

# The Evidence

**Evidence around the world illustrates that improving workplace management practices is associated with large increases in productivity and output growth...**

**IRELAND:** A study by the Irish Government National Centre for Partnership and Performance (2008) found that adoption of high performance work systems (such as strategic human resource management and others) was associated with a 15% increase in labour productivity, or EUR 44,000 per employee, equivalent to EUR 12 million per median company (270 employees).

*NCCP (2008), 'New Models of High Performance Work Systems: The Business Case for Strategic HRM, Partnership and Diversity and Equality Systems.'*

**UNITED KINGDOM:** A study by the UK Work Foundation (2003, 2005) found that the best managed 30% of UK companies achieved higher growth, sales per employee, profitability and exports. Indeed, increasing the management performance of 10% of companies in the bottom third to the average level would add GBP 2.5 billion to UK GDP.

*UK Work Foundation (2003, 2005), 'Cracking the Performance Code: How the Top Firms Succeed.'*

**USA:** A study by Black and Lynch (2004) used data from the US Bureau of Labor Statistics and Worker Employer Surveys and found that innovations to workplace practices (such as re-engineering, job rotation and organising workers in teams) was an important component of total factor productivity. Up to one third of US output growth stems from productivity-enhancing innovations at the workplace level.

*Black and Lynch (2004), 'What's Driving the New Economy? The Benefits of Workplace Innovation.'*

**CROSS-COUNTRY:** A 16-country comparative study by the London School of Economics and McKinsey found that improving management practice is... "associated with large increases in productivity and output. Across all the firms... a single point improvement in management practice score is associated with the same increase in output as a 25% increase in the labour force or a 65% increase in invested capital."

*London School of Economics and McKinsey (2007), 'Management Practices and Productivity: Why They Matter.'*

# Recognition

**SKE has received widespread recognition for the quality and contribution of our work. Indeed, the Australasia Reporting Award on Knowledge Capital, first announced in 2006, is modelled on the SKE Guiding Principles.**

## **Emerald Literati Network 2009 Awards for Excellence**

Emerald Publications – awarded for our research on Enhanced Business Reporting in collaboration with the US Enhanced Business Reporting Consortium for the US Securities Exchange Commission, published in the *Journal of Human Resources Costing and Accounting*, 2008.

## **Honorable Mention for Outstanding Achievement in Research and Development Collaboration at the Business and Higher Education Roundtable Awards 2008**

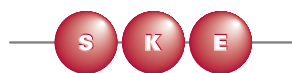
Recognition for the SKE Industry Partnering and Research Program, including 12 collaborative research and industry projects with Australian organisations, policy makers, associations, academics and others.

## **Emerald Literati Network 2006 Awards for Excellence Emerald Publications**

Awarded for our research on Intellectual Capital Measurement and Reporting with the NSW Department of Lands, published in the *Journal of Intellectual Capital*, 2005.

**“ In Australia, the Karpin report of 1995 was the last significant government review that considered Australia’s workplace management, culture and leadership. More needs to be done in public policy if we are to lift the productivity of Australian workplaces into the future. ”**

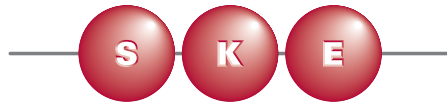
*SKE 'Leading Australia' Report, Department of Education, Employment and Workplace Relations, November 2008.*



Society for Knowledge Economics

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Society for Knowledge Economics

## The world has changed.

People at work are the engine of our economy, source of innovation and driver of sustainable business practices.

Good management, a healthy workplace culture and strong leadership encouraging people to contribute to their full potential are all directly related to productivity and performance. This holds true across all Australian organisations.

If, as a nation, we are to build a resilient economy for the future, we need to focus much greater effort on strengthening leadership, culture and management.

Australia's most potent force is its people. Therefore, the Society for Knowledge Economics (SKE) is focused on encouraging their development and the best use of their capabilities to ensure that they contribute to their full potential at work. We also work to improve management capability to maximise use and value from ICT.

By directing policy focus toward management practice and leadership skills, we can boost Australian workplace productivity and innovation. This, in turn, can increase financial prosperity, employee and management satisfaction and our nation's social capital.

By lifting leadership and management skills, decentralising decision-making and fostering healthy workplace cultures, Australia has the potential to become one of the world's leading economies, enhancing our economic growth, our social prosperity and wellbeing.

## Are you ready to change with it?

The Society for Knowledge Economics was formed to address Australia's critical need to strengthen the quality of leadership, culture and management practices in the workplace. By developing more resilient and high-performing workplaces, we are working to lift national productivity and innovation for the future.

To achieve this, SKE advocates a collaborative approach, harnessing the power of government, business, researchers, industry associations, academics and others to help Australian workplaces and the national economy to flourish. We operate as a forward-looking, open-minded organisation, committed to practical solutions and IP sharing.

The SKE conducts industry-based research projects and prepares policy submissions, research papers, thought leadership pieces and editorials to influence policy directions and management and leadership practices in the Australian economy. We provide practical tools, programs and guidelines to make Australian workplaces the most innovative, productive and fulfilling in the world.

# The Society for Knowledge Economics

## VISION

To position Australian workplaces as the most innovative, productive and fulfilling in the world.

## MISSION

To develop and improve the quality of leadership, culture and management practices in Australian workplaces (public, private, large and small) to maximise innovation, productivity and sustainability.

## VALUES

- We are collaborative, inclusive, open and sharing.
- We are connected here and internationally.
- Our work has practical relevance and application.
- We share a determination to accomplish our vision and mission

“ *The engine of innovation in Australia is our people at work. The workplace (be it large or small, public or private) is where the needs of an organisation’s customers and key stakeholders are identified, analysed and transformed into new or improved products, services and business processes. The degree to which people are enabled, encouraged and motivated to innovate at work determines, by and large, a nation’s capacity to innovate. It is clear that more needs to be done to develop the right leadership and management skills and workplace cultures if we are to lift national innovation rates in Australia.* ”

SKE ‘Enabling Innovation’ Report, Victorian Government, June 2008.

## OUR FOUNDATION

The SKE was established with the support of Microsoft, Westpac and as an initiative of the Australian Government Consultative Committee for Knowledge Capital (AGCCKC).

## BOARD OF DIRECTORS

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“ *Specifically, there is a need to open up the ‘black box’ of management and investigate what it means to manage innovation at the enterprise level, including the leadership styles, workplace cultures and management techniques most successful in producing innovation outcomes. We need to start a national debate which articulates leadership and management as a strategic national priority.* ”

SKE ‘Enabling Innovation’ Report, Victorian Government, June 2008.

## CORPORATE MEMBERS

**Microsoft®** **Westpac**



**PRICEWATERHOUSECOOPERS**



# How We Work

The SKE Industry Partnering and Research Program brings together representatives from private, public, research and community organisations to investigate, research, test and develop practical programs and tools for the benefit of Australian workplaces as a whole.

- SKE (2009), *Development of an Innovation Capability Framework and a Library of Resources and Intervention Strategies*, prepared on behalf of Innovation and Business Skills Australia, January 2009.
- SKE (2008), *Leading Australia to More Innovative, Productive and Fulfilling Workplaces – The Role of Government*, prepared on behalf of the Department of Education, Employment and Workplace Relations, November 2008.
- SKE (2008), *Enabling Innovation: Leadership, Culture and Management at the Workplace Level*, prepared on behalf of the Victorian Department of Innovation, Industry and Regional Development, June 2008.
- SKE (2008), *Australia's National Innovation System*, submission to Dr. Terry Cutler's National Innovation Review Panel, sponsored by the Business Council of Australia, April 2008.
- SKE (2008), *Submission to the Enhanced Business Reporting Consortium for the U.S. Security Exchange Commission's Advisory Committee on Improving Financial Reporting*, January 2008.
- SKE (2007), *Leadership and Culture – the Missing Pillar of the National Innovation Agenda*, a response to the Victorian Government's proposed National Innovation Agenda, November 2007.
- SKE (2005), *Intangible Drivers of Organisational Productivity and Prosperity – International Trends and Developments in Extended Performance Management, Measurement and Reporting*, prepared on behalf of the Department of Finance, February 2007.
- Business Council of Australia, in collaboration with the SKE (2006), *New Pathways to Prosperity – a National Innovation Framework for Australia*, November 2006.
- SKE (2005), *Australian Guiding Principles on Extended Performance Management – A Guide to Better Managing, Measuring and Reporting Knowledge Intensive Organisational Resources*, prepared in collaboration with CPA Australia, now informing the Australasian Reporting Award on Knowledge Capital, November 2005.

## THE SUM IS GREATER THAN THE PARTS

Our work is founded on collaboration, leveraging the best minds across diverse organisations. This diagram illustrates the cycle of our engagement, research and program development process.

