



National Competitiveness and Productivity Council

How and Why We Measure Productivity

One of the best ways of improving employee performance is through productivity measurement. There are multiple reasons for this. Firstly, measurement provides quantitative and qualitative evidence on whether an employee is meeting the targets set by the company. Also, in relation to an employee's job and their set tasks, measures have the potential to improve understanding of the concepts of quality, productivity and continuous improvement. It should be noted however that in measuring productivity, a lot depends on the approach the organisation takes to measure performance. If the right activities, behaviours and outcomes are captured through the approach, they can be effective motivational tools for employees as they demonstrate desired behaviours and important strategic tactics adopted by the organisation.

In their article, 'Use Measures to Promote a Culture of Quality- Measures can help embed quality into the way employees work and think', the American Productivity and Quality Centre (APQC) state, 'Enterprise leaders cannot dictate or mandate quality, but they can influence the culture of quality for their staff'.

So saying, within any organisation, a culture of productivity measurement should be cultivated in which a compass of performance is set by developing objectives, goals and targets. An organisation should then measure its performance in relation to these targets, as it is through them that managers are able to delegate performance expectations to their staff. Today, performance measurement and the use of key performance indicators are considered organisation competencies and thus, it is expected that all managers implement them, especially those within human resources. HR Managers are accountable for the significant investments made by a company in its employees and therefore are required to be on top of their game when strategic questions are asked. There are differing ways that they can do this, but some of the most notable include;

Recruitment

The recruitment process is expected to be led by managers these days. Their job in doing so is to process and participate in the development of job descriptions which accurately reflect the duties to be performed by the employee and which meet organisation targets. They must also have a system for monitoring performance on a monthly and quarterly basis and maintaining the link between strategy and operations.

Training Needs Analysis and On-the-job Training

In addition to having an assessment of their staff's performance, managers and line supervisors must be able to provide researched advice on the training needs of their staff to match the future talent requirements of the organisation. In some cases, they are expected to deliver the training or know where to source the most appropriate technical and general training.

Employee engagement and Motivation

Employees now expect that the organisational climate will meet employees own needs and motivate them to perform their duties within or even exceeding the expectations of the organisation.

Return on Investment

Management will be keen to know whether the investment made in salaries paid, training conducted and occupational safety standards maintained is indeed yielding results evidenced by increased output, sales and profitability. The HR practitioner will be expected to conduct the analysis, using key performance indicators and other types of trend analysis, to respond to the questions.

It is apparent that whether the central focus is a local company or a nation at large, a measurement of productivity must take place. It is an evidence based activity which is vital to assessing whether or not goals and objectives are being achieved. Even though viewed at different levels, company managers and bodies such as the NCPC are seen as being accountable for the process of productivity measurement.

However, even though a lot of responsibility does fall on their shoulders it is necessary for each individual in society to see productivity measures as being a concept which can be implemented a little closer to home. It is important that a culture of measurement is entrenched within the population. This is essential, so that whether at work or at play each member of society should be able to measure and assess their own performance in helping to build a productive nation.

About the National Competitiveness and Productivity Council (NCPC)

Established in October 2013, The National Competitiveness and Productivity Council (NCPC) is responsible for the identification of key issues related to competitiveness and productivity in Saint Lucia.

The NCPC and its Technical Secretariat is committed to providing the necessary advocacy and research to produce timely and effective recommendations to policymakers on issues that affect both competitiveness and productivity on island. For more information about productivity or on the NCPC, visit www.stluciancpc.org; www.facebook.com/stluciancpc, call 468-5571/5576 or send an e-mail to stluciancpc@gmail.com