

# Increasing Workforce productivity

## Six factors that HR must consider

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### Introduction

Traditionally, the responsibility of improving workforce productivity has been known to be that of a manager. A manager deals with his subordinates day in, day out and so naturally it is up to them to improve the efficiency and productivity of their team members. HR was only responsible for finding the right team members at the right time, and making sure they stay.

In recent times however, studies have found a striking impact of the “working environment” on employee productivity. Employee Productivity is heavily improved with a positive physical and psychological working environment. It is here where HR comes in. HR plays the key role of creating and maintaining a working environment that is conducive to achieving higher levels of productivity and efficiency.

There are six steps for HR to positively contribute towards Employee Productivity, these are elaborated below:

### A | Establishing a foundation for productivity

A proper foundation of productivity involves having high performing and innovative

The 6 factors HR must consider to boost up organizational productivity.

1. Establishing a foundation for productivity
2. Set the direction and identify guidance factors
3. Internal and External Support Factors
4. Aligning skills, communications and information requirements
5. Making tools and resources available
6. What internal and external challenges that needs to be considered

employees. High performing and innovative employees have a higher potential for productivity and efficiency. Innovative employees will find better ways of doing things and so have a natural tendency for efficiency. HR must play a role of hiring and retaining such employees.

It is also important to have a good selection process for managers and leaders.

Managers and leaders must work together to fulfill employee potential. Managers can directly affect the working condition of those that work under them. It is they who define the direction, the purpose, the goals, the priorities and the roles. Managers who do not define this properly will inhibit the employees' potential for efficiency, and become the weak link in the productive chain. Good managers develop good plans for continuous efficiency improvement; they hire employees effectively and motivate, develop and coach employees effectively. HR must accept the task of identifying great leaders and managers and fire unneeded ones.

## B | Set the direction and identify guidance factors

Setting the strategic direction and guiding factors keeps the focus of the workflow towards the strategic objectives; hence it is a very crucial task. People could only optimize the way they do things if they know what they are doing it for and where the company or team intends to go.

The most fundamental part of setting the direction is to formulate a proper corporate strategy and plan as well as to communicate it to employees properly. This keeps the entire workforce aware of where the company as a whole is heading and keeps them focused on this goal.

The strategic objectives form the macro perspective of the strategic direction for employees. Each employee must also have a sense of purpose, a reason why he is in the company. This way the employee knows how and where he fits into the jigsaw of the company. The purpose must be defined in consultation with employees, to make sure that they are not forced into a position in which they feel left out.

Operational goals must be set clearly for both individuals and teams and they should be effectively communicated. These goals must be stretched to an extent where employees feel they have to work hard but not too much to cause

complacency.

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An important guidance factor for employees is a proper prioritization system of resource allocation. This is achieved through properly prioritizing the individual and team goals and then communicating them to everyone in the company. Everyone must know what both the high-priority and low-priority goals of the company are.

Finally in guiding the workforce towards the strategic direction, performance metrics for continuous improvement must be incorporated. When an employee knows his contribution to the organizational goals is measured, he is motivated and driven to innovate.

## C | Internal and External Support Factors

Having the right support from team members is vital to keep up any employee's productivity levels. Employees in any organisation will need the support of others. Without support, work is often interrupted by obstacles, which cause unnecessary inefficiencies. Support is required of teammates, employees outside the team and managers.

The actual transfer of best practice through collaboration is another fundamental factor for productivity. Not having the appropriate inputs can hinder employee productivity; the inputs from other departments must be of the right quality and quantity and delivered at the right time. The HR department must develop formal methods for cross-functional knowledge sharing. To maintain a position of dominance in the industry, companies and their employees need to keep constantly innovating.

## “HR must play an active role in convincing managers on the benefits of non-monetary motivation methods”

The need for innovation has significantly increased in the last few years with intense global competition and changing customer perspectives. HR must develop processes and conduct workshops and training to encourage employees to think outside bounds and boost innovation.

The amount of control and authority can have different effects on productivity based on their levels. A lack of control and authority and excessive employee freedom can cause them to lose focus, increase wastage and duplication of work. On the other hand, micromanagement and excessive rules will slow down decision making and cause employee dissatisfaction. The HR department must keep track of the level of authority and control and use controls that will provide a right level of authority. Productivity is maximised when the level of authority and control is such that the employees feel comfortable yet are pushed towards goals.

Non-monetary tools are another quick and easy-to-use way of exciting employees that are usually not used very well by leaders and managers. They can result in a spike of energy and passion across the entire workplace. One quick non-monetary way of boosting employee motivation is providing praise and recognition. Studies have talked about a single pat on the back going a long way to boost up productivity and motivation levels. There are many other ways by which employees can be energised without costs like providing exposure, learning opportunities, feedback and challenge.

HR must play an active role in convincing managers on the benefits of non-monetary motivation methods; they should encourage and train them on how these could be leveraged in certain situations.

Barriers to productivity can limit success. There can be real barriers like resistance to change, corporate politics, personal jealousies and also imagined barriers like paranoia. These act as roadblocks to any harmonious workflow. HR should work with managers to identify and eliminate these problems.

## D | Aligning skills, communications and information requirements

Employee skills and knowledge must be continuously updated to sustain productivity. Intense global competition has ensured that companies require employees who have a broad array of continually updated skills. Managers must identify employees who require training and improvement on any skills and work with HR to augment them through unstructured and structured programs. This makes sure employees will never feel frustrated due to a lack of skill and that they won't spend time outside the workplace trying to acquire them.

Maintaining effective communication and feedback is very important to organisations. Inadequate two way information will inhibit the performance of employees and result in wasted effort and high error rates. An effective communications and feedback mechanism must be developed with the engagement of employees so that a communications strategy that is both suitable to the manager and the employees are used and either one of them are not alienated.

Providing employees the right information at the right time is another fundamental required to keep up productivity. Managers must provide employees with the location and sources of relevant information that they could act upon and align their decision making.

## E | Making tools and resources available

Insufficient budget for resources is one of the biggest inhibitors of departmental and employee productivity. HR must play a role in making sure that the required budget for departments and projects are allocated. The right amount of money to complete the job must be allocated. If too little money is allocated, then the entire potential of employee performance will not be realised, if too much is allocated, employees will use monetary means of completing work, resulting in inefficiencies. HR must guide managers in understanding how the budgets must be set.

Tools, technology and equipment can either bolster or limit productivity. When insufficient tools, technology and equipment are provided, even highly capable employees will not be productive. The right tools and equipment can multiply productivity but giving employees the incompatible ones will hinder productivity. Implementing a CRM for the sales team which requires them to spend a lot of time using it will bring down their productivity.

## F | What internal and external challenges that needs to be considered

Integration is one challenge that has to be addressed. When processes are not integrated it leads to a big roadblock in terms of productivity. There will also be delays and wastages as a result of independent operation of department and teams. When they operate in unison, workflows become streamlined and efficient. Integration provides team spirit and passion for work. An integrated organisation will also be focused on the uplifting the company as a whole and not only the department.

External factors could also affect the productivity of organisations. Things that happen outside the organisation can play a part in what happens inside. The includes changes in employees personal lives, economic changes, social and political issues and even the weather. HR must have processes that are flexible so that employees

are given room for change.

## Conclusion

There is still debate as to who should take the responsibility of maintaining a productive work environment. But most managers are not experts on work environments nor are they knowledgeable on managing employees. So HR must take the initiative of having a productive environment and work with managers to realise it. A good option would be to set up an internal consultancy team from the HR department so that managers can easily approach them for advice. An internal consultancy team for the HR department is always better than an external team as the HR team will have a very good understanding of the limitations in the company, its culture and the people that work in them.

## About PeoplesHR

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The system runs on the cloud, giving the benefits of significantly lower up-front cost, which brings a faster return on investment. The cloud architecture also eases maintenance and provides flexibility, supporting future organizational growth.

PeoplesHR is Asia's fastest growing cloud-based HR system and is the official partner and HR solutions provider for the Melbourne Stars. Log on to PeoplesHR.com or contact one of the hotlines below for a free web demo followed by an exclusive online trial.

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