



What makes a successful business?

tenets of a
productivity
mindset that

Leaders must recognize

1

Most employees
want to be
productive, but the
organization too
often get in their
way



“the organizational drag”
an average company loses > 1 day per week

tenets of a
productivity
mindset that

**Leaders must
recognize**

2

The company has a few talented people who can have a disproportionate impact on strategy execution and performance, but these “difference makers” are too often put in roles that limit their effectiveness.

*Don't let
your star
players get
bored!*



tenets of a
productivity
mindset that

**Leaders must
recognize**

3

People have huge
amounts of
discretionary energy
that they could
devote to their work,
but many are not
sufficiently inspired to
do so

A group of diverse people, including a man with a beard and a woman in a green shirt, are holding hands in a circle. They are outdoors, and the scene is brightly lit, suggesting a sunny day. The people are wearing casual clothing, and their expressions are focused and determined. The background is slightly blurred, showing what appears to be a paved area and some structures.

Inspire your employees to do their best



National Wages and
Productivity Commission
ISO 9001:2015 CERTIFIED

BASIC PRODUCTIVITY *Concept and Toolbox*

Content **OUTLINE**

01

PRODUCTIVITY
CONCEPTS &
MEASURES

02

MISCONCEPTIONS
ON
PRODUCTIVITY

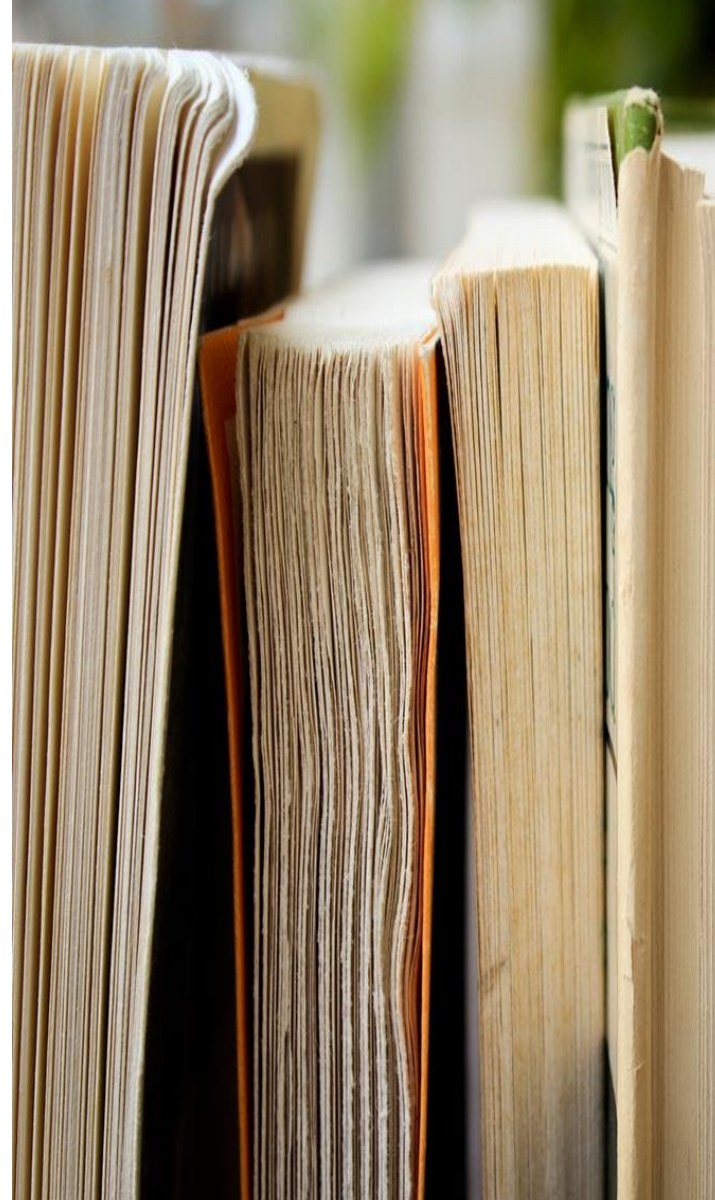
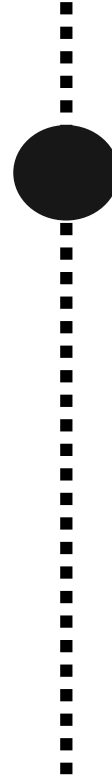
03

PRODUCTIVITY
TOOLBOX

Productivity

Concepts & Measures

01



$$\text{PRODUCTIVITY} = \frac{\text{OUTPUT}}{\text{INPUT}}$$



Furniture-manufacturing company

INPUT

OUTPUT



Measures of OUTPUT



Physical quantity

Monetary value

Measures of OUTPUT

Physical quantity

Monetary value



sacks of rice



number of
chairs



pair of shoes

Measures of OUTPUT



Physical quantity

Monetary value

➡ sales / revenue

➡ production value

Measures of INPUT



Labor

Capital

Materials

Energy

Measures of INPUT

Labor

Capital

Materials

Energy



Measures of INPUT

Labor

➡ number of hours worked

Capital

➡ number of workers engaged

Materials

➡ cost of labor

Energy

Measures of INPUT

Labor

Capital

Materials

Energy



Measures of INPUT

Labor

Capital

➡ machine hours

Materials

➡ depreciation

Energy

Measures of INPUT

Labor

Capital

Materials

Energy



Measures of INPUT

Labor

Capital

Materials

Energy

➡ kilograms

➡ number of bottles

➡ cost of materials

Measures of INPUT

Labor

Capital

Materials

Energy



Measures of INPUT

Labor

Capital

Materials

Energy

➡ kilowatt/ hour

➡ cost of energy

Partial Productivity Measures

$$\text{Labor } P = \frac{\text{Output}}{\text{Labor Input}}$$

$$\text{Material } P = \frac{\text{Output}}{\text{Material Input}}$$

$$\text{Capital } P = \frac{\text{Output}}{\text{Capital Input}}$$

$$\text{Energy } P = \frac{\text{Output}}{\text{Energy Input}}$$

Total Factor Productivity

GROSS PRODUCT

TFP =



LABOUR + CAPITAL + MATERIALS + ENERGY + OTHERS

INDICATORS

OF PRODUCTIVITY IMPROVEMENT

01

$$\frac{\text{Output}}{\text{Input}} \begin{matrix} \uparrow \\ \rightarrow \end{matrix}$$

02

$$\frac{\text{Output}}{\text{Input}} \begin{matrix} \rightarrow \\ \downarrow \end{matrix}$$

03

$$\frac{\text{Output}}{\text{Input}} \begin{matrix} \uparrow \uparrow \\ \uparrow \end{matrix}$$

04

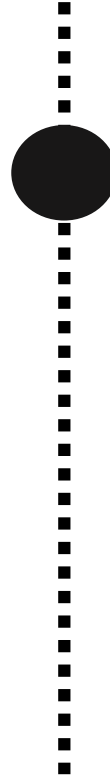
$$\frac{\text{Output}}{\text{Input}} \begin{matrix} \downarrow \\ \downarrow \downarrow \end{matrix}$$

05

$$\frac{\text{Output}}{\text{Input}} \begin{matrix} \uparrow \\ \downarrow \end{matrix}$$

MISCONCEPTIONS on Productivity



02



MISCONCEPTIONS





ON PRODUCTIVITY

Production = Productivity

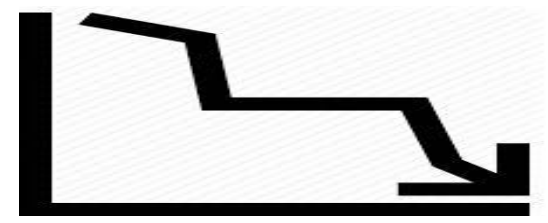
	Day 1	Day 2
OUTPUT	7 	10 



≠

	Day 1	Day 2
OUTPUT	7 	10 
INPUT	10 	15 

0.7 0.6



MISCONCEPTIONS

ON PRODUCTIVITY

Productivity applies only to the
labor input

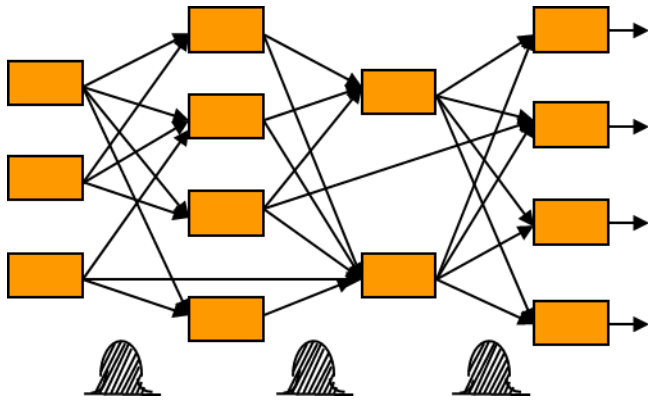
MISCONCEPTIONS

ON PRODUCTIVITY

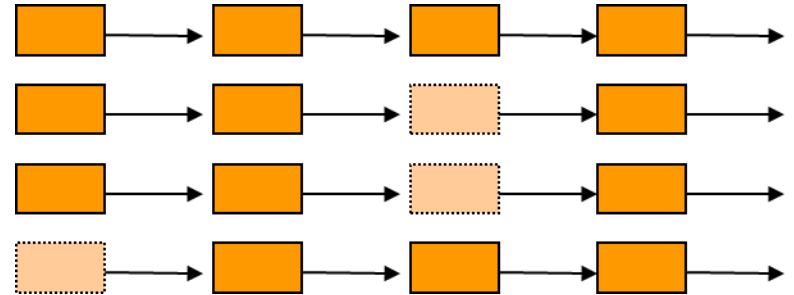
It is just an additional cost

Low cost way to improve productivity

Re-layout your workplace



BIG MAZE



NO MAZE

MISCONCEPTIONS

ON PRODUCTIVITY

It is working harder

Hard worker

He puts forth an enormous amount of effort.

Smart worker

He accomplishes high quality outputs more quickly, with less amount of effort.

(source: Schulte, 2013)

Who is more productive?



MISCONCEPTIONS

ON PRODUCTIVITY

It results to loss of jobs



03

Productivity Toolbox



BASIC **TRAININGS**

PRODUCTIVITY CONCEPTS

PRODUCTIVITY MEASURES

BASIC WORK SYSTEMS

101

Productivity 101 – Labor Relations,
Human Relations and Productivity

102

ISTIV Productivity Awareness Program

103

7S of Good Housekeeping

104

ISTIV Bayanihan

105

Productivity Enhancement Program for DOLE
Livelihood Program Beneficiaries

INTERMEDIATE TRAININGS

PRODUCTIVITY
TECHNOLOGIES FOR
FURTHER IMPROVEMENT

SECTOR SPECIFIC

- | | |
|------------|---|
| 201 | ISTIV Plus
(Succeeding in Business) |
| 202 | Green ME (My Enterprise) |
| 203 | Service Quality
(Enterprise Level) |
| 204 | Retail Service |
| 205 | Green ME (My Enterprise) |
| 206 | Time and Motion Study |
| 207 | Improving Productivity
Through Social Media
Marketing |

ADVANCED TRAININGS

**COVERS COMPANY
OR SUPPLY CHAIN**

**INCENTIVE
SCHEMES**

301

Service Quality Plus
(Tourism Value Chain)

302

Green ME for Hotel Industry

303

Incentivizing
Performance Schemes

BENEFICIARY-FIRMS

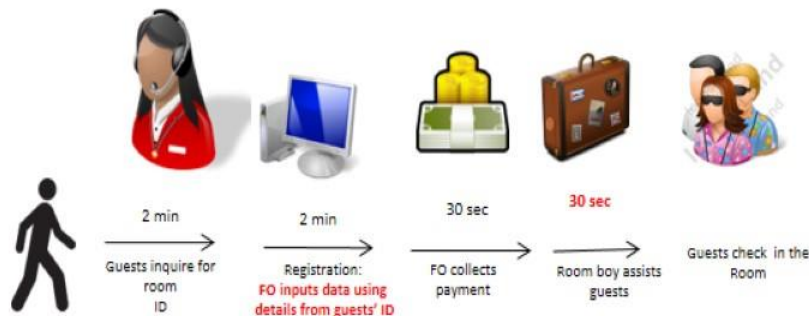
OF PRODUCTIVITY TOOLBOX TRAININGS



BEFORE



AFTER





RETAIL SERVICE

MERCHANDISING & VISUAL MERCHANDISING

NESABEL CORPORATION

Pateros, Metro Manila

BEFORE



AFTER



Annual Growth Sales
2012 - 2013= 62.13%
2013-2014= 66.42%



Calamba, Laguna

BEFORE



AFTER



Savings

25 PAIL/mo

$25 \times 200 = \text{P}5,000.00/\text{mo}$

BEFORE



AFTER



44%
increase
in sales



115%
increase
in sales

END OF PRESENTATION

Your partner in Productivity:
www.nwpc.dole.gov.ph

