiveness.

The seminar also invited Professor Noboru Maeda, Aoyama Gakuin University. Professor Maeda, sharing his 30 years of experience in product and strategic planning at IBM and Sony, suggested that “corporate venturing” between big corporations and start-ups, especially high-tech start-ups, could be a win-win strategy and the key to MOT. He quoted Harvard

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## Productivity with equity

**T**he alluring aspect of productivity is the improvement in the quality of life that accrues to those who labor diligently and use capital wisely. The partnership of labor and capital for the betterment of society as a whole can unleash tremendous energy that propels nations forward. Productivity must serve two masters: the company's bottom line and social equity. If equity is not an important goal of higher productivity, then the rationale for increased productivity collapses into a scheme to enhance the lives of the few at the expense of the many. The significance of shared wealth, I believe, was aptly underscored in the February 2008 issue of the *APO News* by President Tsuneaki Taniguchi of the Japan Productivity Center for Socio-Economic Development when he identified the three guiding principles of the organization as: 1) job security; 2) cooperation between labor and management; and 3) fair distribution of the fruits of productivity. The value of these principles in improving worker productivity would appear to be self-evident, but trends in US business reveal a preoccupation with short-term objectives that undercut worker motivation.

Productivity increases in the past decade in the USA have been impressive, and Americans have enjoyed a concomitant rise in their quality of life. The pairing of increased productivity with a better quality of life was mutually reinforcing. When economists worried that Americans' appetite for the good life was going to push inflation to harmful levels, Alan Greenspan, then Federal Reserve Bank (FED) chairman, convincingly argued that Americans had earned a better quality of life through wise investment and strategic applications of recent advances in technology. Some economists held, however, that Americans did not gain their economic well-being through increased productivity but through inflated housing prices and financial manipulation. Greenspan's thinking carried the day as it was not difficult to appreciate the huge impact new technologies were having on increased productivity in the office and on the factory floor. Improved productivity rates reaffirmed that viewpoint.

There were two problems, however, that continued to haunt the technology-based productivity boom. One was the increasing gap between the



very wealthy and the middle class, and the other was the high profile and well-reported abuse of investor and public trust by some of the US business elite. These two disturbing trends were giving American workers second thoughts about the fair distribution of wealth attributable to increasing rates of productivity. Some statistics will help illuminate the problem.

**“Productivity must serve two masters: the company’s bottom line and social equity.”**

Despite American auto manufacturers significantly reducing the productivity gap between the US and Japanese automobile industries from 2000 to 2006, American auto workers at General Motors have witnessed the exit of 30,000 employees with 20,000 more workers expected to leave this year. This is on top of a 50% reduction in pay for new workers and reduced health benefits. Ford and Chrysler workers face equally difficult circumstances, as all three signed similar labor contracts in 2007. Auto workers were the standard bearers for the middle-class unionized worker in the USA, and the sector is now scrambling to survive, despite strong gains in productivity.

Economists have identified another anomaly as they analyzed data from the economic upturn of the first half of this decade. Average incomes showed a decline of 1% from 2000 to 2005, mark-

ing the first time since 1945 that Americans saw a decline in real income over a five-year period. Income became increasingly skewed during this time as well, with less than 1% of the population enjoying 47% of income gains. It is important to remember that productivity was showing strong gains from 2000 to 2005, and predictions were that if productivity maintained its above-average growth, unit labor costs would be held in check, company profits would increase, and workers would enjoy a more comfortable life.


It was also during the past decade that middle-class Americans began to understand and acknowledge the connection of productivity with the improved quality of their lives. Companies, hoping to benefit from the new popular awareness of the productivity movement, began touting themselves as productivity leaders through billboards and company slogans. There was a sense of self-satisfaction that a successful formula had been discovered that combined American ingenuity and hard work with the economics of productivity and that Americans could ride this marriage of technology, investment, and worker diligence to an ever-increasing quality of life. Statistics underscored the correctness of this thinking as home ownership rose to record levels, company profits increased, and consumer confidence and spending carried the economy forward.

It is common knowledge now, however, that this scenario was short-lived and the new FED Chairman Benjamin Bernanke is now acknowledging that the USA is most likely in a recession. Under Bernanke's leadership, the FED has turned to 1930s Depression-style remedies to support the financial system. The upcoming presidential election now features the economy as the number-one issue of public concern. Along with that concern is increasing talk (primarily by Democrats) that some form of income redistribution is required through government fiscal policy and that monetary policy must be prepared to go beyond traditional means to minimize the impact of a recession. All economic indicators are falling, and workers are alarmed, if not angry. In the fourth quarter of 2007, consumers were delinquent in car, credit card, and home equity loans at the highest level in 15 years.

In the midst of all this economic angst, the heroics of productivity that spurred the US economy to new heights over the past decade seem to have been forgotten. Does this mean that the power of productivity was misunderstood? I would propose that it was not misunderstood but misused and that productivity is no elixir for bad business decisions and selfish business behavior. The unfortunate result of the current economic downturn may be the decline in the appreciation of productivity just as Americans were beginning to acknowledge how productivity could benefit their lives. It is surprising that the American worker took so long to view productivity as such an important ally in his/her hope for a better life. This may not be unique to US workers as workers everywhere have generally been left out when the rewards for increased productivity were handed out.

What is exciting to contemplate is the significant rewards that would be forthcoming if workers were embraced for their contributions to higher productivity. Research is now becoming available showing that empowered workers not only exhibit higher job satisfaction and add significantly to the company's bottom line but they also carry forth this empowerment to improve society as a whole. From a series of surveys taken over the past 20 years in 65 countries, Professor Gretchen Spreitzer of the University of Michigan postulates that improvements in workplace empowerment lend themselves to improvements

in society generally. As workers sense their ideas and creativity are influential in their company environment, their desire to contribute more broadly is reinforced, thereby creating a pool of socially responsible citizens. Firms that offer job security, a cooperative employer–employee relationship, and a fair distribution of the fruits of productivity are therefore not only productivity friendly but also adding to society's bottom line.

*APO News* readers may want to note that a valuable resource on “social business” is Muhammad Yunus' new book entitled *Creating a World without Poverty: Social Business and the Future of Capitalism*. 

*Michael Manson had a long and close association with the APO when he was the Assistant Director of the East-West Center's Institute of Economic Development and Politics in Honolulu. He helped to initiate a number of collaboration programs between the APO and the East-West Center. Manson also served in the Asian Development Bank, and was Director of Communications with the State of Hawaii's Department of Business, Economic Development and Tourism. He is presently an educator.*



## Comment board



Group Head **Pawan Kumar**, Energy Management, NPC, India.

Resource Person, e-learning course on Energy Efficiency (Phase I), 9–12 June.

“Thanks to the NPC, India, it was a rewarding experience being an APO resource person for this e-learning program. The content delivery was as innovative as its program design. In this first phase, 120 local participants from six NPOs took

part, and the course was designed with a good mix of lectures, Q&A sessions, small group activity, presentations on problem solving, and local field visits. It is a truly productive endeavor by the APO, which deserves to be replicated and carried forward on a much wider and more intense scale. The APO's message from the initiative aptly seems to be: “We do not commute but we communicate.”

Deputy Director **Dr. Ramesh Mittal**, National Institute of Agricultural Marketing, India.

Participant, training course on Supply Chain Management for Agribusiness Enterprises, 22–28 May, Thailand.

“I am involved in consultancy, training, research, education, and policy advocacy in India and throughout Southeast Asia. My focus is on the development of agribusiness and public–private partnership through entrepreneurship development. I took part in this training course to learn about supply chain management systems and acquire best practices and adaptation strategies to promote the

growth of agribusiness enterprises in India. Despite the difficulties in accommodating the different profiles, knowledge, and skills of a heterogeneous group, the program was well organized and implemented. Since learning is a lifelong activity, I hope that the APO will offer more projects on this topic. I will include the updated information and knowledge in my future course of action like lectures, research, and consultancy on this subject and also use them for agricultural improvement efforts in which I am involved.”

Research Assistant Professor **Dr. Josephine Ustoy Agravante**, University of the Philippines Los Baños.

Participant, training course on Postharvest Management of Horticultural Crops: Fruit and Vegetable Chains, 2–7 June, Pakistan.

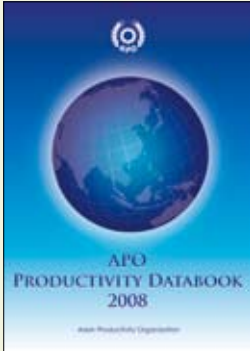
“I was fortunate to be one of the participants in this training course. I joined this because I believed that my technical knowledge on postharvest management should be complemented with insights on the trading of fresh produce. The changing world economy and consumer demand necessitate that a postharvest specialist should have a holistic view of the supply chain. I wanted to learn strategies to enhance the market access and competitiveness of produce. The training was timely as I am part of a group implementing a project on enhancing exports of fresh fruit and vegetables. The topics were carefully thought of and very informative. The resource persons kept us on our toes, which was quite a challenge since many of us were fighting off jet lag. I hope that some of those topics will be captured in future training so that more people in this area will have the opportunity to learn them. I also plan to write a project proposal incorporating some of the concepts we learned from the training course.”



# Reading productivity and economic trends

The APO News started this new series of short columns on specific topics closely related to the analyses contained in the APO Productivity Databook 2008 from the June 2008 issue. Presented in a bite-sized, reader-friendly format, focusing on pertinent topics and expanding on their implications for productivity measurement, this column will help readers to maximize the use of the APO Productivity Databook 2008. This series in 12 columns will continue until the May 2009 issue. Dr. Koji Nomura and Ms. Eunice Y.M. Lau contributed this article.

## Part 2. Why labor productivity matters



**F**or the fact is that the key both to long-term economic growth and to sustained differences in economic performance between countries seems to be the ability to get more for less—to have output grow faster than input.” Paul Krugman (*International Affairs*, 1995; 71(4): 717–732)

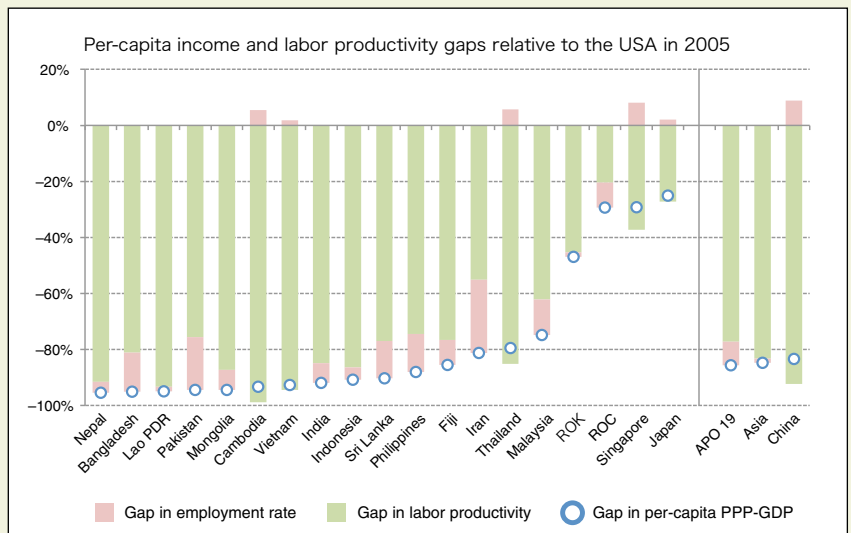
Productivity is one of the main economic performance indicators that government policy-makers often monitor. In simple terms, productivity measures units of output per unit of input. As resource constraints are prevalent in all economies in one form or another, whatever the income level, the capability of an economy to drive productivity growth, i.e., output growing faster than input, is seen as cardinal for ensuring future prosperity.

In 2005, GDP per capita (adjusted for purchasing power parity [PPP]) of APO member countries as a whole was only around 15% of that of the USA. Despite rapid economic growth of the group in recent years, the gap persists. The accompanying chart shows that for most APO countries, the substantial per-capita GDP gaps with the USA are predominantly explained by their relatively poor labor productivity performance. This is why identifying the sources of labor productivity growth is crucial to a country’s development efforts.

There are different techniques for productivity analysis. The *APO Productivity Databook* uses the growth accounting framework, the international standard for compiling productivity estimates. In this approach, economic growth is decomposed into contributions of input growth and total factor productivity (TFP) growth. Within the same framework, labor productivity growth can be traced back to its sources in capital deepening, improvement in labor quality, and TFP growth. Although full analysis of these sources was not performed in the *Databook 2008* (the current plan is that sources of productivity growth will be analyzed at least for some countries in *Databook 2009*) as theoretically established channels of labor productivity growth, they highlight areas where potential policy levers could be applied to raise labor productivity.

Another perspective is the industry origins of productivity growth, which offer insight into the dynamics of an economy and the sectors contributing most to the productivity drive. Furthermore, productivity growth for the whole economy can be decomposed into the intrasectoral effect (productivity gains within the industry sectors) and the intersectoral effect (the change in the resource allocation of production). The latter is positive when high-performance industry is growing relative to other sectors in the economy.

Empirical evidence of the “Asian Miracle” has suggested that input growth (especially capital accumulation) was behind the success story of Asian Tigers, i.e., Hong Kong, Singapore, Republic of Korea, and Republic of China, that experienced more than a four-fold increase in per capita income over the 35-year period from the mid-1960s. Labor productivity growth was largely explained by capital deepening with TFP growth playing a surprisingly small role in its success. The lessons to be learned are therefore why those countries can mobilize input better than other countries and how they can achieve and sustain high rates of saving and investment. Nelson and Pack (*Economic Journal*, 1999; 109(457): 416–436) highlighted that among other factors, the possibility to shift into highly productive sectors is a crucial element of this productive assimilation of factor inputs.



Dr. Koji Nomura is an Associate Professor at Keio Economic Observatory, Keio University. He is also chief expert of the APO Productivity Databook project, as well as project manager of the APO Productivity Database project. He has done extensive research on productivity, particularly on measuring capital. He has served as senior visiting research fellow at the Economic and Social Research Institute, Cabinet Office, Government of Japan; economist at the OECD; and fellow at the Center for Business and Government at Harvard University JFK School of Government.

Ms. Eunice Y.M. Lau is a visiting research fellow at Keio Economic Observatory, Keio University. She has served as economic advisor at the Industry, Economics and Statistics Directorate, Department of Trade and Industry, Government of the UK; Head of the Productivity Economics Branch, Economic Analysis Directorate, Office for National Statistics, Government of the UK; and lecturer in the Department of Economics, University of Portsmouth, UK.

# National experts meet for the APO Productivity Databook 2009

The APO Productivity Databook project started last year in line with the organization's aspiration to serve as a regional adviser and think tank for productivity. The project was also initiated due to the increasing recognition of the importance of internationally harmonized productivity data as a basis for need- and evidenced-based policymaking for economic development.

One tangible result of that effort is the 2008 *APO Productivity Databook*, published in March this year. The latest edition contains data on comparative labor productivity and economic growth analysis. This databook allows NPOs and policymakers to refine development prioritization, while helping the APO Secretariat to conduct appropriate project planning. The databook has attracted interest and support from numerous governments, institutions, and organizations, both within the APO membership and beyond. To accommodate requests, work to produce the 2009 edition is underway, with improved data quality envisaged.

Work on the 2009 databook officially began at the coordination meeting of 15 national experts and Chief Expert Prof. Koji Nomura of the Keio Economic Observatory, Keio University, Japan, in Bangladesh, 21–23 May. They discussed various productivity measurement issues and data collection methodology to ensure high-quality cross-country data for regional and international comparative analyses. APO Secretary-General Shigeo Takenaka attended the opening ceremony to deliver an address, encourage the national experts, and seek their continuous support and cooperation for the production of the 2009 edition of the *APO Productivity Databook*. Secretary-General Takenaka expressed high hopes for the 2009 edition, saying, "While appreciating the achievements of last year, the APO is eager to improve the next edition. That will be done by all of you, under the leadership of the chief expert, Professor Nomura."



Secretary-General Takenaka (R) requesting experts' support

During the coordination meeting, Prof. Nomura presented the project frameworks of the *APO Productivity Databook* and the closely related APO Productivity Database. He also highlighted the important tasks of the national experts in tackling the challenges of ensuring cross-country data comparability and rigorous economic analyses under a harmonized APO productivity measurement methodology. The national expert presentations reported on the results using the revised APO data questionnaire for collecting meta-data and shared particular difficulties encountered in completing the questionnaire so that solutions could be devised to compensate for the innate problem of unavailable data.

The meeting concluded that a harmonized productivity measurement methodology would be feasible, and therefore the experts will attempt to make more accurate comparative analyses of productivity performance levels among APO member countries for the 2009 edition. Publication is anticipated for March 2009. 🌀

## Maximizing R&D investment..... (Continued from page 1)

Professor Clayton Christensen, whose book *The Innovators' Dilemma* demonstrated that large corporations are not good at disruptive innovation. Professor Maeda explained that, "If big corporations have a win-win relationship with start-ups, they can receive entrepreneurship from the start-ups."

The best practice of an industrial association in technology development and transfer of technology (TOT) was introduced by Deputy Director General Dr. Mohd. Akbar Md. Said, Malaysia Rubber Board (MRB). The MRB, with the ultimate objectives of the domestic and international promotion of the Malaysian rubber industry, facilitates R&D, technology commercialization, industrial support services, technical support, human capital development, etc. Dr. Akbar detailed the MRB's upstream, midstream, and downstream R&D activities targeting technology development, process and management development, and product and materials production, respectively. He listed five key points in TOT management: government support, human resources, industry productivity, self-confidence, and efficient information management.

Visits to companies expert in MOT assisted the participants. Head of Department Too York Lou, SPRING Singapore, stated: "We've learned a lot from visiting Japanese companies. We learned the Nissan Motor kaizen

approach and the importance of having a clear vision for future concerns; long- and midterm plans for strategy development; and the continuous study of competitors. We also became acquainted with Shicoh Engineering Co., Ltd.'s original design and patented product strategy and Kao Corporation's basic R&D focus and ensuring value for money." Participants agreed that changing mindsets and attitudes is a necessary precursor to implementing plans. Chief Executive Abrar Ahmed, Shafi Reso-Chem, a chemical company in Pakistan, pointed out the problem of "an inferiority complex" and said, "It is not about our incapability stopping us from pursuing innovation but the fear of failure and lack of belief in ourselves."

In the final session, Professor Osada advised the participants to carry out innovation through the PDCA cycle and try to find their own innovation models. Dr. Akbar underscored the importance of determining customers' needs and said, "There is no question about the importance and necessity of R&D investment. Therefore the issue is not just about technology but the customer's needs." He commented that, "This kind of open forum among senior managers and consultants is very important to share information on current trends and activities in MOT." Director Murayama promised the APO's commitment to supporting the development of member countries through multi- and individual-country projects on MOT and other technology-related areas in his closing remarks. 🌀

# Working hand in hand with African countries

In 2006, the APO launched its African Program with special funding from the Japanese government. Since the first Roundtable Conference for Promotion of the Productivity Movement in Africa in Sandton, South Africa, August 2006, the APO has been working with the Pan African Productivity Association (PAPA) to assist the African productivity movement. An example was the basic and advanced courses for Productivity Practitioners held in South Africa in 2007 and 2008. The first group of graduates comprised mainly NPO officials in PAPA members. “The APO has committed itself to supporting Africa’s human resources capacity building in the productivity movement. This is evident from the well-selected course content, ably supported by the deployment of expert resource persons with substantial practical experience, Kelvin Chan and Lee Kok Seong from Singapore and Burhanuddin Saidin from Malaysia,” reported Deputy Director of Industries Eng. Martin M. Nzomo, Productivity Centre of Kenya (PCK), upon completing the three-week advanced course, 28 April–16 May, along with 27 other trainees.

The successful outcome of several projects, coupled with the possibility of contributing further to Asia-Africa cooperation, convinced the APO to participate in the Fourth



Group discussion at the advanced course for Productivity Practitioners

TICAD IV, Tokyo International Conference on African Development (TICAD IV), Yokohama, Japan, 28–30 May. TICAD IV, a summit-level international policy forum dedicated to African development, brought together 51 African nations, 34 non-African nations including members of the G8 and Asian countries, 74 international and regional organizations, interested private-sector organizations, civil society organizations, and individuals. The APO delegation comprised Secretary-General Shigeo Takenaka, Development Academy of the Philippines President Antonio D. Kalaw, Jr., and PAPA President Tembo Lebang. They took part in all the official programs and side events to promote the productivity activities of its member countries as well as the APO African Program.

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TICAD IV covered many regional development issues including Asia-Africa cooperation. The discussions and suggestions of each session became the basis for the action plans in the Yokohama Declaration, one TICAD IV Outcome Document. The APO was made the implementing organization responsible for promoting productivity in Africa, which was recorded in the Outcome Documents. In addition to distributing reference materials, such as the *APO Productivity Databook 2008*, the *Eco-products Directory 2008*, and texts from the Basic Training Course for Productivity Practitioners (BCPP) at its booth, the APO, in collaboration with the Japan Productivity Center for Socio-Economic Development (JPC-SED), also organized a side event: “Diffusion of the Productivity Movement from Asia to Africa.” The event showcased the results of four Technical Cooperation Projects for Productivity Improvement in South Africa, Mauritius, Botswana, and Kenya implemented by the JPC-SED with the support of Japan’s Ministry of Economy, Trade and Industry. JPC-SED President Tsuneaki Taniguchi outlined the Technical Cooperation Project in the opening address to an audience including representatives of international organizations, senior government officers, and 16 African participants from the JPC-SED’s observational study mission on Productivity Improvement Activities. Those observational study mission participants visited the APO Secretariat on 4 June to learn more about the APO and share their experiences in APO and JPC-SED projects.



JPC-SED President Taniguchi delivering the opening address at a side event

Chief Executive Officer Purity Wachuka Kamau, PCK, and one of the board members of PAPA, announced that the PCK had organized training programs for local private companies in major sectors after the BCPP. Kamau said that, “Through these programs, I would assume that more than 200 people benefited from the BCPP in Kenya as part of its multiplier effect.” When asked for comments or suggestions to enhance the APO’s African program, Regional Project Manager Celestine Jeftha, Productivity South Africa, expressed her hope for more opportunities to meet NPO staff from APO member countries to share onsite experiences as well as challenges and difficulties in promoting productivity in each country. 🌐



## Common sense talk



“Science has promised us truth. It has never promised us either peace or happiness.”

*Gustave Le Bon*

“It takes a lot more energy to fail than to succeed, since it takes a lot of concentrated energy to hold onto beliefs that don’t work.”

*Jerry Gillies*

“For India to go global is not to export—until the currency turns around—but to go look for assets. There’s going to be a tsunami of investment in American manufacturing assets.”

*Anand G. Mahindra*

“Vacillating people seldom succeed. Successful men and women are very careful in reaching their decisions and very persistent and determined in action thereafter.”

*L.G. Elliott*

“There have been breakthroughs in water technologies, more so than in clean energy. More water is available, at the right price. With a workable funding model, it is possible to build and operate water factories on a sustainable basis.”

*Singapore Prime Minister Lee Hsien Loong*

## Program calendar

October

### Republic of China

**Study meeting on Monitoring and Management of Agricultural Water Quality for Green Food Production in the Asia-Pacific Region, 29 September–3 October.**

▶ Objective: To review the current status of agricultural water (AW) and its regulations and standards in member countries; share knowledge and experience on AW quality management; and formulate recommendations for improving the monitoring and management of AW quality for green food production.

▶ Participants: Senior-level irrigation managers, researchers, or consultants in the public or private sector, and executives of water users' and/or irrigation associations.

### France

**Study mission to a nonmember country on Export Promotion and Market Access for Processed Agrifood Products, 20–24 October.**

▶ Objective: To study the trends and developments in importing, wholesaling, and retailing processed agrifood products in France and other EU countries; attend the SIAL 2008 Food Exposition in France to explore export opportunities; and develop expert promotion strategies to France and other major EU markets.

▶ Participants: Executives and managers from agrifood-processing SMEs, senior officials of export promotion boards or agencies, relevant NPO staff, and officials of the food industry and exporters'/traders' associations involved in promoting exports of agrifood products.

### Japan

**Training Course on *Monozukuri* (Art of Manufacturing), 29 October–11 November.**

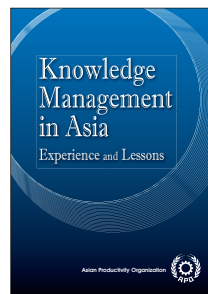
▶ Objective: To provide insights and impart skills in Japanese *monozukuri* (the art of manufacturing) to CEOs and top managers of private SMEs to enable them to achieve manufacturing excellence in their own operations.

▶ Participants: CEOs, top managers, and general managers of private manufacturing companies, particularly from leading local SMEs in the manufacturing sector. Candidates must have direct, substantial involvement in production and operations management.

*Kindly contact your NPO for details of the above activities, including eligibility for participation. The project details along with the address of your NPO are available from the APO Web site at [www.apo-tokyo.org](http://www.apo-tokyo.org).*



## New APO publication



### Knowledge Management in Asia: Experience and Lessons

Report of the APO survey on the Status of Knowledge Management in Member Countries

APO 363 pp. May 2008

ISBN: 92-833-2382-3 (print edition)

ISBN: 92-833-7065-1 (e-edition)

## APO Secretary-General meets Philippine President Macapagal-Arroyo



(L-R): Takenaka, Kitayama, and President Arroyo

APO Secretary-General Shigeo Takenaka and Sumitomo Mitsui Banking Corporation Chairman and Chairperson of the EPIF Preparatory Committee Teisuke Kitayama, accompanied by local executive committee members for the Eco-products International Fair (EPIF), met President of the Philippines Gloria Macapagal-Arroyo on the evening of 9 June 2008. The meeting preceded the official press conference on the EPIF 2009 on 10 June. Kitayama briefed President Arroyo on the progress of EPIF 2009 preparations and she expressed great interest in the fair. The organizers of the EPIF 2009, the APO, Development Academy of the Philippines, Philippine Business for the Environment, and EPIF 2009 Advisory Committee of the Philippines held the press conference at Sofitel Philippine Plaza Manila announcing details of the upcoming 5th EPIF to be held in Manila, 19–22 March 2009.

## APO/NPO update

### New APO Liaison Officer for Republic of China

Mr. Eugene Yu-Ying Lin, Senior Engineer, International Cooperation Department, China Productivity Center, was appointed new APO Liaison Officer for the Republic of China, w.e.f. 1 July 2008. His phone and e-mail address are: tel: 886-2-2698-5886, e-mail: 1391@cpc.org.tw.

### New APO Alternate Director for Republic of Korea

Mr. Seok Cho, Director-General for Industry & Knowledge Economy, Ministry of Knowledge Econ-

omy, was appointed new APO Alternate Director for the Republic of Korea, w.e.f. 1 May 2008.

### New APO Liaison Officer for Malaysia

Mr. Marzuki Zainal Abidin, Consultant, Business Development Unit, Malaysia Productivity Corporation, was appointed new APO Liaison Officer for Malaysia, w.e.f. 16 June 2008. His direct phone number and e-mail address are: tel: 60-3-7951-2314, e-mail: marzuki@mpc.gov.my.

### New APO Director, Alternate Director, and Liaison Officer for Nepal

Mr. Janak Raj Joshi, Secretary, Ministry of Industry, Commerce and Supplies, Mr. Yuddha Bahadur Pant Chhetri, General Manager, National Productivity & Economic Development Centre, and Mr. Mahesh Nath Gongal, Division Chief, National Productivity & Economic Development Centre, were appointed new APO Director, Alternate Director, and Liaison Officer for Nepal, respectively, w.e.f. 25 May 2008.

# Developing a new breed of productivity specialists


History was made on 16 May 2008 when the first students to complete the Master in Productivity and Quality Management (MPQM) Program graduated from the Development Academy of the Philippines (DAP). The MPQM program, the first of its kind in Asia, represents a significant milestone in the achievements of the DAP. The MPQM is a master's degree program designed to respond to the global challenge of building a culture of continuous improvement and performance excellence. The program is conducted by the Institute of Productivity and Quality (IPQ) within DAP's Graduate School of Public and Development Management. The MPQM Program aims to develop a corps of highly skilled productivity and quality (P&Q) professionals who will advocate and institutionalize P&Q improvement at the organizational and national levels.

In his welcoming remarks during the graduation ceremony, DAP President Antonio D. Kalaw, Jr., cited the MPQM as being a concrete testament of the DAP's dedication to pursuing P&Q knowledge and innovation. Kalaw also highlighted the close link this program has with APO initiatives to nurture productivity practitioners, saying, "The Institute of Productivity and Quality of the Graduate School developed the MPQM in 2002, taking off from the design of the annual Development of Productivity Specialists training course implemented by the DAP in partnership with the APO."



First graduates of the MPQM Program along with faculty members

Of the original 13 students who enrolled in June 2006, eight from both public and private organizations graduated from the program, indicating the rigorous nature of the MPQM. The course is comprised of modules combining theory and concrete applications. A major component of the MPQM is the Productivity and Quality Action Plan and Project (PQuAPP), equivalent to a thesis and required for graduation. The PQuAPP is a six-unit component in the curriculum that allows students to demonstrate the six core competencies of a productivity specialist: 1) ability to identify a productivity issue/problem; 2) ability to develop and work out productivity strategy/solutions; 3) ability to implement solutions; 4) ability to convince stakeholders including management and employers; 5) ability to evaluate solutions; and 6) ability to sustain improvements. Erwin V. Salaveria, Personnel and Management Systems Department, Asian Development Bank, was cited for having the best PQuAPP; best overall academic performance was achieved by Assistant Vice President Jemuel C. Castillo, Technological Institute of the Philippine Quality Management Office.

The completion of the first MPQM Program was supported by Senator Ramon Magsaysay, Jr., who provided funding from the Priority Development Assistance Fund. An outspoken advocate of education and lifelong learning, Senator Magsaysay is a long-standing partner of and donor to the DAP's Master in Public Management (MPM) program. Following the structural design of the MPM program, the MPQM is practitioner based, and the faculty are not only academics but also actively involved in industry. The MPQM is open to all individuals from any country wishing to become leaders in P&Q improvement and the productivity movement. IPQ staff and faculty are proud to invite future productivity specialists from around the world to join the next group of master's degree candidates. 

*Contributed by Director Niña Maria B. Estudillo (front row, fourth from right in photo above), Institute of Productivity and Quality, Graduate School of Public and Development Management, DAP, Philippines. <http://www.dap.edu.ph>*

Erratum: APO expert Pawan Kumar was incorrectly identified in the photo caption on page 8 of the June issue of the *APO News*. Kumar was the second from the right.




**Theme: Productivity — Tomorrow's Hope**

**Sponsor:** Asian Productivity Organization  
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**Entrants:** Nationals of APO members  
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**2008**

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