

Business productivity – it's not all down to IT

This morning I read a news article by *InformationWeek* editor Johanna Ambrosio. Johanna was addressing what she described as the European IT conundrum. Why was it, she asked, that while IT industry investment is apparently suffering a downturn in Europe (according to figures from IDC and reinforced by recent headcount reductions announced by IBM), other research (from Siemens Business Services) suggests that IT chiefs are gearing up to spend more on IT to close the substantial productivity gap between EU and US businesses? The writer went on to ponder why, since Europe has led the way in so many areas of technology (mobile phones, the ITIL service management methodology, and even the World Wide Web), this productivity gap should exist at all.

In an associated blog, Ms Ambrosio argued that productivity may have more to do with national characteristics than IT. Driven by the Puritan work ethic, with shorter holidays and longer working hours, the USA has always had the edge in terms of sheer horsepower. No amount of IT investment is likely to change this in the near future; and why should it?

As she freely admits, there is a danger of generalization here: attitudes vary considerably on both sides of the Atlantic, and I don't personally know any Europeans in business who settle down for a two-hour siesta at lunchtime each day.

As a 'Brit', though, I find this discussion particularly intriguing. In many areas of politics and business, the British nation is deeply divided as to whether it is culturally closer to Europe or America. As an illustration of this, Members of the European Parliament recently voted to scrap an opt-out clause in their much cherished Working Time Directive, so that employees within the EU could no longer 'volunteer' to work longer than the 48 hours a week laid down in the legislation. Suffice it to say that the greatest impact of this change will be felt in Britain where, for better or for worse, long overtime hours have become a way of life, relied upon by employees and employers alike.

One good thing, however. The legislation change means that, if I am ever rushed into hospital, I can be more confident that the junior doctor who treats me will not have been 'on call' for the previous 24 hours. I can only guess how unproductive *anyone* would be after working for such an extended period of time!

Productivity comes in many shapes and forms, and work-time legislation is only one of the many contributory factors to commercial success. Maybe cultural differences between Europe, the USA and other regions should be preserved at all costs; after all, national diversity makes the world a much more fascinating and precious place. On the other hand, while countries make their own laws, commercial activity today takes place on a global basis. Regulations such as Sarbanes Oxley in the USA will have repercussions for companies worldwide. Risk management rules like Basel II have a European origin, but will certainly affect financial services businesses in the US. If you employ ITIL best practices in your Hong Kong offices, they will have to be imposed on other branches of the organization at some stage.

While IT can be used to increase productivity, it can also be employed - in the global economy - as an aid to relocation and consolidation. It's largely thanks to IT that a call

center, business operation, manufacturing plant or data center can easily be moved from one geographical location to another. Multinational organizations can place their workforce wherever they choose, and that choice will be influenced by productivity levels, availability of skills, political influences, and many other factors, but above all cost-effectiveness. If Europe lags behind the USA in terms of cost-effectiveness, it can be argued that the US may need to catch up with many of the newly favored locations in Asia and the Far East before long.

In the data center world, we are becoming accustomed to loosely coupling our hardware facilities over considerable distances for failover purposes. Thanks to the sophistication of high-speed communications technologies, the physical location really does not matter. A company can have data centers in several countries and huge workloads can be transferred between them in minutes or even seconds. The efficiency of those installations depends not on the raw hardware but on the service provided by the people who run them. Let's not dwell on the cultural or legal differences that might or might not affect productivity. Businesses are global, and service levels must be maintained worldwide.

Nevertheless, I would still like to be sure that my hospital doctor had a good night's sleep last night!