ARE YOU A PRODUCTIVITY ROBOT?

Productivity is measured internationally, nationally, at the level of the company and of the individual. Of course, we all want higher productivity from workers, which is preferred to stagnant output or declining productivity. Stagnant output severely drains the resources invested to generate said output, and represents an overall loss to the company. By this I mean that the returns to the business are reduced given the cost associated with keeping those employees hired. Economists refer to this phenomenon as diminishing returns to investment. In an ideal situation, one would expect that productivity gains in the workplace would exceed the costs associated with the operating costs of the company on a sustained basis.

At the level of the firm, an increase in productivity is induced by reducing cost, improving price competitiveness, improving the organisation's financial ability to pay salaries, increasing output or service quality performance and returns financial capital invested to improve the capacity of the firm.

Using the academic mode of thinking about productivity, organizations which are able to successfully manage (or lower) their inputs and correspondingly increase their outputs, would inherently be able to consolidate a financially secure and competitive position.

Profitability is not the only indicator; however it is indeed one of the best indicators of company productivity – it provides evidence of sound management decisions, sales and price levels, investment, production, innovation, and underlying management of process efficiency within the organization.

But are you a productivity robot? And more alarmingly, are you creating an army of productivity robots? These are employees who do as they are told, maintain an acceptable level of performance, which create a satisfactory level of output, sales, and profitability.

These organizations do not encourage the real transformational element which spurs growth.

Productivity robots and the organizations they work for are much like machine bureaucracy, which according to Mintzberg is a ***"mechanistic organization characterized by a high level of standardization and centralized control. A continuous effort to embed routine tasks through formalization of worker skills and experiences. It is highly rigid and unable to cope with novelty and change."***

An employee can execute the mechanics of the job well and help that company achieve profit. However, and I am speaking broadly now, if the private sector is to contribute (as it should) to macroeconomic sustainability, growth and ultimate evolution of the macro-economy, then risk, innovation, creativity and problem solving are urgent priorities. Companies must constantly seek to evolve their products, services and organisational structure- this is the only way that they will become competitive. And when I say competitive, I mean a company's ability to increase exports, increase its capacity for import substitution and increase its contribution to the earning of foreign exchange for the country.

Productivity robots may (and this is no guarantee!) suit the purposes for the company in the short-term, but in the long-run they stifle the organisation. Therefore embedded within the employee's job description and activities should be requirements to be productive through process innovation, reduction of wastage, punctuality, and customer service excellence. If you recall NISE's 100 Improvements in 100 Days initiative, then this is similar. Get your employees involved in developing productive initiatives and reward them for initiative and excellence through their performance appraisal and other tangible incentive. To fully capitalize on this, the company must encourage and reward innovation, creativity, out-of-the box-thinking and non-linear organisation communication and participation.