

Organisational Productivity and Factors that Affect It.

In light of the increasing attention being paid to the concept of productivity as a facilitator of competitiveness, I thought it prudent to discuss the phenomenon.

Productivity has been interpreted (Gray & Jurison, 1995) as a measure of how efficiently an organisation manipulates its resources/factors of production (human, capital, materials, energy, knowledge etc) within the production of goods and services. However, productivity is not only related to the fostering of maximum efficiency by *doing things right* but also involves the attainment of maximum effectiveness (i.e. reaching organisational goals) by *doing the right things*. Organisational productivity can be evaluated in relation to a particular decision criteria e.g. prior productivity level (workers, management, company etc), competitor productivity, industry productivity or national productivity.

Productivity within the manufacturing sector is predisposed to the planning, scheduling and controlling of physical materials, whereas within the service sector it is focused upon the flow of human customers - internal and external. From a public sector perspective, it has been proposed (Boyce, 1995), "In a sense then, productivity of government boards and corporations is a measure of the return to taxpayers and the general citizens of a country on the resources which the society has entrusted to these institutions".

Some of the Principle Factors that Influence Productivity are:

1. **Investment (capital/labour ratio):** every initiative requires a specific level of investment, if it is to achieve viability and sustainability. However, care must be taken not to deem capital as a substitute for labour or think that technology by itself can generate higher productivity.
2. **Resource availability:** absenteeism, inadequate financial resources or a lack of appropriate physical infrastructure can all devastate the attainment of the mandate of the agency.
3. **Educational and skill level of personnel** (managerial & non-managerial): inadequate skills can provoke wastage of time and money, excessive error and poor performance. Such a situation impacts negatively upon customer satisfaction, the quality of work life and ultimately the bottom line of the organisation.
4. **Health of employees:** the physical and psychological work environment impacts heavily upon performance and operational costs.
5. **Innovation and technology employed (Work Methods/Processes):** productivity improvement cannot be yielded by simply investing in the latest technology as a 'corporate saviour'. Rather, the institution should analyse what it needs to achieve (for competitiveness and viability); where it currently stands in relation to

- said objectives and thus determine what reworking of the system (personnel, processes and resources) is necessary.
6. **Quality and global competitiveness:** the increasing demands of the consumer market and the business forces competing to serve said customers, affects the level of productivity that is required of our institutions.
 7. **Labour/management group dynamics:** workplace harmony, teamwork and morale are key determinants of how well a business can perform. An uneasy industrial relations climate does no good for anyone.
 8. **Employee motivation:** if employees do not “buy-in” to the goals and aspirations of their employers because they cannot see “what is in it for them”, performance will never reach the potential that is truly achievable.
 9. **Planning, monitoring and controlling of organisational operations :** good leadership is fundamental if the entity hopes to marshal its resources within the pursuit of customer satisfaction and sustainability.
 10. **National work ethic:** the attitude that each and every one of us exhibits towards contributing to national development and growth (whether we are business owners, managers or employees), will ultimately determine how productive our organisations can become. The slogan would be *“100% Bajan From Bajans For The World”*.

Since 1978, Mr. Anthony Deyal argued, “What we know about productivity is that everyone agrees that productivity is desirable. What we also know, is that everyone does not subscribe to the behaviours we consider productive. If we agree that productivity is everybody’s business, not that of a Productivity Council or the government alone, then we must ensure that everybody is enlisted in its cause. However, just telling people about the importance of productivity will not make a productive person or country. What we have to do is go from principle to practice, from information to application. We have to make people behave productively”.

If the factors that impinge upon employee morale, and thus productivity are not adequately addressed, a defeatist/fatalistic mindset can take root. This will destroy most or all of the commitment, creativity, motivation and satisfaction of the employees. Such a situation can only stagnate organisational development and diminish national socio-economic growth.

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