

Productivity For a New Age- Raising the Bar

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In a world that is caught up with Generative AI, expanding wars, and political turmoil is "Productivity" still a relevant concern? Some feel the time to talk about productivity has passed. Others feel it is time to redefine productivity. What stance should an organization such as the World Academy of Productivity Science adopt? What criteria should be used to judge whether a person should be considered as a Productivity Professional worthy of induction as a Fellow of the World Academy of Productivity Science? This article argues that Productivity is still relevant and essential for the collective well-being of our world. However, as has always been the case productivity is an evolving concept. We are at a choice point in history. What we do will impact and possibly determine whether we will be able to shape the outcomes that political, technological and economic forces create, or will these forces shape us in ways that will not promote a higher quality of life.

In turbulent times, it is always helpful to return to one's roots and re-examine some fundamental values and beliefs. With respect to Productivity, a helpful starting point is to return to the post-world war period when Japan was recovering from the devastation of the nation following WWII. It was during this period when several advisors from the West were dispatched to Japan to collaborate with the Japanese scientists and leaders working to build a recovery strategy for the battered nation. In an island nation such as Japan which had few natural resources other than its land, its people and their intellectual capital, the strategy had to stress ways to make the most efficient and effective use of all resources, both domestic and imported. As a result, productivity became a central and essential concept for the rebuilding of Japan.

In the same period, WWII had also created significant destruction in Europe. One of the very significant post-war rebuilding efforts in Europe came from the Marshall Plan spearheaded by the United States and named for Secretary of State George Marshall. A major goal of the Marshall Plan was to increase production within European nations as a means of rebuilding economic and social stability. Selfishly, from the U.S. perspective, another goal of the plan was to create markets for American products. Part of the initiative included technical assistance to European private sector organizations with respect to management and labor relations. This was delivered in part through a network of Productivity Centers established within European nations. The motivation for this initiative was similar to the rebuilding of Japan in that it recognized the relationship between productivity, economic development and quality of life. At the time, there was great concern in the West that social instability due to lack of jobs in Europe would lead more countries to adopt communism as their economic system.

Following the war, the Allied occupation of Japan focused on restructuring the government and the economy and preventing the rearming of the nation. During this period, the Chinese civil war was underway and when it became obvious that the communist forces would win, the Allies feared that communism could spread to Japan and much of East Asia, especially Korea and Taiwan. This fear heightened the emphasis for rebuilding the Japanese economy. A major concern was the shortage of raw materials to support industrial development. When the war in Korea began in 1950, Japan became a principal supply base for Western Forces in Korea which served as a boon to the Japanese economy. A treaty and security agreement with Japan was signed in 1951 by 49 of the 52 nations who participated in the war. The USSR, Poland and Czechoslovakia objected to the agreement's promise to support the Republic of China and to not do business with the People's Republic of China.

Following the signing of the security agreement, there was a concerted effort to accelerate the rebuilding of the Japanese economy. One of the organizations that was important to this effort, was the Japan Productivity Center established in 1955. The Japanese Productivity Center (JPC) was created to bring together leading Japanese scientists

along with international advisors to guide and assist the economic development effort. The JPC defined productivity as both a micro and a macro concept. The macro concept specified the outcomes that should result from applying the micro improvement concepts. Productivity was viewed as mechanism to create a constantly improving quality of life through the improvement of the ratio of the outputs produced from a given set of input resources. In Asia, the concept of productivity has always emphasized this dual purpose- to create societal happiness and to provide the methodologies to do so.

Over time, as these concepts became widely implemented, Japanese products, which in the 1940's and 1950's had been low value-added and poor quality, continually improved and became higher value-added and displayed superior quality. As the Japanese domestic economy grew, it became clear that substantially improving the quality of life for Japanese citizens (i.e. the macro productivity view) required products that could be exported and successfully be sold abroad. By the mid to late 1970's, the Japanese were creating products in markets such as electronics, automobiles, and appliances that were taking substantial market share away from Western producers.

The fears provoked by loss of market share to Japanese imports many western companies such as AT&T, Motorola, General Motors, Ford, Xerox, General Electric, etc. led western executives to launch "study tours" to Japan to see what was going on and what they could learn. One Motorola executive in a conference I attended when asked what provoked Motorola to seriously launch their Total Quality Initiative responded that it was when we realized that "our survival was at stake." However, when Western business executives traveled to Japan, they brought with them "Western" eyes that could not fully appreciate what they saw. Coming from an economy caught up with economic theories that suggested that businesses existed to maximize returns to stockholders, these executives failed to appreciate the Japanese miracle. They focused on micro productivity and looked for ways that the Japanese reduced costs, cut production cycle time, machine down time, costs of maintenance, and developed methods for more efficient management of inventories, and the reduction of material waste. They focused on how the Japanese improved speed and reduced costs. While these lessons learned were relevant, they were only part of the productivity strategy of Japanese organizations. Because of their western business paradigms, they either failed to see or to be interested in how the Japanese saw productivity improvement from the macro perspective as a way to improve their quality of life and how it improved outcomes for a broader set of stakeholders than just shareholders. What they also failed to see was that the Japanese took a long-term view of seeking to gain market share rather than to focus primarily on short term profits. By 1994, the Japan-led, Asian Productivity Organization launched the term "Green Productivity." In 2000, a book was published entitled "Japan's Green Comeback: Future Visions of the Men Who Made Japan". In this book a chapter written by Kosuke Yamamoto, EVP of Toyota Motor Corporation refers to a survey conducted by the Nihon Keizai Shimbun newspaper in November 1997. This survey asked several questions of executives in 1,295 publicly listed companies in Japan. Based on the responses to the 14 questions, the newspaper established a scale based on how much consideration each company gave to the environment and then used this scale to rank the top 100 companies on their environmental performance. The results showed that the top 30 companies in terms of environmental results had an average revenue improvement of 4 percent compared to a revenue increase of the bottom 70 companies of 2 percent. The top 10 companies had a profit improvement rate of 54 percent compared to the bottom 90 companies whose average profit improvement rate was only 18 percent. This led the newspaper to declare that "Green can be gold."

Even in the 21st Century, the prevailing view of productivity in the United States and in Japan and most of Asia are somewhat different. In 2003, the Secretary General of the Asian Productivity Organization Takeshi Tajima stated: "the ultimate objective of productivity improvement was to realize a better quality of life for all people." This "Big P" view is quite striking because it not only emphasizes the need for productivity improvement, but it also emphasized sharing the benefits of productivity improvement to "all people" not just to shareholders of a business. Contrast this view with the current view of productivity expressed by the U.S. Bureau of Labor Statistics: "productivity is a measure of economic performance that compares the amount of goods and services produced (output) with the amount of inputs used to produce these goods and services. The Nobel Prize winning economist Paul Krugman from the U.S. expressed a

somewhat broader view of productivity than that provided by the Bureau of Labor Statistics when he stated: "Productivity is not everything, but in the long run, it is almost everything. A country's ability to improve its standard of living over time, depends almost entirely on its ability to raise its output per worker." In the US, the macro view of productivity stressing improved quality of life tended to be held by macro-economists while the micro view is the focus of industrial engineers. Business executives, focused on creation of shareholder value rather than broader stakeholder value have tended to pay more attention to the micro-productivity, cost reduction point of view.

In 2008, John Heap and I published an article that expressed a view that even the western view of productivity was finally evolving from the narrow "small P" view to a broader multi-factor view. We were influenced by several writers who suggested that the success of a business should be measured by more than a financial bottom line. John Elkington suggested that the bottom-line concept should be expanded to include a social and an environmental bottom line as well as a financial bottom line. We elaborated on that view to include the idea that any measure of performance should have a numerator and a denominator to reflect the volume output in relation to the volume of input - a core productivity idea. This is important because if you compare two organizations with respect to social and environmental performance results, it is important to ask what the input resources were required to achieve a given level of social or environmental results. The organization that more efficiently creates a given level of social or environmental outcome will be more successful than one which uses more resources to achieve the same level of results. Heap and I suggested that organizations should be evaluated in terms of the "three productivities - Social productivity, economic productivity and environmental productivity. John Heap later coined the term "SEE Productivity" to capture the notion of the three productivities.

As climate science has evolved and as social activism has evolved it is not surprising that businesses have come under increasing pressure to broaden their strategies to consider a broader range of risks and stakeholder concerns. For some time, William McDonough, an architect and designer and his collaborator Michael Braungart, a chemist have called for businesses to pay more attention to their environmental impact. McDonough states:

"Many companies are doing good work to reduce their negative impact on resources and workers, but often through a narrow perspective focused on piecemeal improvements. They improve transparency and traceability and make some processes more efficient but pay little attention to their heavy use of toxic chemicals. They develop complex recycling for hybrid materials, rather than redesign the product and delivery for full-value recycling... What if companies built sustainability into the very design of their products and production processes? No longer would they design products to meet cost, appearance and functional requirements and only later work to mitigate the harms from those choices. They could even go from a linear design for disposal to a design for continual use and reuse. They could focus on generating positive impact, not on reducing negative impact. When it comes to sustainability, they could create "more good" instead of simply being "less bad."

To pursue that point of view they have defined a set of "five goods" that should be enhanced in terms of the focus of a business. The "five goods" that should guide product and process design are:

"Good materials - safe, healthy, designed for reuse and recycling.

"Good economy - from a linear economy of "take, make, waste" to a circular, remake, restore. - growing, circular, shared, benefiting everyone.

"Good energy - renewable and clean

"Good water - clean, available to all, leaving the water as good or better than when production started

"Good lives - promote human dignity, safe working conditions, just and fair and accommodating to family circumstances.

Following the 2001 World Productivity Congress held in Hong Kong and in Beijing, John Heap and I participated in a symposium that was organized by the China Association of Productivity Science (CAPS). During this World Congress,

China's Vice Premier Wen Jiabo called for CAPS to propose a new Productivity Agenda for China. This led CAPS to set up over a dozen working groups each focused on a major topic area in a comprehensive, national productivity agenda. This symposium had several speakers with each representing one of the work groups. The presenter from the Environmental Productivity working group recommended that the method for measuring national economic performance should be changed. Presently, businesses that create waste and pollution while making and selling products receive a certain amount of money as a result of their product sales. The presenter's point was that the overall GDP counts revenue that covers a producer's total costs. However, some of these costs cover the production of "good value-added output" and some of the costs cover the cost of producing "waste, pollution, emissions" which are "bad non-value-added outputs." This led him to conclude that for the economy it would be desirable to report "Good GDP" and "Bad GDP" as disaggregated statistics. Obviously, this would be an incentive for businesses to increase Good GDP and decrease Bad GDP and for the development of national policies that promote and reward Good GDP production.

These thoughts harken back to a speech given by Robert Kennedy in 1968 in the U.S when he was a candidate for President. He vividly and eloquently captured the limitations of GDP as a measure of economic success. Since GDP per capita is often used as a surrogate for productivity growth it is helpful to review Kennedy's critique of this flawed indicator.

...Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product now is over \$800 billion dollars a year, but that Gross National Product-if we judge the United States of America by that- that Gross Nation Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife, and the television programs which glorify violence to sell toys to our children.

Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile. And it can tell us everything about America except why we are proud that we are Americans.

We don't know if the Chinese speaker had read Kennedy's speech. However, he shared Kennedy's concerns. In recent years many government leaders and economists have expressed their concern over the inadequacy of GDP measures of national well-being. However, despite many separate initiatives to develop alternative metrics, no widely accepted alternatives have been implemented. The only nation that has seriously implemented an alternative is the nation of Bhutan. The story of Bhutan is interesting, and the message is that implementing an alternative system is a question of both values and strong leadership.

In 1972, at the age of 16, Jigme Singye Wangchuck became the 4th king of Bhutan. As a youth he had been sent to English schools in India and then in London. He returned as a teenager to learn about his future kingdom. Zachary Karabell describes the story in his book "The Leading Indicators".

"The new monarch had seen just enough of the world to know that success globally was increasingly being defined by gross national product. And yet, the teenage king had a bold idea instead of gauging a country by how much stuff it produced, measure it by something else. Instead of emphasizing production and output, emphasize quality of life...."

The index that the King's staff created defines "happiness" as "the creation of enabling conditions where people are able to pursue well-being in sustainable ways." It is not an indicator of individual happiness, but it is rather a measure of collective conditions that meet "spiritual, material, physical and social needs." In essence this is the highest function of a

government. Bhutan is the first and, so far, the only nation to have rejected GDP as a measure of societal success. Many other nations have realized the problems of GDP and have explored options, however none have had the leadership or political will to make the needed change.

A serious effort in this direction was launched by President Sarkozy of France in 2008. He pointed out the following: "I have a firm belief that we will not change our behavior unless we change the way we measure our economic performance." Sarkozy seemed to be motivated by his concern for the credibility of economic data that was published by government experts and the gap between what the experts claimed and the life experiences of ordinary citizens. This is quite like the situation today in the U.S. when the official economic data says the economy is strong but the average citizen in Ohio or South Carolina does not feel their life reflects what the data is saying.

Sarkozy created a Commission to move beyond GDP. He chose two Nobel Prize winning economists to lead the effort, Joseph Stiglitz and Amartya Sen and a French economist Jean-Paul Fitoussi. This commission developed a set of indicators that included issues such as education, gender equality and environmental sustainability. It was a serious effort that sparked similar initiatives in other parts of Europe. However, the Sarkozy Commission did not attempt to suggest policy initiatives that were inspired by the metrics. It does little good to develop metrics if they are not used to modify policy. However, it is policy that produces the backlash and major hurdles to implementation. There is resistance from those who will be harmed by the new metrics.

An example of the hurdles to policy implementation can be illustrated by an example in which the U.S. Department of Commerce launched an effort in "green accounting" that attempted to quantify the financial impact of environmental harm. The initiative called for accounts to track things like air quality and the depletion of mineral resources which did not please the mining industry. When learning about this initiative, a Congressman from West Virginia a major coal mining state said these measures are going to cause someone to conclude and say " .. the coal industry isn't contributing anything to the country." at an appropriations hearing. This reaction caused Congress to cancel the initiative. A subsequent review of the approach by the National Academy of Sciences strongly endorsed the methodology and recommended its implementation. These recommendations were ignored.

Another example of the difficulty of shifting the paradigm of Global Capitalism from the GDP focus can be seen at the individual firm level from the experiences of a very dedicated and seasoned executive chosen by a major U.S. Corporation to guide the implementation of their CEO's ambitious and visionary strategy to transform the business. The company was DuPont, a major global chemical company and the time was 2000-2002. The Chairman and CEO of DuPont was Chad Holliday who was convinced that the strategies that had made DuPont successful were not the strategies that would allow the company to sustain its success. In an article in the Harvard Business Review, Holliday wrote the following:

"Like many manufacturing companies, DuPont traditionally had grown by making more and more 'stuff.' And our business growth has been proportional to the number of raw materials and energy that our plants use - as well as the resulting waste and emissions from our operations. Over the years we, though we have become increasingly aware of an inescapable and disturbing fact: We will not be able to sustain our business over the long haul because they are based on two assumptions that no longer hold. One is that cheap, unlimited supplies of hydrocarbons and other non-renewable resources will always be available. The other is that the earth's ecosystems will indefinitely absorb the waste and emissions of our production and consumption.

In addition to being Chairman and CEO of Dupont, Holliday also served as Chairman of Board of the World Business Council for Sustainable Development and currently serves as the Chairman of the Global Federation of Councils on Competitiveness. There can be no doubt that he was committed to this new strategy. Chad was fortunate that his Vice President of safety, health and the environment, Paul Tebo, was a talented and experienced business executive, who, in

his staff role, had the responsibility for translating DuPont's commitment to Sustainable Growth into tangible business strategies and have them implemented in DuPont plants and business units across the globe. Tebo described some of the challenges he had in convincing business unit leaders to adopt this new strategy:

("My experience in running a couple of billion-dollar global businesses) ..has been invaluable in understanding how to communicate environmental concepts in business terms and integrate sustainable growth concepts into line organizations. And sustainable growth, he argues - as opposed to development- was critical in getting the message across to Dupont colleagues. Growth was very important. I tried sustainability, and the business leaders saw it as status quo. I tried sustainable development, and they viewed it as environmental sustainability. I tried sustainable business, but growth is what organizations want - either you are growing or you're not and not growing is not a very good sit."

The brilliance of the sustainable growth concept is that it is measured in terms of Shareholder Value Added/lbs. of depletable resources. As with any ratio there are four ways that the ratio can improve and two of them involve decreasing the use of depletable resources. This is a productivity metric that incentivizes the reduction of input resources in relation to the growth of shareholder value added. The use of this approach helped DuPont cut toxic air emissions by 70%, hazardous waste production by 40%, greenhouse gas generation by 70% and savings of \$3 billion between 1990 and 2004.

The story also illustrates the difficulty in "selling" the environmental message to executives who are in a system that rewards growth. DuPont was very creative in its ability to combine a focus on financial business growth which also produces environmental benefits. While this approach has merit, it does deal with all the risks that companies have. DuPont's history following the enlightened tenure of Holliday and Tebo, illustrates McDonough's point about what can happen when a company pays insufficient attention to the business risks associated with toxic chemicals in a product.

Corporate Perspective

The evolution in productivity thinking over the past 7 decades can be discussed with respect to different units of analysis. Much of our discussion to this point has emphasized the national economy level (Big-P). However, we can also examine the evolution in thinking at the individual company level (Small-P) as we have with the DuPont discussion.

One way to view the shifts in corporate thinking is to view corporate activity and thinking through the "sustainability lens." In 2002, Price Waterhouse Coopers reported on a survey of 140 companies with respect to their strategic moves toward sustainability and why. They found that 77% of the companies with annual revenue over \$25 billion have defined the meaning of sustainability for their business. However, only 45% of companies under \$25 billion have done so. When asked why they have adopted sustainability business practices the results are shown below:

- "Enhanced reputation - 90%
- "Competitive advantage 75%
- "Cost savings -71%
- "Industry trends- 62%
- "CEO/ Board commitment - 58%
- "Customer demand - 57%
- "Top line growth - 37%
- "Shareholder demand - 20%
- "Access to capital - 12%

The study concluded that failing to meet the sustainability standards presents a series of financial and business risks to companies including the following:

"Lower stock prices and reduced shareholder value
"Loss of valuable customer or supplier relationships
"Inability or difficulty in obtaining director and officer insurance
"Reduced access to or higher cost of capital
"Paying damages relating to shareholders or consumers for false claims, unfair labor practices, product liability, negligence and "social malfeasance"
"Delay or termination of projects
"Loss of "license to operate"

The authors of the survey, two partners of Price Waterhouse Coopers, drew the following conclusion: "While sustainability is a new and evolving standard, most of the companies we surveyed believe that it represents a permanent change in the way companies will be evaluated in the future.

This observation has proven true. In 2023, the U.S. Securities and Exchange Commission has required that firms listed on the Stock Exchanges, initiate sustainability reporting in 2023. According to a survey conducted in 2022 by Deloitte, 99% of the 300 reporting companies have launched or will launch an ESG council or working group to manage their reporting requirement.

In the survey, respondents were asked to share the benefits they expect from their ESG reporting initiatives. Listed below are the benefits and the % of respondents that listed this benefit in their top three expected results:

Talent attraction and retention - 52%
Increased efficiencies - 52%
Enhanced trust with stakeholders - 51%
Brand reputation enhancements - 49%
Premium pricing of products - 49%
Reduced risk - 49%

While "productivity" was not explicitly mentioned, a number of these benefits would seem to serve as "productivity drivers." Certainly, increased efficiencies and talent attraction and retention should be very consistent with enhanced productivity.

The survey team found evidence that businesses are integrating sustainability reporting into their business strategy process. They base this conclusion in that the responsibility for reporting rests with either the Chief Sustainability Officer or the Chief financial Officer. In smaller firms without a Chief Sustainability Officer, the responsibility is most often given to the Chief Human Resource Management Officer. Clearly compared with the results from the 2002 Price Waterhouse Cooper's survey, much has changed in the attention being paid to Sustainability initiatives in 2023.

A study conducted by the Swiss Finance Institute listed over 30 nations that have some form of mandatory sustainability reporting. Their study investigated the impact of reporting on the performance of capital markets in the countries. Their conclusion was that ". ESG disclosure regulation improves the information environment and has beneficial capital market effects." They also found that the effects were strongest if the disclosure requirements are implemented by government institutions and are complemented with strong enforcement by informal institutions.

Toward a New Productivity Paradigm

While the behavior of major global firms is slowly changing, there are extremely wide gaps between current behavior

and the ideals expressed by key leaders such as William McDonough and others. As we focus on a new productivity paradigm, it is necessary to significantly raise the bar with respect what is needed and where we need to go as a civilization. It is fair to say that what we are seeing across the economy is slow, steady improvement. However, there are a growing number of organizations that have shifted to a new paradigm which provides hope that dramatic, step function improvement is possible.

Often the annual gathering of global leaders in Davos, Switzerland, offers the opportunity to hear from some of the exemplary practitioners. In past years, with respect to raising the bar for businesses in terms of new paradigms, Davos has provided some role models. However, with respect to new productivity paradigms, it seems that the reports from the Davos gathering this year were different.

In a very insightful post following his time in Davos 2024, Dennis Gada, Executive Vice President and Global Head of Banking and Financial Services at Infosys, pointed out that a key theme of this year's gathering was "Rebuilding Trust." It turns out that a good place to start any discussion about new directions for Productivity would be to talk about the need for trust in a divided, hyper politicized world. Talking about Trust requires us to examine our values and it requires us to examine the types of relationships that enable productivity breakthroughs. Sustained rapid improvement of productivity requires open information sharing and collaboration. Shared values and effective communication are essential enablers of productivity improvement, and the degree of trust determines the size of the pipe through which information can flow to enable collaboration and innovation.

The spread of autocratic leadership around the world destroys trust. New technologies such as generative AI, quantum computing, synthetic biology and others offer great promise for productivity enhancement but only where is trust in the algorithms and in the motives of people who are the researchers, enablers and implementers. Traditional Milton Friedman inspired capitalism that claims that the only purpose of a company is to produce maximum returns to its shareholders does not inspire trust in people who are seen as non-value added to the pursuit of profit or who are adversely impacted by pursuing profit above all other considerations. Ethics on the part of business leaders who have escaped the Milton Friedman dogma, and informed regulatory action by government are required when businesses have too much power and when markets fail to operate fairly. Unequal opportunity leads to unequal outcomes and unequal opportunity erodes trust. When businesses seeking to maximize profit are constrained by regulation which they view as unjustified less ethical leaders become bitter and criticize government for imposing restrictions on their activity. This erodes trust and support for government which is essential to create a fair competitive playing field and one that is free of risks to health and safety.

Gada offers a helpful perspective on what is required to enable the potential productivity gains from generative AI to be realized. In his report from Davos, he stated:

"Rebuilding Trust" through technology is pivotal to increased adoption. Even as the regulatory environment for AI is still evolving, governments and regulatory watchdog have begun introducing regulations - the US Government's Executive Order, the EU AI Act, and the UK's Bletchley Park Agreement- so firms can build ethical, responsible AI. Institutions, on their part, must integrate ethical considerations into the design and architecture by developing a responsible design framework for ethical AI usage."

The importance and necessity of Gada's caution is amplified by writers such as Ted Chiang In his recent New Yorker article, Chiang asks about AI: "The technology, as it's currently imagined, promises to concentrate wealth and disempower workers. Is an alternative imaginable?"

My former colleague and friend Dr. Amit Gupta , pointed out to me that what is required in the new productivity paradigm is a marriage of the ethical implementation of technology within a new business paradigm. I submit that the

best description of the new business paradigm that I have found to date can be found in a recent book by Paul Polman and Andrew Winston - Net Positive: How Courageous Companies Thrive by Giving More Than They Take. The authors also published an overview of the book in their Harvard Business Review article "The Net Positive Manifesto"

The argument for Net Positive is compelling. It borrows from the psychology of behavior modification and the notion of positive reinforcement, and it is consistent with the suggestion by William McDonough for business to abandon the pursuit of doing "less bad" in favor of "doing more good." I first saw a step in this direction many years ago implemented in business by Will Potter, CEO of a Maryland trucking company called Preston Trucking. Will was dealing with a very tough, hard-nosed Teamster union environment that was struggling to survive following trucking deregulation. He set out to change the culture of the company by focusing on "things done right" rather than "things done wrong." As an example, he modified most of the traditional measurement indicators used to manage the company. Instead of "absences" he measured "presences". Instead of measuring "late deliveries" he measured "on time deliveries." Instead of monitoring drivers to promote safety and punishing drivers who were speeding, he carried a speed gun with him on the road and found drivers who were driving the speed limit. Will would pull the safe drivers over to the side of the road and say to the driver "Thank you for driving the speed limit." The culture changed dramatically. Unfortunately, even though the culture change significantly improved company performance, it was not enough to save the unionized company from the cost disadvantages resulting from de-regulation.

Net positive builds on the notion proposed by William McDonough to shift from "less bad" to delivering "more good" outcomes. A net positive business as described by Polman, the former CEO of the global consumer products company Unilever and his co-author Andrew Winston, an expert on sustainable business is one that: improves well-being for everyone it impacts. It delivers positive outcomes for every product, every operation, every region and country, and for every stakeholder including employees, suppliers, communities, customers, and even future generations and the planet itself. This is the "North Star - where a company should be headed.

Some key points included in the Net Positive Manifesto include:

1.Society's expectations of business have changed more in the past two years than in the past 20. Businesses are changing too, just 7% of the CEO's in the Fortune 500 believe that companies should "mainly focus on making profits and not be distracted by social goals.

2.Traditional corporate social responsibility and philanthropy are inadequate for our times. Leaders must rethink what a business is and how it drives change in the world.

3.There are four critical paths to thrive today and win in the future:

a.Operate first in service of multiple stakeholders- which then benefits investors (rather than put shareholders above all others.

b.Take full ownership of all company impacts.

c.Embrace deep partnerships, even with critics.

d.Tackle systemic challenges by rethinking advocacy and the relationship with governments. Work with governments to change systems.

The book is written from the perspective of a Net Positive practitioner because Paul Polman used this philosophy to transform the culture and business practices of Unilever, a \$66 Billion global business. The core Net Positive strategy was guided by the Unilever Sustainable Living Plan. The plan had three core goals with supporting action plans and time parameters:

"Improve the health and well-being for more than 1 billion people through their product offerings.

"Reduce Environmental Impact by Half
"Enhance Livelihoods for Millions of People

After 10 years in 2020, the plan had hit most of its goals, for example:

"Over 1.2 billion Euro costs were avoided
"Helped 1.3 billion people improve health and hygiene
"100 % renewable energy for electricity in manufacturing
"Achieved 65% reduction in CO2 from energy in manufacturing
"Global gender parity in management - 51% of managers are women
"67% of agricultural raw materials are sustainably sourced up from 14%
"Water use down 49% per ton of production
"Zero waste to landfill at all factories

In this article, it is only possible to provide a glimpse of what it means to seriously pursue Net Positive. The book provides 10 chapters that give the reader a much better understanding of the approach, the benefits, and the challenges. No company has achieved net positive. But a growing number are choosing to move in this direction. The book also offers suggestions for how to get started and suggests ways to make what may seem unattainable possible. Any business can begin the journey by setting achievable benchmarks and milestones that lead toward the ultimate goal.

Polman and Winston provide a strong rationale for Net Positive. In writing this article, I would urge all the Fellows of the World Academy of Productivity to give serious consideration to this new productivity paradigm. Let me conclude by sharing Polman and Winston's words regarding the urgency of this time in history.

"We face existential issues. Will things get worse or better? It's in our hands. The solutions to our decades long global crises - climate change, biodiversity loss, inequality, the racial divide, and poverty among others- lie in empathy and compassion, in systems thinking, and collective association. We can choose the direction we go and what kind of world we create. We can have a net positive impact on all around us and build a place where people give a lot but also receive a lot in return. We have the tools to make enormous progress on everything that ails us. We can eliminate dire poverty, we can decarbonize, we can protect land and species.

We will choose our destiny together. We're asking for more trust, more courage, more humanity. Do you care? Do you have the willpower? Can you find the moral leadership to do what we must? If you join us in this most critical journey to net positive, you may open yourself up to criticism. You'll make mistakes. But the rewards are enormous, for you, for your business - which will thrive in a whole new way- and for all of us living together on this spinning, imperfect ball."