

Study on How to Build a Productive Workforce and Its Effectiveness

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Abstract

Organizations across the globe are positioning themselves aggressively for growth and development. Businesses, on the other hand, cannot ignore the indivisible role of human capital behind a company's growth and success. Human capital is concerned with management of people within organization. To compete in this dynamic environment it is really important for any organization to attract, motivates and retains employees to ensure effective functioning and survival of the organization. Engaging the 21st-century workforce today demands serious focus because skills are becoming scarce, workers are becoming demanding. All these factors are forcing companies to develop innovative ways to find people, develop capabilities and share expertise. Maintaining a positive work culture and getting right talent on board can help existing as well as startups sails in the right direction. The existing business environment requires companies as well as their HR teams to think out-of-the box, and come up with innovative approaches to survive the downturn and hold employees together to build a productive workforce.

Therefore, latest practices in HR with new techniques and ideas to deal with the employees in an effective way can lead to positive impact on organization commitment and generate maximum output ensuring employee satisfaction. Hence this study tries to identify what best ways can be adopted by the organization to recruit and retain the employees to match the skills required for that job and why it is important for any organization to build a productive workforce.

Keywords- Human capital, Productive workforce

Introduction

Conventionally, it is thought that increased pay leads to increased productivity. But a recent study by economists at the University of Warwick found that happiness led to a 12% increase in productivity, while unhappy workers proved 10% less productive. One of the top most companies in the world Google has proved that employee satisfaction can be increased by taking initiatives suggesting that financial incentives aren't enough to make for highly productive employees. Taking such initiatives Google raised its productivity by 37%. The most important assets are human beings and interestingly man is more of an emotional rather than intellectual being. The happiness of the workforce is directly linked to their productivity. The truth is that even one unhappy employee can negatively impact on your organizational performance. Ironically being the highest paying company in the industry does not guarantee a happy workforce

Every organization in strives to maximize the productivity of its workforce. However there are a variety of challenges and misconceptions about how best to achieve that goal. Money benefits perks like free snacks and game tables may sweeten the deal. But what ensures that workers remain productive and content in their jobs to stay for the long haul?

These days a typical worker stays at a company for less than 5 years and the cost to replace these employees can add up. So the ability to recruit and retain top talent is more important than ever. And the way a workplace is set up may play a key role in employee productivity and overall satisfaction. Offering freedom from time consuming chores allows employees more quality time at home and enables them to focus more at work.

Review of Literature

Various articles appeared in journals/magazines on different aspects on how are motivated employees are effective in achieving the goals of the organization, why productive workforce is important and the factors which can help in building productive workforce but they are restrictive in nature and do not give a comprehensive picture. A brief review of some of the relevant literature is as under:

Darmon (1974) believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. If management neglects to educate and motivate their employees, they will become dissatisfied or lose their interest to job. This lack of interest in the workplace leads to absenteeism, turnover, sick leave, strikes, grievances and even accidents. But a motivated workforce would alleviate dissatisfaction felt by employees and improve these factors (**Denton, 1991**). According to Denton (1991), a motivated workforce will lead to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. While exercising different motivational techniques, management get involved with employees and this participation is related with the increase in performance of employees. Therefore, there is a direct result between the levels of motivation and management's participation. (**Jobber, 1994**). Therefore, management must know what exactly stimulates their staff so resources are not misallocated and dissatisfaction develops among employees (Jobber, 1994). **Agarwala (2003)** stated that in the contemporary business environment, human resource (HR) is an indispensable input for organizational effectiveness. Hence, an effective management of human resources has an important role to play in the performance and success of organizations. Competitive pressures have encouraged organizations to be proactive in diagnosing HR problems and to adopt more innovative HR practices since these were no longer a matter of trend, but rather of survival **Zeiden(2014)** contributed to the development of the human resource management (HRM) literature through developing the linkages between HRM practices and employee attitudes and behaviors. It is widely believed that the implementation of high commitment human resource management (HRM) practices (e.g., training and development, communication, and participative decision making) can create strategic advantage for the organization (e.g., Arthur, 1994; **Delaney and Huselid, 1996**). It is also suggested that HRM practices could shape employee attitudes and behaviors. Employees were considered just an input to the production of the business. A research referred to as the Hawthorne Studies, conducted by Elton Mayo from 1924 to 1932, changed this way of thinking (**Dickson, 1973**). The thoughts that employees are just assets have been changed when the study concluded that employees are not just assets, they are the main contributors and affective factors for business production. Furthermore, the above study found that employees are not motivated solely by money and employee behavior is linked to their attitudes (Dickson, 1973). In addition, motivated employees are needed and required in our rapidly changing workplaces and

markets. They will help organizations survive by performing the job and work required with their full latent; hence employees will be more productive (Yongsun, Barbara, and Christy, 2002). Putting the right employees in the right positions depending on their skills and amount of work they can generate will enhance their ability to use their skills and abilities more frequently which will lead them to concentrate on the business missions and objectives (Yongsun, Barbara, and Christy, 2002) Urichuck (2002) stated that motivated employee will increase the capability of the organization to achieve its mission, goals and objectives. It will also engage all to build a strong organizational culture. Also, motivated employees will feel as having a strategic partnership with the organization and their commitments and loyalty will increase from day to day (Anne, 1994). Also, Buttner and Moore (1997), based on their research about "Happy Employees Make Productive Employees" found that when employee attitudes improved by 5%, customer satisfaction jumped by 1.3%, and the revenue increased by 5%. So, motivated employees usually produce more than others and hence the customer satisfaction increases. (Nandanwar , Surnis, Nandanwar 2010). Furthermore, A well-motivated organization for sure will have more motivated employees and hence they will be more productive and this will lead to extreme cost savings. Although some experts argue that companies who spend money on motivating their employees is waste of money but most of them agreed that the wasted money is achieved in a very short time by the motivated employees (Khodov, 2003). In addition, performers and experienced employees are actually who produce the results of the business and they are the backbone of any company and the reason of the business growth and gain (Meyer, Becker,Vandenberghe, 2004).

Objectives of the Study:

1. *To study the ways adopted to build a productive workforce in an organization.*
2. *Whether the introduction of new human resource practices to recruit and retain the employees would be effective in achieving organizational goals.*
3. *To study the challenges and misconceptions to achieve the goal of maximizing the productivity of workforce.*

Research Methodology:

To study ways adopted to build a productive workforce in an organization I have used secondary data. The secondary data was collected through published and unpublished sources which include- internet, magazines, journals and research publications and so on.

What is Workers Productivity?

Workforce productivity is the amount of goods and services that a worker produces in a given amount of time. Workforce productivity, often referred to as labor productivity, is a measure for an organization or company, a process, an industry, or a country.

Productivity may be evaluated in terms of the output of an employee in a specific period of time. Typically, the productivity of a given worker will be assessed relative to an average for employees doing similar work. Because much of the success of any organization relies upon the productivity of its workforce, employee productivity is an important consideration for businesses

The Impact of the workplace on the worker

There is a connection between a healthy workplace culture, a healthy individual and increased productivity. Employers need to understand the characteristics of organisational culture that can bring about the desired outcome. Key factors that impact workers' productivity and a healthy workplace include:

- Leadership styles
- Levels of support from co-workers and supervisors
- Supervisory practices and safety leadership
- Worker perceptions of supervisors
- Incivility and bullying
- Job demands and level of control over work
- Repetitive tasks and other job characteristics.
- Autonomy and a sense of control over one's own work, combined with a feeling of being supported.

Ways to build up a productive workforce

Of course, providing right environment is just one way to improve employee satisfaction. Here are some ways to create and maintain a happy and productive workforce that can help keep employee turnover low.

1. **Flexibility-** an important workplace quality that can make for happier employees is flexibility, workers value for freedom to work as per their own schedule, on their own pace, and even at their own locations.

We have the tools and technology to allow that now, workplace flexibility is perhaps the biggest employee incentive after basic compensation, such as salary and benefits.

A CBRE Research report released determined that the office of the future should include a mix of private, collaborative and social spaces that accommodate the varied needs of different job functions and employee preferences.

Implementing a policy of "dynamic density" gives employees the flexibility to work in various parts of the office as opposed to being assigned a fixed desk. Desk-sharing can also help drive down the cost per employee and promote productivity.

Following a workplace redesign that included more collaborative areas, better technology and health-focused features, a recent employee survey found that 93 percent of workers would not go back to the old way of working, 86 percent believed there was a strong improvement in employee health and wellness, and 79 percent of the workforce felt more productive compared to the previous office space.

2. **Providing the right tools-** access to right technology is also key to employee satisfaction and retention in that it gives workers the tools to do their best work. While flexibility comes with investing in design and creating office environment with a greater diversity of spaces, modern offices also need to provide the right technology that enables employees to work seamlessly from anywhere.

Ensuring employees can access important files remotely is key to a productive workforce. It's important to help employees learn to access information through our cloud sharing and storage system, ensuring they are completely mobile and can access their documents from anywhere, at anytime.

3. **Right expectations-** having accurate expectations is perhaps the most crucial key to maintaining a happy and stable workplace. A well defined profile is essential, it is imperative that employers and prospective employees are on the same page regarding the nature of the job. If expectations of what the work will be like are not accurate, it usually leads to unhappiness. It is critical in recruitment and retention to accurately convey what the job is, what (skills) they are looking for, and what the career path is. It is also important that employers be upfront about the pros and cons of a position. After all, every job has its less-than desirable aspects. Make sure employees are in the right positions.
4. **Building an Organisational Culture-** The definition of organisational culture has been debated extensively; however, it may be described as a set of shared mental constructs that guide interpretation and action within organisations by defining appropriate behavior in various situations. It includes the collective values, norms, systems, aspirations and beliefs that are evident in workplace behaviors which affect the way people and groups interact with each other. Organisations should focus on building an environment and a culture of continuous learning. The culture of the workplace controls the way employees behave amongst themselves as well as with people outside the organisation. A healthy culture encourages employees to stay motivated and loyal towards the management. The culture develops a habit in the individuals which makes them successful at the workplace.
5. **Improved conditions of work** – It leads to a healthier work force, which will in turn improve the workforce productivity. Improved working conditions motivate the employees to work more efficiently towards the goals of the organization.
6. **Make sure employees are in the right positions-** Matching people to the right roles are critical to maintain a happy workforce. What we usually find that if anyone is naturally good at doing something and this is what they do it every day, that employee is more productive and happier and also tend to stay longer and tend to excel. In that sense, successful employee retention begins with thoughtful employee recruitment. This means that companies need to come to the process with a clear vision of their hiring needs, regarding what skills are required for that particular job and hiring the suitable candidate which is not always so easily done, particularly under the time pressures common to the hiring process.

Challenges and misconceptions to achieve the goal of maximizing the productivity of workforce

Every organization in both public and private sector strives to maximize the productivity of its workforce. As we have studied that there are various ways through which productivity can be increased like rewards, flexibility and good working conditions etc. but sometimes employers resist and take up these ways as challenges and misconceptions. They tend to develop the thought that these methods

may not prove positive to the organizational effectiveness. However following are some challenges and misconceptions about how best to achieve the goal.

- There is a commonly held misconception among many organizations that if they invest in training their employees, they will lose them to other organizations. The reality is, the more an organization invests in developing talent, and the more likely they are to retain employees.
- Beyond the obvious financial rewards, leaders and colleagues can provide nonmonetary recognition that increases energy, excitement, loyalty and motivation. These non-financial factors may include recognition, exposure to new challenges, positive feedback and new learning opportunities. But even if organization is ready to give new opportunities some employees resist due to age factor, unable to move to new locations, not ready to adopt new styles and techniques etc
- Innovation is a requirement today. Across most industries, the increase in the level of productivity that is required to maintain a competitive position in the market is growing constantly. Management must develop processes, training, measurements and incentives that support continuous innovation across the workforce. Employees are often the best source of new ideas and methods of driving efficiency. In today's world of shrinking budgets, many organizations are hesitant to implement changes because they are concerned about costs. However, the best practices usually adopted by the organization are not as expensive as it looks, and many can be implemented at no cost. But still organizations fear to take up these changes.
- Effective communication reduces errors and builds confidence. Likewise, a lack of effective communication will frustrate employees and make them feel less important. Inadequate feedback will lead to wasted energy, increased errors and lower overall productivity. Due to some top level control and authority over other departments in some organizations leads to the ineffective communication. Especially in public sector which is shadowed with bureaucracy and stricter rules and regulations which doesn't allow employees to grow and contribute towards the goal achievement. It makes them feel demotivated and their productivity decreases.

Productive workforce and Organizational Effectiveness

Organizational effectiveness can be defined as the efficiency with which an association is able to meet its objectives. This means an organization that produces a desired effect or an organization that is productive without waste. Organizational effectiveness is about each individual doing everything they know how to do and doing it well; in other words organizational efficiency is the capacity of an organization to produce the desired results with a minimum expenditure of energy, time, money, and human and material resources. To increase organizational effectiveness it is important that a company has sustainable competitive advantage over the others by aligning its business strategies.

One of the alignments needed is to prioritize various workforce strategies that are employee needs and investments. Based on proven methodologies, individuals may use a specially designed diagnostic process to prioritize (based on importance and satisfaction) a comprehensive set of organizational workforce strategies. Human resource is treated as an asset rather than only a resource of the organization. To meet today's challenges it is important to have right people for right position with required skills. And once the skilled employees are hired it is important to retain them. Once a good workforce is build up it can contribute a lot to the organization. But the concern is how to build such productive workforce so that organizational goals can be achieved. There are various methods or techniques like salary increment, incentives and training etc. these are some traditional means but to meet the dynamic needs it s important to adopt some new innovative ways which we have studied in this paper.

Conclusion

Hence from the above study, it could be concluded that during changing environment and corporate culture, it is really very important to build a productive workforce which leads to certain positive outcomes in organization effectiveness as well as in improving productivity of the employees. Organizations simultaneously use many HRM practices that may enhance "operational effectiveness", but in order to achieve "strategic positioning" they have to combine HRM practices in a way that produces a synergistic effect.

To any entrepreneur, a happy and productive workforce can define the success of his/her organization. There are many factors which can help in building productive workforce like rewards, working conditions, organizational culture, flexibility etc. One of the factors which play a key role is matching people to the right roles which is critical to maintain a happy workforce. Happy employees stay at companies longer. In that sense, successful employee retention begins with thoughtful employee recruitment. This means that companies need to come to the process with a clear vision of their hiring needs, which is not always so easily done, particularly under the time pressures common to the hiring process. Once the employee is hired next thing which should be stressed upon is retaining such manpower using various techniques. This also is a continuous process.

This study joins a growing body of research that attempts to explain how, when and to what extent HR practices affect productivity and performance at employee level. It is really very imperative for any organization to think how a productive workforce can be build keeping into considerations the cost and benefit. Hence, our study has important implications for the theoretical and practical debate in the area of HRM-effectiveness relationship.

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