

What Is This Thing Called Competitiveness?

A *Washington Post* writer has called it sexy and imprecise. *Business Week* describes it as the ability "to sell a country's wares at prices that give its investors a fair return and its population a rising standard of living." Kids call it the hardest word on this week's spelling test.

It's competitiveness, and however you describe it or spell it, you cannot escape it. It is the nation's obsession. How did we lose it? Can we ever get it back?

Who is to blame? What is to be done?

The data exchanged in the competitiveness debate is scary and humbling. The U.S. has become the largest debtor nation in the history of mankind. Our overall productivity keeps declining and in the massive service sector it is a measly one-half percent. Growth in our standard of living is slow and stunted and our children will have trouble finding jobs.

As a nation we are waking up from the narcotic of our postwar economic success to discover a huge gap between our expectations and reality. We aren't at the top of the heap any more. For many, sleepy insouciance is preferable to the realization that we must change—as individuals, as organizations, and as a nation—if we are to compete successfully in a global economy.

For every woeful statistic about our lost competitiveness are a dozen plans for recapturing it. The 99th Congress introduced more than 5,000 bills with a competitiveness angle. From the policy level to the personal level, there is no shortage of solutions.

But what many of those solutions are missing is a human resource component. When our leaders talk about human resource development, they usually mean education outside the workplace. Yet from the White House to the shop floor, there is a recognition that to be competitive we need an educated work force that cares about its product. We cannot hold our own against the Japanese with a moribund,

alienated, and illiterate work force. We cannot translate our technological genius into products without changing our manufacturing process and managing it with better results. We cannot improve productivity in the service industries merely by pouring on layers of technology that few have learned to use. We cannot change without learning how.

Where theorists part company is deciding where and how the work force should be educated—in schools or on the job. This is where it's instructive to think about the fact that there are no business schools in Japan. As a colleague is fond of saying, "We don't make radios at Harvard. We make them at Motorola. Or at least we used to."

Training of the work force by the work force makes perfect sense to us, of course. The logic of employers educating for change is blindingly obvious, if you're in the business. But if you're not, it can be difficult to connect a productive work force with a trained and developed one. It is not a habit of mind that comes naturally to some CEOs, for instance.

Some people think that beyond competitiveness lies cooperation, even between old adversaries such as business and government, management and labor, and companies in the same industry. Already there are "strategic partnerships" between competing companies from different countries, such as the technology swap between Motorola and its Japanese counterpart in the chip market, Toshiba Corp. In other words, if you can't beat them, join them so that both of you may survive.

The lesson here seems clear. In addition to waking up to the competitiveness crisis, all of us ought to wake up to the realization that today things change even as we are discovering them.



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