
How to Improve Productivity

The National Competitiveness and Productivity Council (NCPC) of Saint Lucia is presently undertaking a national productivity study in Saint Lucia. The end result will be a detailed analysis which will provide reasons for the current levels of productivity and key policy actions that will enhance productivity within the overall economy. Consultations are presently being carried out within different sectors of the economy and discussions are centred on ways that productivity can be improved.

Within any given company, productivity is usually defined as the ability of a firm to convert available resources into profitable goods or services. However, the productivity of an entire economy or even a single firm depends on a number of factors. The factors that therefore contribute to the improvement of productivity include:

- The level of research and development undertaken
- The availability and quality of capital
- The availability and quality of labour resources, especially the skilled and semi-skilled workforce
- The quality of social, physical and technological infrastructure
- The innovative capacity of both the public and private sectors
- The incentive to innovate
- The flexibility of the labour market
- The level of business taxation and regulatory regime
- The quality of the education and training system

Additionally, the enhancement of productivity at all levels of the economy is necessary to:

- promote economic growth
- generate foreign exchange
- promote capital investment
- promote greater international competitiveness
- create opportunities for employment
- assist in the stabilisation of inflation
- achieve higher standard of living

However, the question remains- is it possible to improve productivity and how can this be done?

Many persons mistakenly think that increased production is equal to increased productivity, however production and productivity are two different concepts. In a sense, productivity can actually be seen as a way to measure the efficiency of a production system.

On the other hand, while efficiency is required to improve productivity, it must be noted that this is not the only condition for productivity. However, both effectiveness (the degree to which the relevant goals or objectives are achieved) and efficiency (the ratio of output generated to the expected output prescribed) are necessary in order to be productive. Therefore productivity improvements can result in the following:

- greater efficiency and effectiveness
- improved work methods
- incentives for the workforce
- motivation of the workforce to become more productive

- improved job design and work organisation
- importance of employee training and development
- importance of communication in the workplace
- application of ergonomics (the study of equipment design which is intended to maximize productivity by reducing operator fatigue and discomfort.)
- better employer-employee relationships

It is evident that an improvement in productivity levels is essential to the advancement of a nation's economy or any enterprise.