

Increasing Efficiency Is Your Best Route to Employment Security

By [Harrison Barnes](#)

The cheapening of any article in common use almost immediately results in a largely increased demand for that article. Take the case of shoes, for instance. The introduction of machinery for doing every element of the work which was formerly done by hand has resulted in making shoes at a fraction of their former labor cost. Now almost every man, woman, and child in the working classes buys one or two pairs of shoes per year, and they wear shoes all the time. Formerly, each workman bought perhaps one pair of shoes every five years, and went barefoot most of the time, wearing shoes only as a luxury or as a matter of the sternest necessity. In spite of the enormously increased output of shoes per workman, which has come with shoe machinery, the demand for shoes has so increased that there are relatively more men working in the shoe industry now than ever before.

The workmen in almost every trade have before them an object lesson of this kind, and yet, because they are ignorant of the history of their own trade, they still firmly believe, as their fathers did before them, that it is against their best interests for each man to turn out each day as much work as possible.

Under this fallacious idea, a large proportion of workmen deliberately work slowly so as to curtail their output. Almost every labor union has made, or is contemplating making, rules which have for their object curtailing the output of their members. Those men who have the greatest influence with the working people, the [labor leaders](#), as well as many people with philanthropic feelings who are helping them, are daily spreading this fallacy and at the same time telling them that they are overworked.

-Frederick Winslow Taylor, [The Principles of Scientific Management](#) (1911)

From the time I was 18 until I was about 27, I spent most of my summers working as an asphalt sealant and maintenance contractor around Detroit, Michigan. One of the main jobs I did involved putting an asphalt sealant on parking lots and driveways. At the beginning of my first summer doing this work, I used to purchase the sealant in five-gallon pails. Then I started purchasing the sealant in 55-gallon drums and installing a pipe on the drums to drain the sealant out. After a few years, I did so much asphalt sealing work I had a trailer custom made to hold 550 gallons of the sealant.

From the beginning of my second summer through my third, I had two people working for me whose job was to assist me in putting down the sealant. Their names were Larry and Jake. Larry was Jake's father. Jake was mentally disabled but not overly so. He understood what was going on and followed instructions. He never really said much, however.

Neither Larry nor Jake cared much for the work they were doing. While they had decent work ethics and put up with me literally walking into their homes and getting them up for work each day, they were not extremely concerned with the quality of the work they were doing. They frequently cut corners and I needed to watch them pretty carefully. Larry was a guy I remember and respect a great deal because I think deep down he was a really good person. On Sundays, I used to have to wait in front of his house until he got back from church with his wife and children. Larry was a smart man who had made some mistakes throughout his life but worked when he could. He was hungover every day, and I bought him Gatorade after Gatorade at convenience shops to keep him going.

We would fill up five-gallon pails from the barrels and then walk the sealant over to an area of the asphalt we wanted to seal. Then, we would spread it around on the asphalt with either squeegees or a large brush. Without going into a lot of detail, this was excruciatingly difficult work because the sealant gets on your skin and burns. You are also outside, and the sun burns you because you are on black asphalt all day, and the sealant is a very heavy tar liquid that you need to pull off your skin at the end of each day. It often takes layers of your skin off when you remove it and needs to be removed with gasoline and a steel wool-like material.

As this business grew, I started getting better and better equipment for it. I will never forget the moment I purchased and installed a pumping system and sprayer on the tank. With this new pumping system I was able to pull up to any parking lot or house and, after blowing all the debris off the driveway or parking lot, turn on this spray machine and complete sealing the asphalt without hardly getting dirty at all. Best of all, I did not need to fill up the five-gallon buckets. I simply needed to turn on my sprayer and walk up and down the driveway.

One day I pulled up to a driveway that Jake and Larry were working on around 5:30 in the afternoon and turned on the sprayer. They were in the middle of working on the driveway and, by the looks of it, would be working for at least another 35 to 40 minutes. I told them to stop. Then, wearing khaki pants and a fresh shirt from the dry cleaner, I completed the entire job in less than five minutes.

I could see they both looked somewhat astonished. They also looked frightened because I think they believed this new sprayer was going to put them out of a job.

"This thing does not give as good of a coat as doing it by hand," Jake said. This was the first time I had ever heard Jake say anything about the quality of the work we were doing.

"Yeah, it does not look as good," said Larry.

The strangest thing happened over the next few weeks. Weird things started going wrong with the pump and we never made it through a full day. Belts would suddenly fail. Start switches would break off and disappear. I began to suspect after a week or so of this Larry and Jake were sabotaging the pump because they knew it could put them out of a job. After a few weeks of this I insisted I be the only one allowed to operate the machine, and I made sure I was. While I still have no proof of it to this day, I think Larry and Jake were sabotaging the machine.

Change is something that creeps into every single business, and the objective of every business is to lower costs because

lower costs mean more profits. This means they are always looking for ways to eliminate your job. That's right. Your very job is a threat to your company and its profits.

When I started in the Internet business in the year 1999, the world was a far different place. One of the most interesting things I witnessed involved [computer programmers](#). In the late 1990s through 2001, computer programmers were like gods to companies in the United States. They could demand [six-figure salaries](#) and jumped around between companies at an alarming rate. Everyone wanted to hire them because there were so many Internet companies and businesses believed the Internet was the next great frontier.

At our small company we practically needed to beg programmers to work for us. We would offer them pizza and other incentives when they were not on other projects. In some cases, we would pay them as much as \$100 an hour to do the work, and then they would stop working after four or five hours because they thought the work was "boring." Some of the programmers I interviewed even requested stock options just to show up for work. I was baffled by the programmers I worked with and my inability to get the programmers to do any work really held me back.

Due to the difficulty surrounding this issue, we started building an office in India. We had no problem getting people to do the work there. In fact, people were enthusiastic about getting the work and wanted more of it. While there were lower costs associated with the work, the real reason for getting the work done abroad was that people were enthusiastic about doing the work. All we wanted was to get the work done.

After the dot com crash and the events of September 11, 2001, all of a sudden those American programmers were out of work. Tens of thousands of American programmers were let go in a very short time, and Internet companies dropped like flies.

I remember putting an ad out in late 2001 for an [in-house programmer](#) and getting overwhelmed with applications. I received so many applications, literally, one every few seconds, that I had to make changes to the settings in my Microsoft Outlook. I ended up hiring one person to work in our Los Angeles office who had just received a PhD from Caltech. I practically could have hired anyone I wanted in the world. There was simply no work for programmers. It had all dried up.

The economy did eventually recover. However, I still did not grow our base of programmers in the United States. I had such a bad experience the first time and, in the interim, had built a large group of programmers in our company in India. This was all I needed. I cannot imagine how many jobs went to India due to this.

Our company is not alone. Many companies do all their programming in other countries now. It simply makes more sense for them from a financial standpoint. They are not interested in doing work in the United States anymore due to the cost, hassles, and the fact the people are not as enthusiastic about doing the work.

There are tons of [jobs in the United States](#) and around the world right now that are under fire and are likely to disappear in the near future. There are many reasons jobs disappear, but the main one is because they can be done cheaper elsewhere. Every company and organization is constantly striving for greater efficiency. If your employers can do your job cheaply elsewhere, then they will.

There is no reason for them not to. The more cheaply they can produce a product or service, the more they can potentially sell of that product or service. The more of the product or service that's sold, the more the company will grow and expand.

What does this mean for you and your job? It means the best use of your time and skill is [finding jobs](#) and employers where your role is one of increasing the efficiency of the company's work. You always need to embrace efficiency and increase the output of the company at the lowest cost possible. If you fight efficiency, you will be seen as an enemy of the company and its growth. If this happens, you will most likely be looking for a new job shortly.

In the past there have been a number of phenomena I've watched with great interest:

- The emergence of China as a major economic power
- The massive decline of the American [automobile industry](#)
- The rise and massive success of various American companies like Intel, eBay, and Oracle
- The huge rise of jobs in places like India

China emerged as a force to be reckoned with because they can produce goods more cheaply. People will work for less money in China, and this makes it cheaper to produce products there. Incredibly, it is still cheaper to produce products in China even after accounting for shipping the products on boats all the way to the United States. All over the United States, hundreds of thousands of [manufacturing jobs](#) have disappeared due to the emergence of China as an economic power. If you are someone working in a factory in the present economy, you need to realize your job could be replaced very, very easily.

The American automobile industry has experienced a long and steady decline. Cars can be produced more cheaply elsewhere. American unions have set wages and benefits higher for American workers than for competitors. This has given competitors a huge advantage and also given American automobile companies less money to invest in improving their products. The products have continually gotten worse and worse. The companies able to produce the product at the lowest cost are winning.

The companies that have done the best in the United States over the past several decades are the companies that are increasing efficiency. While I could go into considerable detail about this, companies like Oracle, for example, creates [database software](#) which allows companies to save money by operating more efficiently. The efficient operation of these companies creates huge value. A company like eBay creates efficiencies by allowing people to trade goods without having to travel or do extensive research. This, too, creates efficiency. Companies like Intel make microchips that have not only aided the rapid spread of personal computers, but have also enabled companies to use computers which allow them to operate more efficiently.

India has been absorbing many [American jobs](#) for decades. They have call centers, programmers, and even [legal work](#) is being done there. The country has a lot more people than the United States and a corresponding level of talent. There is another advantage: people are willing to work more cheaply there for [most jobs](#). It only makes sense for American companies to hire people there.

These are all examples of efficiency in action. You need to understand the world and your job are constantly being pushed to be more efficient. When you take a job at any company, you are entering an environment where you are at war. You are at war with the fact your employers are doing everything within their power to make their businesses more efficient. That

means they want to save money on you and your work to the maximum extent they can.

The smartest thing you can do in your career is find companies that are increasing efficiency in the market and go to work for them, or find a company where you can increase the efficiency of what is being done. You need to embrace efficiency. If you fight efficiency, you will ultimately lose your job. We are not secure in our jobs and cannot be secure if we don't embrace efficiency. The war for and against efficiency is something that is going on in every company and every organization. The employees and people who win this war are the ones who fight to make things more efficient.

THE LESSON

Companies are constantly striving for greater efficiency, and jobs tend to disappear because they can be done cheaper elsewhere. Consequently, you must constantly seek to improve your own efficiency in order to retain your value to your employer. Work to always increase the company's output at the lowest possible cost. You will succeed if you find a position where your role is tied to increasing the efficiency of the company's work.

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