



## Low-carbon productivity

**T**he 2009 European Productivity Conference (EPC2009) was organized by the Grimsby Institute of Further and Higher Education and the associated British Productivity Centre in late October. It provided a unique opportunity to assess the current productivity thrusts in the Atlantic area. Its successful formula followed the traditional advice to the bride that she wear “something old, something new, something borrowed, something blue”...well, green.

A substantial proportion of productivity actions, now boosted by recession, are the well-honed tools of the past. This was brought out by enterprise cases in the two local industry clusters which, in addition to public services, were the focus of presentations: food processing and chemicals. Collectively termed “efficient effectiveness” or “how to get more with less,” techniques such as predetermined time systems following in the work study tradition are currently available in software. Nowadays, they pay as much attention to quality and cost as to productivity as such. Pinched for funds, governments at all levels are particularly active in this area and developing networks to share best practices. More generally, enterprises emphasize that “what gets measured gets done,” not just in the more traditional aspects of productivity—social and economic—but also in the green or ecological. “SEE productivity,” referring to combined social, environmental, and economic productivity, was an EPC2009 buzzword.

Similarly, borrowed and adapted continuous improvement techniques such as Lean Six Sigma, kaizen, and their derivatives that originated outside Europe are often utilized by enterprises. A common theme running through presentations on such lean approaches was the importance of teamwork and continuous employee development practices: project teams at operational and strategic levels have “evidence-based” approaches; and “think tanks” within companies use substantiated tools (UNIDO’s Produce Plus was described) to determine the root causes of issues and to facilitate knowledge transfer from consultants to employees and beyond into supply chains.

Partnership was another common thread. People



and organizations must work together in partnerships to get things done by listening to each other, respecting each other, and building a climate of trust, which are much more easily said than done. Where the contrary happens, particularly in traditional industries, the productivity future is bleak indeed, and participants were reminded that the correlation between productivity and pay is 0.99.

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Some new concepts are being developed to meet not just global competition but also environmental challenges. For example, national and European laws as well as international agreements increasingly require enterprises to examine and improve their carbon footprints. Reducing carbon emissions is a key challenge for raising Europe’s agricultural productivity. A new tool here is the use of inexpensive satellite-surveillance systems. These are so precise that farmers can decide which fertilizers to use and in what quantities on which parts of a single field as well as what measures they should take in the light of changing weather conditions. Not only

can such precision farming increase yields by 10%, but greenhouse gas production and pollution from fertilizer runoffs are significantly reduced. Thus was born the concept of “low-carbon productivity.” One of the EPC sponsors, CO<sub>2</sub> Sense Yorkshire, works in partnership with local organizations to find ways of using and generating energy more productively to reduce carbon emissions in the region by 25% by 2016.


But new techniques need backing from the old. Thus, food availability can be significantly increased, at minimal cost, simply by reducing agricultural waste in such areas as storage, distribution, and supermarket quality selection, although somewhat perversely the continuously growing size of supermarket chains has been a major driving force in productivity improvement. Change is, as ever, needed not just in people’s skills but above all in their attitudes and behavior to modify Western consumers’ habit of throwing away up to half of the food they purchase, which is both morally and ecologically wrong.

Europe borrows from wherever it can, although a presentation from the head of China’s 500-odd productivity centers created neither awe nor stimuli. An innovative approach introduced in one EPC2009 presentation was the “smart grid,” i.e., installing closed loops between energy utilities, modes of transport, and buildings since all three both produce and consume energy at different times (Austin, Texas, provides a striking example). Experience shows that it is not only the technical innovations that are important here, but also the involvement of the whole community in such approaches so that the productivity and conservation awareness of all citizens is vastly enhanced.

Getting the most out of a process is all about understanding and reducing variability. To overcome the problem of enterprises being “data rich and information poor,” approaches, some of which used sophisticated mathematics, were presented for turning data into an asset by transforming them into knowledge. Finnish research on absenteeism pointed out the importance of investing in the smooth flow of work and continuous development to increase well-being and productivity.

Productivity cannot be enhanced at the corporate level without supportive governmental action. Thus, although the scale of the current recession has meant that virtually all companies have resorted to considering and often implementing major staff cutbacks (raising traditional labor productivity), several European governments have introduced large-scale “short-time working” schemes. These enable a company to maintain its labor force on virtually full pay for periods of up to a year, with the government financing substantial skill training to enhance the company’s innovative capacities after making it through the hard times. Thus enterprises do not impair their long-term prospects for the sake of immediate survival.

Grimsby was a highly appropriate location for a productivity conference. It is a work-in-progress showcase of a region that 40 years ago depended on the single industry of fishing. This was decimated by a political decision: to conserve fish, Iceland extended its marine territorial exclusion area to 200 miles. While once Grimsby was home port for 1700 trawlers, only four

remain today. To create a new identity, Grimsby has positioned itself at the pinnacle of value-added chains such as fish and food processing, chemicals, and port facilities, adding wind-farm maintenance and tourism over time. An educational, research, consulting, and catalyzing driving force (setting up new bodies for and with enterprises in these clusters) has been provided by the Grimsby Institute. In the process, it has become a major local employer (1500 staff, which doubled in a decade, and 20,000 students) and set new standards in productivity education, such as its Master of Science in Productivity and Innovation degree. 

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