

Savenaca Narube: Increasing productivity and improving customer service

Opening address by Mr Savenaca Narube, Governor of the Reserve Bank of Fiji, at the Rotaract Club of Suva Business Seminar, Suva, 13 October 2007.

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The President of the Rotaract Club of Suva, Ms Roshika Deo
Distinguished Guests and Participants
Ladies and Gentlemen

Introductory remarks

Good Morning

It is not usual for me to be up delivering a speech this early on a Saturday morning! But I am very pleased to join you today for your Business Seminar. I believe that such training of young people like yourselves is a noble cause and worthy of waking up early for on this Saturday. The saying that our youth of today are our leaders of tomorrow is very relevant. I am sure that you the youth that have sacrificed your Saturday to attend this training will be our leaders tomorrow. I am certain it is worth the sacrifice.

Rotaract

I fully subscribe to the principles of your organisation of serving the community, building understanding and elevating ethical standards. They are all about making a difference in our own lives and the lives of others. And perhaps what is more striking is that you are doing all these for men and women aged between 18 to 30 years. I applaud Rotaract for providing the opportunity for young adults to enhance knowledge and skills that will assist them in personal development and build better relations between all people.

Seminar

I also think that the theme that you have chosen for this seminar – *Increasing Productivity and Improving Customer Service* – is a very appropriate one. I was interested to know though why you chose this combination. But on reflection, they both equate to making money. And in this lifetime, despite what some may say, money is what makes all things go round. Productivity and Customer Service are at the very core of successful businesses or indeed of all spheres of life.

I also understand that the seminar has another equally important purpose of fund raising to renovate the kitchen facilities at St Giles Hospital. This again is a very worthwhile cause. Giving back to the community is something that I fully encourage and support.

And the earlier we start to do that in our lives, the better it is for the giver. I wish you the very best in this fund-raising and I am sure that you will reach your target of \$10,000.

I therefore congratulate Rotaract for this initiative of training our youth and at the same time reaching out to the community. It is indeed an excellent combination and one that perhaps we can adopt more frequently.

The five objectives of your business seminar are impressive. In addition to productivity and customer service, your will also be talking on leadership, motivation, people skills and communications. Those of us who have been around for some time will tell you that these are some of the key ingredients of a successful life.

Leadership

I recently talked on leadership to a Human Resource Convention. I emphasised the importance of leadership in this time of rapid change. Change is everywhere these days. And no one can stand against these changes either as an individual, family, company or a nation. Fiji cannot stand in the way of trade liberalization. We cannot resist the pressure to integrate into the global economy.

Globalization is of course the major driver of many of these changes. Competition in this rather hostile environment is the key.

If you cannot compete, you perish. Survival is paramount. Leadership and skills are therefore evolving in response to these changes. They hold the answer to globalization and competitiveness. Even with the state-of-the-art machines and the best processes, without leadership and the right skills, the firm will struggle.

One of the books on leadership that I read recently puts it rather interestingly that "***The secret to leading people and living and working with them is found in the space between their ears***". The book went on to explain that leadership is all about training people to think. There is a lot of truth in what Buddha once said that "***What we think we become***".

In this modern world, the coercive leadership model in my view no longer works. Why? I think that one of the major reasons is that workers are now better educated and better informed than they were before. They are also more independent. They know that they can take alternative options. The global job market has opened up. The modern leadership style needs to attend to these factors. Leaders not only need to be knowledgeable, they now need to lead a very knowledgeable team.

In my experience, passion has a lot to do with good leadership. Passion is sometimes not well understood. To me, before becoming passionate one must do three things:

1. First, you must know your destination. You cannot be passionate about processes. Rather, you must be passionate in getting to where you want the organisation to be. It's the vision. It's the future. I came across a recent quote from a Mr. Ted Levitt which puts this very well that "***The future belongs to people who see possibilities before they become obvious***".
2. The second thing is that you should have some idea of how to get to where you want to go. One cannot hope to get to where one wants to go without knowing how to get there. I do not mean details. But rather broad strategies. Leaders must not lose sight of the bigger picture. Do not allow the details to bog the vision down
3. The last thing one must do is to know when you have arrived at your destination. It is very difficult to be passionate about getting somewhere when you do not even know when you have arrived. Measurement and information are therefore critical. Someone once said that you cannot achieve what you cannot measure.

With these three prerequisites, you can then get excited about your vision and be passionate about it. You must become personally convinced and confident that you will get there. Moreover, you must display your commitment and confidence not only most of the time but all of the time particularly when things are not looking bright.

It is relatively easier to lead when things are rosy. But leaders are challenged most when things are tough. The saying that "***When the going get tough, the leaders get going***" is very appropriate. When the situation is tough, tough decisions need to be made and there is a high premium on being level-headed, keeping emotions under control and being an optimist.

I do not want to spoil your morning by talking about the economy. But times are obviously tough in Fiji now. Popular decisions are easier to take. But unfortunately they sometimes are not the right ones. When times are tough, decisive and proactive steps must be taken. Over

the last four years, the Reserve Bank had raised interest rates, reduced liquidity and tightened exchange controls. Raising interest rates and tightening exchange controls are never going to be popular. But unfortunately they are necessary. As a result, we now see imports declining and our foreign reserves stabilizing and even rising.

I find that leaders must continuously stretch the boundaries of the corporate space and take your teams out of their comfort zone. Only when they are out of their comfort zone would they be inspired. And inspiration is the pinnacle of personal victory. I fully subscribe to a quote by a Richard Florida that says: ***“People do not need to be managed, they need to be unleashed”***.

A leader is also solution focused. A common challenge that I usually pose to my colleagues is that they should not only come to me with problems but also solutions. I do not hold a monopoly on solutions. That always gets them thinking. An interesting side effect is that the problems started declining. Needless to say a leader must be a good communicator.

Productivity

Let me turn to productivity. Productivity is one issue that I get passionate about. Why? I firmly believe that better productivity can solve many of our economic problems in Fiji and I will talk more about this later. But more importantly, improving productivity from our low level would not take too much of financial resources. It will only require a change in behaviour and work ethics. It will only require that we all get excited about this issue at all levels. Firstly, in my view, we require a national vision for productivity. This national vision will assist in changing the mindsets. In this regard we should include the word productivity in the name of the relevant government ministry and in our case, I believe that it is the Ministry of Labour. Secondly, we must begin to measure productivity. Thirdly, we must continue to train our workers. Lastly, we must continue to change attitudes.

Motivation is important in changing behaviours. How do we motivate people to raise their productivity? We motivate them through their pockets. Being more productive must mean more money in the pocket. And not just for the company but for everyone. It must mean more take home pay for workers and more profits for the companies. More income means a better quality of life – better education for our children, shelter for our families, and more food on the table.

There are few ways which we can create this win-win situation. Firstly, I am firm believer that as far as possible rewards and recognition including wage rises must be linked to productivity. A worker must be rewarded for the additional effort that he or she puts into the organisation and not rewarded the same as those that just turn up to work each day. This calls for an overhaul of our rewards and recognition system to include incentives for productivity.

Secondly, it is also very obvious from the surveys and feedbacks that our people want to be treated with respect. They want to feel that they are valued. They want to feel that they are recognised for their contributions. I have found that non monetary incentives inspire, just as much as monetary rewards do – a pat on the back, a nod, a special announcement, a thank you note, a signed certificate and so forth.

One of my roles is to inspire everyone in our organisations to walk the talk on corporate ethics and values. These values must filter down to all aspects of the organisations. And we must align our system to reward those that uphold these values. We have therefore integrated the organisational values with our formal recognition and reward system in the Bank. Alignment to these values now determines the rewards that one will be awarded at year end.

I have spoken many times in the Productivity Awareness Week organized by Productivity Authority of Fiji's (TPAF). In one of my speeches I emphasised that *“Productivity is not an*

end in itself. It is simply a means to an end. And what is the end? That end must be prosperity at the individual and household levels”.

Being productive means working smarter and not necessarily harder. It means producing more from the same resources and even producing more from less. In Fiji our resources are limited. The biggest resources that we have are land and our people. How productive are we using these resources? I am sure that you will agree with me that we could do a whole lot more in this area. No wonder our long term economic growth rate is a meager 2.5 percent – not enough to absorb our school leavers!

At the Bank, we have tried to take a macroeconomic measure of productivity by taking the total output produced by each worker. This is a very aggregative and crude measurement. It shows that productivity has grown by an average of around 1 percent since 1996. This is very low. Some Asian countries are achieving over four percent growth. My crude estimate says that the multiplier effect of a rise in the growth rate of productivity on economic growth is at least 2. This means that if we raise productivity growth from 1 to say 2 percent every year, we can raise our average economic growth rate from 2.5 to 4.5 percent. And that makes a lot difference in jobs, in incomes and in poverty alleviation.

Customer service

Let me say a few words on the second part of your theme that of customer service.

When we talk about customers, we are really talking about you and me. We may be entrepreneurs or workers but we are all customers. And here the best motto is to do to others what you want done to you.

Firstly, we all want to be understood. Communication and feedback are therefore important. Listening is the best way of communication and believe you me listening is not an easy thing to do.

Secondly, we want to be served efficiently and courteously with minimum waiting time. Have you heard the story of a patient named Tom that was being examined by a doctor? Every few minutes the doctor had to stop talking with Tom to answer calls from other patients, listen to their symptoms and advise them what to do. This went on for a while. When the doctor next answered the phone, he heard, “Doctor, this is Tom calling!”

Thirdly, we all want to get what we paid for. Standards are important. Have you heard about the customer who fronted up to the hamburger counter and asked for a burger that had stale vegetables, raw eggs that were dripping off the sides and beef that was still red with blood? The attendant was totally aghast and proclaimed that they do not serve such a burger and will definitely not serve such a thing to the customer. The customer calmly replied “Well you did so yesterday!”

My experience is that good customer service is about attitude and the culture of the business. It boils down to a personal touch and going the extra mile.

Concluding remarks

Finally, I would again like to thank Ms. Roshika Deo for inviting me here this morning. I would also like to thank the distinguished speakers who are contributing to the program – they are all professionals in their own fields and have a lot of experience and knowledge to share with you today. To you participants, I wish you well in your deliberations.

Official opening

I now have much pleasure in declaring this business seminar – *Increasing Productivity and Improving Customer Service* open.

Thank you.