

# PRODUCTIVITY RESEARCH IN FINLAND: CURRENT STATUS AND CHALLENGES FOR THE FUTURE

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# OUTLINE OF THE PRESENTATION

1. Introduction
2. Literature review
3. Empirical study
4. Conclusions

# INTRODUCTION

- Ongoing changes point out that it's crucial to make most of the scarce resources
- Productivity = Output/Input
  - key success factor of every organisation
  - foundation of the increased living standards of society
  - common theme for academics and practitioners in different fields
- Productivity improvement can be done in many ways
- Comprehensive and explorative approach is needed in order to outline the multidimensional and broad productivity research field
- Our study aims to offer a view to structure the field and identify it's strengths and weaknesses in the light of future challenges
- The objectives of our study are:
  - What is the current status of Finnish productivity research?
  - What are the key productivity-related challenges in the future?
- Qualitative research approach:
  - Literature review
  - Empirical analysis based on interviews

# MATERIAL USED IN THE LITERATURE REVIEW

## Explorative study including various material sources:

- 15 Finnish doctoral dissertations (1990 →)
- research reports and studies related to productivity projects funded by various Finnish funding organizations
  - Finnish Work Environment Fund (TSR) (50 projects, 1990-)
  - Workplace Development Programme (Tykes) (more than 200 projects, 2004-)
  - National Productivity Programme (37 projects, 1993 - 2003)
- a selected set of productivity articles
  - around 300 articles from two journals: Journal of Productivity Analysis and International Journal of Productivity and Performance Management (1/2004 – 1/2008)

# SUMMARIZING THE LITERATURE

## characteristics of research

- Productivity research has been carried out in many
  - levels (national economy → organizational units)
  - fields (national economics, business economics, psychology etc.)
  - industries (manufacturing, services, private and public sectors)
- There is almost an endless number of studies that are somehow connected to productivity
- However, there are not too many studies that specifically focus on productivity as a phenomenon
- Examined productivity projects typically apply the wide approach of developing operations and organizational performance (efficiency + effectiveness)
  - studies are often based on assumptions, productivity effects are not verified
  - some researchers may not consciously carry out productivity research

# SUMMARISING THE LITERATURE

## examples of popular research themes

- **productivity effects of different factors**
  - working environment (e.g. lighting, acoustics)
  - IT
- **development of workplaces**
  - teamwork
  - working environment
  - satisfaction and working ability of employees
  - working methods and processes
- **rewarding**
  - wage systems (payment by results etc.)
  - wage differentials
- **performance measurement and management**
  - design and utilization of management systems
  - effects of management systems
- **productivity measurement**
  - macro level examination
  - micro level examination in industrial environments

# EMPIRICAL STUDY: INTERVIEWS

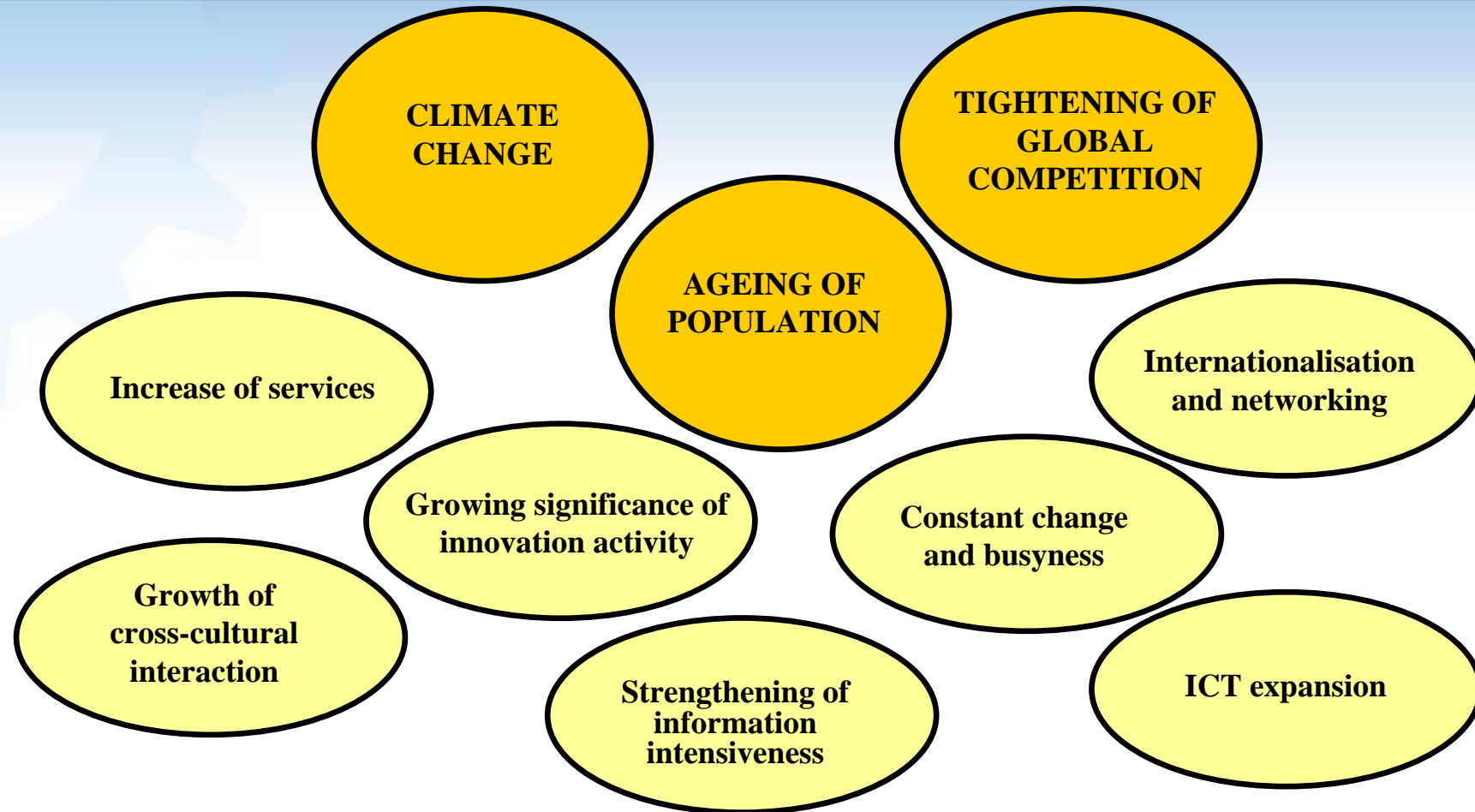
- N = 38
- Selected group of productivity experts
- Semi-structured interviews
- Duration: from half an hour to hour

# EMPIRICAL STUDY: CURRENT STATUS OF FINNISH PRODUCTIVITY RESEARCH

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- Diversified and active field  
...On the other hand: fragmented and dispersed
- Strengths:
  - Cooperation between researchers and business life
  - Interest towards productivity prevails
- Weaknesses:
  - Scant awareness of research results
  - Discrete, short-term projects
  - Lack of practical solutions and recommendations

# EMPIRICAL STUDY: FUTURE CHALLENGES



# EMPIRICAL STUDY: PRODUCTIVITY RESEARCH CHALLENGES FOR THE FUTURE 1/2

## NATURE OF RESEARCH:

- Not retrospective and declaratory  
...but forward-looking and aiming to find solutions
- Research that supports development
- Company's participation right from the beginning
- Individual level evaluations
- Exploitation of diverse knowledge
- Comprehensive and longitudinal reviews

# EMPIRICAL STUDY: PRODUCTIVITY RESEARCH CHALLENGES FOR THE FUTURE 2/2

## FOCUS OF RESEARCH:

- How to make most of intangible assets?
  - Work organisation and leadership
  - Employee engagement and motivation (incentives, flow of information, ability to influence one's own work etc.)
- ICT and related organisational innovations
- Energy efficiency and resource productivity
- Service sector
- Networks
- Information work
- Cross-cultural, dynamic and multiform organisations
- Innovative work communities
- Futurology

## CONCLUSION: How to go forward in the productivity research?

- Redirecting the focus...
  - ...from industry to services
  - ...from physical to intangibles
  - ...from quantity to quality and effectiveness
- Attaching productivity aspect to human-related issues
- Constructing more positive image: from labour productivity to resource productivity and information productivity
- Connecting productivity aspect to innovation research
- Long-span research projects
- Forward-looking research strategy
- More precise definition of how the research questions are connected to productivity
  - Categorisation of productivity research to different levels
- Interdisciplinary research centre focused on productivity

# CONTACTS

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