



European Association of National Productivity Centres  
Enewsletter



A holistic  
concept  
of  
Productivity

## **A pan-European organisation**

The European Association of National Productivity Centres - EANPC - was established in 1966. Its seat is in Brussels. It is an association of national bi- and tri-partite bodies which contribute, each in its own country, to the enhancement of productivity, innovation, the quality of working life and employment within companies and the economy overall.

The purpose of EANPC is to facilitate and increase exchanges of information and experiences, and arrange co-operation among participating bodies.

As a pan-European organisation, the EANPC is open to all European countries, not being limited to the countries of the European Union. It is a part of, and actively contributes to, the worldwide network of productivity organisations.

Through its support of productivity enhancement, the EANPC and its national member organisations contribute to improving living and working conditions. Their work supports economic and so-

cial development on the national and international levels in the interest of fair competition.

As a European body, the EANPC supports other international organisations such as the ILO, the OECD and the European Commission, whereas the national members buttress, each in its own country, the state and enterprises in order to promote economic growth, innovation, better working conditions and employment.

To underpin the development of productivity, the EANPC organises and contributes to exchanges of experiences between member organisations, potential members and other organisations world-wide. It collects and collates research results on the factors influencing productivity and their impact, stimulates the transfer of know-how from research to economic policy and enterprises and acts as a partner for various national bodies and organisations, particularly ministries and other societal institutions, unions and employers associations and companies among which especially SME's.

## **The view on productivity**

The Association published its view on productivity in its Memorandum, entitled “Productivity: the high road to wealth”. The paper defines the meaning of the productivity concept and provides an approach to address productivity in relation to other key issues such as quality of life, innovation and employment.

The EANPC and its members strive to pursue a ‘holistic concept’ of productivity. The input side covers not only the volume of labour but the quality and quantity of all resources - including the natural, infrastructural and organizational - which enterprises use to achieve their results. In this way a whole range of options are opened up for the efficient design of performance processes. On the output side of the production process it has to be mentioned that nowadays outputs not only include products and services but also the social and ecological impacts of the production process.

The approach of the EANPC and its members covers the whole gamut of

measures for fostering productivity focusing on the ‘human factor’. This human factor consists of two notions of capital: on the one hand human capital constituted by the individual skills competencies and attitudes of the employees and on the other social capital, the mutual trust and confidence, the collaboration and cooperation, the spirit of partnership among the labour and management of enterprises.

Thus, human factor can be a valuable element in enterprise competitiveness only when it consists of two equally important aspects: high quality human resources and good organisation of people’s work. Improving the productivity of the enterprise and its supply chain results from how this social capital (organisation of work) enables the enterprise to make effective use of its human capital to make the most of its economic capital. This social capital facilitates innovation and change for productivity and competitiveness.

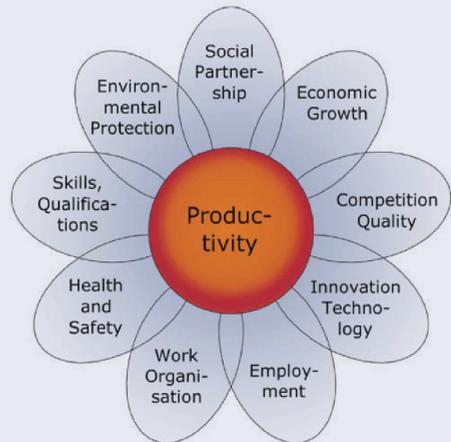
There are various examples of enterprises that have managed to optimise the human factor. Measures of particular importance to foster productivity focusing on the human factor include gi-

ving more responsibility to employees at the workplace, providing work that sustains health, designing workplaces which require skills and organisations that thrive on individual and collective learning, critically monitoring and using new understanding and knowledge, facilitating cooperation and collaboration between management and labour, etc.

In other words, it means taking the 'high road' to enhanced performance—improving the quality of the factors of production and the ways in which they are used, having the medium and long term development of the enterprise in mind—rather than the 'low road' of unthinkingly economising on the use of the factors of production for the benefit of short-term profit, which is, unfortunately, prevalent in today's world.

A broad approach is also taken for recording the results of performance. It is not just figures for turnover, profits and yields which are important, but also the societal benefit of the results from the performance processes, including the benefits for employment, improving working conditions and sustainable development within a shrinking world.

A wide variety of factors contribute to productivity development, they each represent a leaf in the productivity flower. A short description of all factors and their contributing effect is described on the website of EANPC [www.eanpc.eu](http://www.eanpc.eu).



## **The role of the member-organisations**

EANPC member organisations can, each in their own country, offer public institutions, stakeholder organisations and enterprises support within the framework of a 'high road' to economic policy and productivity policy which emphasises the quality and innovation of the outputs and processes, rather than just cost-cutting on the side of the inputs.

1. Through the close linkage between innovation and the development of productivity and economic growth, EANPC member organisations play an important role in the innovation process. In particular, they inform SMEs of the opportunities and risks relating to product and process innovation and help them in the design of innovation processes. They also contribute to enhanced transfer of know-how between research and enterprises and to defining the goals for the state's innovation and technology policy.

2. EANPC member organisations contribute both on the level of their national

economies as well as that of the individual enterprise to reducing competitive inequalities through actions to empower small and medium-sized companies (SMEs). Thus, they make their knowledge of technological progress, managerial concepts, learning, etc. available to SMEs. As partners of state-supported programmes for SMEs, they provide help for self-help. In this way they can optimise the search and information behaviour of SMEs as a precondition for corporate decision-making. Moreover, in various business areas they organise and accompany co-operation between enterprises and in this way contribute to

3. Furthermore the EANPC represents in this respect one important network for transferring know-how and information to and among enterprises, countries and international organisations. Different countries have had different experiences with organisational processes and their design at the enterprise and sectoral levels. It is important to collect, exchange and evaluate these experiences for a variety of reasons: to avoid making the same mistakes twice; to describe good practice examples; to

give advice on and inspiration to designing the processes; to make the competition which enterprises—particularly SMEs—are facing more transparent; and to contribute to ensuring that enterprises do not become locked into work and enterprise structures which cannot meet the current and emerging conditions of international competition.

4. In addition member organisations, through their consulting activities, help to bring in innovative and flexible company structures which contribute to the creation of additional employment opportunities; they also foster new fields of employment; by relating further training to company development, they enhance the continuing employability of individuals; they support sectoral and vocational mobility; and they support start-ups and the development of innovative products and services.

5. On account of the tasks assigned to them, EANPC member organisations serve as an effective link between economic policy and labour market policy measures at the level of the enterprise. Thus, through its members, the EANPC can contribute to the implementation

at the national level of the employment policy goals of international organisations.

6. Improved working conditions, including safety and health at work and a healthy workforce, are very important for productivity development. The EANPC together with its members is striving, through information meetings and consulting, to bring out the economic significance—at both the macro and micro levels—of working conditions and to develop measures for introducing more approaches in this area in more companies and organisations. This is not just beneficial to the workforce, but is also a contribution to fair competition between enterprises and economies.

7. Moreover it is an important task for the EANPC and its member organisations is to show entrepreneurs, managers and corporate stakeholders that workforce skills and qualifications are an important element of productivity development and a prime factor of competitiveness. They must bring out that enhancing skills is not just a concern of basic and vocational training policy,

but also an important constituent of productivity policy and that it hence needs to be embedded in an organisation conducive to change and supportive of learning. All productivity improvement programmes fail if the skills required for their implementation are not available.

8. On the national level it is particularly important for EANPC member organisations not only to become deeply involved in life-long learning processes, especially in vocational further training, but also to bring out the productivity aspects of skills' learning and application which go beyond the boundaries of the individual enterprise. A key element in this respect is to strive for greater portability of qualifications and skills. For the more company-specific are the skills, the less they will be adaptable to the needs of other companies should the individual need or want to change to another enterprise.

9. Productivity measurement is an important tool to monitor productivity development. However research institutes in the EU that measure productivity, use different standards and thus produce various productivity figures.

The present chaos in existing productivity figures in the EU does not facilitate a sound policy on productivity development. The EANPC is the most suitable organisation to collect and present unambiguous EU productivity figures.

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