

## Productivity Management & Development Strategy in NPO of IRAN

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### ABSTRACT

The roles of the NPO could be development, cultural and social environments and the quality of leadership, promotion activities with the purpose of rectifying benefits of productivity and developing productivity culture and awareness, support to enterprises through training programmes, guidance and consulting on practical productivity improvement measures, improvement strategies, approaches, methods and techniques as well as the best lessons from local and international experience. NPO programmes are becoming training programmes, study reports, conferences, seminars and workshops and technical publications, consulting services and developing professional , award programmes, training materials and methodology. The findings of this research have made it evident that a changing global profile will confront the NPOs with difficulties - depleting funds, fading public commitment and support, and knowledge-based service sector orientation. New training programmes, courses, workshops, seminars and conferences, as well as consulting and advisory services, need to be developed to meet those challenges.

**KEYWORDS:** productivity, productivity increase, quality, task force, improvement

### INTRODUCTION

Many enterprises limit their productivity enhancement of employees to the acquisition of skills (Samuel, 2010). Productivity is thus of fundamental importance to the individual worker of whatever status, to the organization whether commercial or not and to the national economy at large and accordingly therefore, to the upliftment of the welfare of the citizen and the reduction if not total eradication of mass poverty (Yesufu, 2000) (Akinyele, 2009).

The productivity movement is a nationally-concerted effort of many public and private stakeholders to attain economic and social progress through productivity improvement and involving active participation of business, industry, workers, government, academia, community groups and other interested parties. Its goal is to improve the quality of life through a better working environment, higher income and an equitable distribution of the fruits of productivity improvement (Karshenas, 1992).

Since then, the concern for productivity especially in the public sector has increased with intensity, culminating to the establishment of the national productivity center under the Federal Ministry of Employment, Labour and Productivity (Osoba, 1999) (Umeh & Usman, 2000).

National productivity organizations are established as important catalysts for promoting the productivity movement among individuals, enterprises and nations.

The International Labour Organization plays an important role in promoting the productivity movement throughout the world, particularly in strengthening institutional mechanisms and developing local capabilities in enterprise and public service productivity improvement, as well as playing a networking role in arranging the exchange of experience between different national and sectoral productivity organizations, and integrating social and economic concerns of productivity movements (Krugman, 1994).

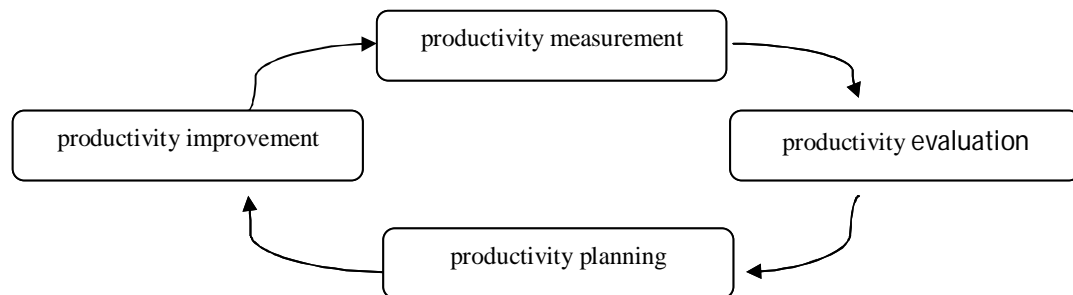


Figure 1. The productivity management cycle (Syed Irshad, Jamil, & Memmona, 2011)

This figure is based on MEPI productivity cycle is called include:

M=measurement , E=evaluation , P=planning , I=improvement

This paper attempts to consider the efficiency of the cycle strategies need to considered productivity.

That countries want to develop their National Productivity levels and growth, they should try to focus on the organizational level, official productivity in an organization should be based on a process called cycle Productivity is given in Figure 1 is shown.

## LITERATURE REVIEW

### -The reason of productivity?

Today, sustainability and productivity of the factors that will ensure the survival of organizations in the current competitive world. Today, sustainability and productivity of the factors that will ensure the survival of organizations in the current competitive world. The prevailing culture of productivity, the efficient use of all facilities, material and spiritual organizations and constantly powers, talents and capabilities of organizations are flourishing and adding new technology and manpower from the features, requirements, abilities and capabilities of the existing workforce reproductive vitality and creativity in order to take maximum benefit of the organization objectives. Optimal efficiency of the structure, adding technology, drafting and issuing the directive is not derived from the human-centered agenda of any individual productivity - social and organizational. So the most attention in the planning and organizational efficiency that human factors and motivation in this area is one of the most important factors (Henry and others, 2004)

One of the important concepts of productivity among the factors in the production of the show. Improving the productivity of the phenomena of economic, social and political society such as low inflation, rising welfare levels, increasing employment and competitiveness has extensive political influence Currently almost all developed countries and many developing countries successful, significant investments to improve productivity at the national, regional, sectoral institutions, organizations and even individuals to perform increasingly owe their growth and development and the right attitude to see this problem(Sedghi, 2009).

Many scholars of management's role in increasing productivity (efficiency) as well as the conductor of a music group, which factors (musicians) will coordinate well with the result of their collective work, creating an attractive and customer friendly will work. Without the coordination of activities, factors of production, income and will not produce the desired results (Ibid).

Improve promotion productivity requires a comprehensive planning effort attempted by the relevant staff members to improve working conditions and methods of staff motivation and drive change, improve systems, procedures, rules, Circulars, methods, technology needs (Rahmati, 2011)

Today, the pace of human progress is even faster. During the industrial revolution it took fifty years for Britain to double the income of its people. In the beginning of the 20th century it took thirty years for the USA to double the people's income. It now takes less than ten years for China to do so. Technological progress, rising levels of education, a relative decline in transportation and communication costs and general trends in liberalizing trade by governments are changing proportionate contributions of factors for progress. Abundance of land space, ready accesses to natural resources and increasing populations are no longer important advantages. While the world's productivity as GDP (Gross Domestic Product) divided by number of workers has grown at 2.6 per cent between 1985 and 1996, international trade has been growing twice as fast. Export orientation of many governments replaced the past failure of import substitution policy for faster growth. The companies sought better return on investment in the global market. The global markets are becoming the economic battleground. Productivity and promotion of employment. Long-term international statistical trends show that there is a strong correlation between national productivity and the level of employment. The more productive an economy, the more competitive it is in the global markets and the lower the unemployment rate. The more productive an enterprise, the more income it can generate and save for new investments and creation of new jobs. Short-term effects of productivity, combined with business cycle effects on unemployment growth, could be met by sound economic and social policies and measures. Therefore, productivity is not only the best indicator of where to invest and create more jobs, but is also the source of funds for new jobs creation and redeployment of people. Labour policy emphasizing employment alone, without focus on productivity, is inflationary by nature and doomed to fail.

There is also positive relationships between productivity improvement and working conditions, safety and health, labour-management cooperation, the degree of workers' participation, etc. The problem is to identify and maintain a certain balance in their promotion and productivity improvement - or optimize their interrelationships at any given time of the enterprise and country development

### -The modern view of productivity

Traditionally, productivity is considered as a ratio between input and output. However, this is not explained by the linkage between enterprise output and its usefulness to society- the consumer. Output, therefore, is increasingly replaced by sales or to eliminate the impact of external suppliers by value added. Since labour is the very important productivity factor in many cases, some managers believe that excessive reduction of labour costs is equal to productivity improvement. This is one of the most common misunderstandings of productivity leading to just short-term results or even an end to the company. People do not only cost but they are also value

creators. Productivity, in the modern sense, is a situation in which one creates more than consumes. So the emphasis is on creation rather than on reducing labour costs.

When workers are forced to work harder and longer hours without due compensation or an improvement in the quality of life, even under the name of productivity improvement, they are "exploited". Productivity also is often confused with "efficiency", "rationalization" or "profitability". In reality, the modern understanding of productivity is doing things right at the least possible cost in the least possible time with the highest possible quality and to the maximum level of satisfaction of the customers and employees. In this sense, productivity is a total business concept rather than a "rationalization of production", and productivity also has social dimensions, not only economic ones

When using the term "quality", we mean not only final product or services but the quality of the whole production process and the quality of the total production/organizational system - this term moves very closely to productivity. In this sense, the quality of all what and how we are doing could be synonymous to productivity. Since the most important productivity factor is human resource effectiveness, the quality of people (both managers and employees) is also closely related to productivity. When we talk about the quality of people, it is not only skills and knowledge, but also their level of motivation, cooperation, commitment, values, attitudes and culture. From this point of view, productivity improvement can also be synonymous with human resource development.

Finally, enterprise and people productivity is the result of not only internal enterprise factors discussed above, but the external ones as well; the most important of which are the quality of government economic policy, public administration, social and business infrastructure, political stability and cultural specifics - society as a whole.

## **NPO ROLES, ACTIVITIES, PRODUCTS AND SERVICES**

-The main roles and activities

The primary mission of the majority of NPOs has been and still is to facilitate improvement of quality of life through productivity and competitiveness promotion. The roles of the NPO could be considered only in relation to the nation and its main "target" groups. These are government agencies, enterprise managers, employees and employers' organizations, scholars and opinion leaders, students, community leaders and the broad public. Within the frame of the primary mission of the NPOs, their roles vary (see Table 1) and depend upon the specific mandate of the NPOs, policies of the funding agencies, needs of their clients, stages of economic development, cultural and social environments and the quality of leadership. However, despite the above diversity, it is possible and useful to identify the most common NPO roles, which are as follows:

### **1. Promoting the productivity improvement and productivity culture**

Productivity has often been perceived as a concept with unfamiliar content, therefore, both enterprise managers and labour sometimes resist or are hesitant in tackling productivity improvement programmes. NPOs must undertake promotion activities with the purpose of rectifying such attitudes by clearly defining productivity concepts, benefits of productivity and developing productivity culture and awareness, and preventing potential misunderstanding.

### **2. Assisting enterprises in productivity improvement through building their own capacities**

The NPO is expected to offer support to enterprises through training programmes, guidance and consulting on practical productivity improvement measures, providing various information on methods and techniques (measurement methods, etc.) related to productivity improvement.

### **3. Acquisition, processing and disseminating information.**

The NPO must acquire and disseminate various information about productivity improvement strategies, approaches, methods and techniques as well as the best lessons from local and international experience.

### **. Coordination with other organizations involved in productivity improvement, playing the catalyst role**

The NPO is often not the only organization promoting productivity improvement. Many other organizations are also involved (or supposed to be involved) in similar efforts. The NPOs should play the role of catalyst and networker for other organizations involved in productivity promotion. Thus, the most important roles and activities of NPOs could be summarized as follows:

**The first** important activities are dealing with attitudinal change and developing awareness among people involved in productivity improvement.

**The second** area is improving the performance capability of enterprises through upgrading management competence, corporate organization and management systems, improving HRM and HRD and enhancing performance of the enterprise as a whole.

**The third** important area is promoting productivity initiative among organizations through networking between research and educational institutions and enterprises, developing better cooperation between trade unions and employers, and promoting productivity improvement programmes to enterprises.

**Finally**, the policy and regulatory environment for productivity improvement remains of critical importance to unblock business and human potential. This could be done by assessing economic and business policies and regulations and their impact on productivity and competitiveness, providing advisory services on upgrading various productivity factors such as energy supply, transportation, technology and removing systemic barriers hindering productivity improvement.

To facilitate the implementation of the above roles and activities, the following NPO programmes are becoming very important:

- Training programmes including study tours to advanced countries with an emphasis on acquiring new management competence;
- Information dissemination through study reports, conferences, seminars and workshops and technical publications;
- Providing consulting services and developing professional management consulting;
- Public awareness campaigns, including award programmes;
- Developing relevant training materials and methodology;
- Setting-up libraries for productivity experts, programme participants and the general public; and
- Productivity measurement research, analysis and policy recommendations.

Some NPOs engage in developing training facilities and equipment, raising efficiency of information systems and assisting companies in systems development and integration; cooperating with other NPOs; providing employee assistance programmes including occupational safety and health issues; developing cooperative labour-management relations; undertaking different company surveys, etc. Examples of major trust areas of some NPOs are provided in Annex I.

	Before 1990	Present	Future
<b>Council</b>	Macro policy-setting for nationwide programmes. Selects and appoints directors to the boards.	Same role as before but less susceptible to political influence as they become financially more independent.	Macro policy-setting with more social input from wider sectors with varied interests.
<b>Governing Body (Board of Directors)</b>	Policy-setting body for operations and strategies representing interests of government, labour and business	Policy-setting body with input from various committees including outside experts and leaders from stake-holders.	Broader stake holding groups, more emphasis on social and global issues, long-term goals for sustained productivity growth.
<b>Structure</b>	Tripartite or bipartite organization with operation functions performed by staff in different departments (training, consulting, research, public relations, etc.)	Activities are grouped together with fewer managers and broader responsibilities in divisionalized structure. More functions are added to suit clients' needs.	Fishnet-type operations structured around clients' needs - managers acting as facilitators for empowered experts/staff. More networking with outside organizations.
<b>Programmes</b>	Public awareness campaigns, training, research, measurement, industrial relations, management consulting, study tours, publishing.	Generic studies, skill-upgrading, technological innovations, out sourcing assistance, database standards and certification, award programmes, robotics, international cooperation.	Heavy emphasis on social, regional and global issues, e.g. environment, education, welfare, health, employment, international cohesiveness, strategic alliances, and competitiveness.

Emerging roles, products and services

NPOs' development cycle and shifts in roles

It is a well-known fact that the roles of the NPO depend upon the levels of social and economic development as well as institutional traditions. It would be useful to consider emerging roles and services of the NPOs from the point of view of stages of their development cycle.

Stage one: Learning and awareness period

They learn from the experience of other productivity institutions with good track records by selectively adopting programme approaches - seminars, workshops, forums, campaigns, organizational structures, industry and product specific programmes - in order to obtain public understanding, involvement and support for the productivity movement.

Stage two: Management guidance and action orientation period

They translate public awareness into development of needed actions - consulting, academic and practical course development, model company project development, skill-upgrading of managers and workers.

Stage three: Sustained and participatory period

As the economy matures, the movement becomes well rooted in the business and union communities. The NPOs become involved in supportive roles for companies and communities to sustain growth through labour-management cohesiveness, small group activities, environmental programmes, the development of standardization and databases and similar activities.

Stage four: Social and global productivity period

As information, knowledge, goods, services, money and people move across the national borders faster, the national productivity movement has to shift to a global movement. NPOs develop programmes to cope with international outsourcing, strategic alliances, networking, learning and flexible organizations, educational and administrative reforms, regional and global cohesiveness as residual "soft" factors (knowledge, quality, skill upgrading, innovative technologies) become more important in sustaining productivity growth rather than the traditional quantitative "hard" factors.

The latest changes in international economic, social and political environments forced the NPOs to focus their attention more and more on the following news areas:

- Effectiveness of investment in R&D, educational and social infrastructures;

- Negative ecological impact of some productivity enhancement efforts on national, regional and global environments;
- A diversion of social capital to non-value-producing activities;
- Needs to adopt emerging new technologies without waiting for sufficient educational and skilled levels of the workforce in order to compete in the marketplaces quickly;
- Convergence of concepts of productivity and quality;
- Sustainable and perhaps slow productivity growth;
- Fiscal deficits as a result of shifting priorities to national health and welfare programmes, public investments to stimulate growth and global competition; and
- Developing new organizational concepts, and many others.

-The need for an institutional mechanism

In order to organize, support and coordinate the nation-wide and local activities of these organizations and individuals interested in productivity promotion, and a well designed and manageable institutional mechanism, the following five dimensions of productivity promotion must be covered: geographical - to cover the most important regions of the country; sectoral - to cover industry, services, agriculture, infrastructure and public administration; vertical - to cover workers, professionals, managers of all levels, and government structure up to the very top level; issues - to cover economic policies, restructuring and privatization, export promotion, technology transfer and dissemination, human resource development and training, quality drives, globalization, etc.; demographic - to cover youth, students, women, minorities and the unemployed together with the economically-active population.

These objectives and tasks enable us to outline the design of the national institutional mechanism. Since productivity improvement depends on both national level (economic and structural policies and the quality of public administration) and micro-level (the quality of managerial, professional and labour resources), the institutional mechanism to support productivity movement should embrace both macro and micro levels.

The major blocks of this mechanism (or National Productivity Organization - NPO) could therefore be as follows:

- National Productivity Council (NPC)
- Productivity Centre (PC)
- Local branches/representatives (LBR) of the PC, if appropriate.

Such design would secure vertical (NPC - PC - enterprises and broad public) and horizontal (NPC - LBR) linkages to cover the above dimensions of the productivity movement. The main roles of these major blocks could be as follows:

-The role of the NPC

The NPC would be responsible for developing nation-wide strategies and policies for productivity promotion, linking it with long-term economic and social development objectives and providing integration and focus to the different government ministries' activities in promoting productivity and competitiveness and securing a conducive business environment for SME and entrepreneurship, while looking after broader society interests and coordinating them with the interests of other stakeholders and social partners. The NPC would also develop policies and strategies for the productivity centres' activities within the framework of the national productivity movement objectives, and the most urgent and important country economic and social objectives. The NPC would work closely with the Government, Parliament, social partners, NGOs and other stakeholders. The NPC would also provide constructive feedback to both the Government and the PC, business communities, workers' organizations and other stakeholders on the country's productivity status and the main productivity barriers to be dealt with at different economic levels. The NPC could also propose changes in legislation and regulations (through relevant mechanisms) to eliminate or reduce productivity constraints in the macro-economic environment.

Given the importance and the broad nature of its objectives and roles, it is imperative that the NPC should be under the direct patronage of the Prime Minister's Office in order to secure the active participation and support of all ministries and government agencies in developing and implementing the country productivity strategies and policies. No one single ministry would be able to fulfil this task due to obvious reasons of a vertical nature of national authorities and certain competition between the state agencies which would be damaging to the final result. The NPC should not be the ownership of any single ministry.

However, the Prime Minister could ask one of the most important ministries (for example, the Ministry of Industry) to look closely after the NPC on his behalf if necessary. The design of the NPC would ensure that top-level leaders from the ministries and NGOs were represented in the NPC. The delegation of these duties to lower level officers without decision-making powers would only compromise the status of the NPC and productivity movement as a whole.

-The role of the productivity centre

The PC could serve as the secretariat of the NPC and as executive body of the productivity promotion policies and strategies developed by the NPC, as well as to provide services to the following main groups of clients: government and its agencies, enterprises and their managers, local communities, media and education

institutions in promoting productivity culture, private providers of different consulting services to the government and enterprises and the broad public. Other PC services would be as follows:

- productivity and competitiveness research, comparisons and benchmarking;
- productivity measurement methodology and statistics;
- producing information and its dissemination among PC major clients and stakeholders;
- providing advisory services to national and local policy-makers;
- training and developing managers, entrepreneurs, professionals and workers in areas not covered by private sector institutions;
- productivity awareness and culture building;
- bridge between the best foreign and local practices and experiences and those who need them;
- participation in developing and commenting on existing legislation, rules and regulations which could potentially damage productivity and competitiveness promotion;
- developing different private service providers and their associations (training, management and engineering consulting, conference and workshop organizers, etc.);
- networking with existing major providers of training, consulting and other productivity services both in the private and public sectors; and
- representation at regional/international productivity organizations (APO, PAPA, EANPC, etc.) and international events related to productivity promotion.

## CONCLUSION

Governments through policies, strategies, policies, control mechanisms, and programs can improve or diminish the efficiency (performance) of organizations in each country influence, Some of the most important factors in the government include:

- Operation of government agencies and their performance
- Government regulations such as price control policy, taxes, wages, salaries and ...
- Measures and incentives and financial measures such as interest rates, tariffs
- Competition with other government agencies and public organizations
- Forced to work in a particular area, or stop giving them aid and subsidies

This can be done by NPO in Iran.

NPOs are established as important catalysts for promoting productivity movement with the tripartite structure and their basic functions are:

- to develop and implement training programmes for the stakeholders of the productivity movement;
- to widely disseminate up-to-date information on productivity and related topics through publications, training courses, conferences, seminars, workshops, electronic media;
- to develop networks of executives, union leaders and productivity experts;
- to develop libraries and databases for information dissemination;
- to run public awareness campaigns on the importance of productivity;
- to create cooperative labour-management relations and safe workplaces;
- to assist businesses, particularly small businesses, in improving their performance; and
- to train management consultants and to provide consulting service.

The findings of this research have made it evident that a changing global profile will confront the NPOs with difficulties - depleting funds, fading public commitment and support, and knowledge-based service sector orientation. New training programmes, courses, workshops, seminars and conferences, as well as consulting and advisory services, need to be developed to meet those challenges.

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