

## introduction

The concept of 'business as usual' is changing faster than ever. Budgets are leaner, talent is harder to come by, and the push to adopt emerging technologies means that organisations of every size are rethinking what their workforce will look like over the next few years.

With all these changes in the workplace, employee productivity is more important than ever. Organisations must maximise the output of everyone on their team. But to accomplish that they need to make sure that recruiting and retaining the best talent is a priority. Employee well-being has to be top of mind.

Below is everything you need to know about employee productivity and how it can help your company succeed. We've also outlined a number of changes that your company can make to improve overall employee engagement.

## 01 | what is employee productivity?

Putting it simply, employee productivity is the amount of work that can be accomplished in a given amount of time. The term implies a single employee, but it can also refer to a team or an entire organisation. It's one of the most important metrics for measuring the effectiveness of a workforce.

Productivity can be measured in a couple of different ways. In an industry like manufacturing, it's often how much of a product an employee can produce in a day, week, or month. In other fields, it might be the amount of value an employee adds to a company. Either way, companies measure an employee's productivity against a set benchmark.

Increasing productivity tends to increase profitability. Enterprises that produce more drive increased revenues. Those that produce more with fewer hours worked drive better profit margins. The more output they can drive, the more effective they are in the market.

## 02 | why is employee productivity important?

According to Gallup, only 25% of manufacturing employees say they are engaged at work. To put that number in context, it's significantly below the 33% engagement rate Gallup found among employees in all industries. This accounts for \$7 billion in lost productivity globally.

Many companies emphasise employee engagement, but the most successful ones make it central to their business strategy. They give their workers guidance and provide them with the tools they need to be productive.

Why is this important? Companies that engage their workers see an increase in job satisfaction, a decline in absenteeism, and a drop in turnover. What's more, research shows that highly engaged teams are 21% more profitable.

[Read more: how to engage your contingent workforce](#)

## 03 | how to increase productivity

When your goal is to increase employee productivity, there are no quick fixes. organisations are realising that it's a long-term process that includes creating a safe and healthy work environment, giving regular feedback that focuses on the future, and providing the tools employees need to succeed.

Although making the changes necessary to increase productivity can be challenging, the good news is that they are much easier to maintain. Managers lend their support when their team can meet or exceed its goals. Employees are often happily surprised to learn that small adjustments to their day-to-day routine can result in noticeable increases in their job satisfaction.

Here are several techniques that the most successful businesses use to increase productivity:

### 1. train your workforce

Technology is transforming the manufacturing industry — especially operationally intensive companies — in ways that we couldn't have predicted even a few years ago. According to McKinsey, the demand for workers to perform predictable and repetitious tasks is expected to decline by nearly 30% over the next decade. At the same time, the need for those with technological skills will increase by more than 50%.

This means you'll have to put more emphasis on upskilling, in which you teach your workers new skills to help them better perform their current roles. Upskilling existing team members will improve the capabilities of your staff, resulting in greater performance for your business in the end.

This training will not be a hard sell. Your employees are already looking for ways to improve their abilities. A global study conducted by PwC found that 74% of workers are eager to learn the new skills that they'll need in the future. Those just entering the workforce say that opportunities to learn and grow figure into their decision about whether to accept a job. About 87% say that career development opportunities are important to them when they think about joining a company.

### 2. hire the right managers

When you're trying to improve employee productivity, one of the first things you should think about is who is managing them. For a workforce to be motivated, their managers need to be motivated as well. A recent study of productivity found that [teams with engaged managers are 59% more likely to be engaged themselves](#).

The best managers see their role as more of a coach than a boss. They excel at helping employees understand job expectations, manage their workloads, and establish goals and priorities. Of employees who report that they are engaged in their work, 69% say that their manager helps them set work priorities, and 66% say their manager has worked with them on performance goals.

Despite this, Gallup reports that [organisations hire the wrong manager 82% of the time](#). But management training can definitely help them pick up the skills they need. A large-scale study from the Kellogg School of Management at Northwestern University found that those who go through management training [helped their teams achieve a 4.6% increase in productivity](#).

[Read more: are managers the reason your employee engagement is low?](#)

### 3. keep worker well-being top of mind

According to the 2020 Deloitte Global Human Capital Trends survey, [80% of the nearly 9,000 respondents said employee well-being was important or very important to their company's success](#). Leaders of companies of all sizes reported that they weren't taking a one-size-fits-all approach to the topic. Instead, they were tailoring their efforts to the needs of their own employees.

The survey did reveal one disconnect, however. Employees ranked 'improving worker well-being' as one of the top three priorities for the next few years. Executives placed it farther down on the list. Deloitte said it had to be a top concern for everyone so that 'workers can feel and perform at their best.'

Employee well-being is a problem for the manufacturing industry, which is seeing top talent leave over mental health issues. In the UK, the not-for-profit healthcare provider Benenden Health reported that [34% of manufacturers had an employee leave because their mental well-being wasn't a priority](#). More than 20% said they had lost top talent.

[Read more: employee productivity, worker well-being and what you can do to support both](#)

### 4. emphasise health and safety measures

Although some employers worry about the costs of implementing a comprehensive health and safety plan, the investment is well worth it in the long run. Harvard Business Review recently reported that [employees who do not feel safe in their jobs are not likely to do their jobs well](#).

Companies that place a strong emphasis on workplace safety see improvements in employee productivity.

There are hidden costs associated with a workplace that doesn't stress health and safety. It makes it harder to retain current employees and attract new ones. A recent poll of employees reveals that 50% will not work for a company with an unsafe work environment. Another 28% say that it makes them far less likely to consider a job at that company.

From the minute employees walk through the door, they should know that safety is an important part of your organisation's culture. Train new employees about safety procedures and provide refreshers whenever necessary. Hold safety meetings to instruct your team on new best practices. Keep all employees in the loop about maintenance procedures and how often you replace older equipment.

## 5. provide helpful feedback

Feedback — whether it's positive or negative — is one of the greatest motivators in terms of employee productivity. Employees want recognition when they are doing a good job, as well as advice on how they can improve if they aren't reaching their goals. In fact, [65% of employees say that they want more feedback than they currently receive.](#)

Although it's important to acknowledge an employee's accomplishments, feedback shouldn't only be about past performance. It should also focus on setting goals for the future and touch on opportunities for advancement within the company. A study conducted by Gartner found that [forward-focused feedback can improve an employee's performance by as much as 13%.](#)

Research shows that sporadic feedback isn't as effective as feedback that is provided on an ongoing basis. The same Gartner study found that regular feedback can boost productivity by up to 12%. That means making two small changes to your review process — focusing on future growth and providing it on a regular basis — has the potential of raising performance by a total of 25%.

## 6. reward good work

Well-designed employee recognition programs incentivise productivity, motivate workers, and improve retention rates. Traditional awards like 'employee of the month' still work well, but the most innovative companies recognise their workers in a number of different ways, from gift cards at restaurants to tickets to popular sports events.

Although many companies offer bonuses to employees who meet or exceed their goals, money isn't necessarily the best reward. In fact, research by the London School of Economics shows that [financial incentives are actually less effective for employees who are already motivated.](#)

To make the most of your recognition program, celebrate achievements promptly and provide meaningful feedback. Involve employees in the process by allowing them to nominate coworkers who have gone above and beyond.

[Read more: 10 non-monetary incentives to reward staff](#)

## 7. ask your employees for feedback

Ask your employees for their ideas on how to improve productivity, employee engagement and safety. Keep in mind not all employees feel comfortable talking about work-centric issues. In this case, a survey can encourage dialog, if initial uptake isn't good, you can always add a response incentive.

[Read more: top strategies to improve employee productivity](#)

# 04 |how randstad inhouse services can increase productivity

According to a study conducted by Deloitte, more than [three-quarters of manufacturers anticipate problems in attracting and retaining workers](#) in the coming years. It's a big problem because unfilled positions directly affect productivity. That's why companies are turning to Randstad Inhouse Services to come up with innovative solutions.

What sets Randstad Inhouse Services apart is our tailor-made approach for companies with large contingent workforces. We provide on-site consulting backed by seasoned experts who take the time to recognise your business needs, get to know your workforce, and understand your culture. Your dedicated account team includes an onsite consultant who can work with you and your team to build a contingent workforce and take care of tasks, including recruitment, onboarding, training, shift planning, and communication with contingent workers. A process manager with Lean Six Sigma credentials analyses your HR processes to come up with improvements. The rest of the team — including a commercial manager and other experts — provides support in areas such as legal, health, safety, and compliance.

Randstad Inhouse Services can help your company significantly reduce its total workforce spend by improving employee productivity. Here are a few ways we help you reach your goals:

[Read more: how and why randstad inhouse services work to enhance worker productivity](#)

## 1. reducing hiring time

Before you can engage, retain, and train talent, you need to hire them. That's easier said than done. The [most skilled job seekers have received an offer within 10 days](#) of starting a job search. However, the manufacturing industry's mean vacancy duration —the time it takes to fill an open position — is three times longer than that. Businesses [take more than 30 days to hire new employees](#). That means the top candidates are getting snapped up by your competitors.

With a focused hiring plan, your company will be able to identify ideal candidates as soon as they enter the job market and extend an offer before any of your competitors. Randstad Inhouse Services helps you build a smarter staffing strategy so you can fill positions faster and minimise disruptions to your workflow.

## 2. lowering staff turnover

Study after study shows that a high turnover rate has a negative effect on your company's productivity. It affects the morale of your entire workforce when it has to meet production goals with a lower headcount. Managers are forced to concentrate on recruiting, hiring and onboarding rather than focus on ways to improve employee productivity.

But the most compelling reason for retaining your employees — especially your highest performers — is that hiring is more difficult than ever. A recent study of the manufacturing industry revealed that companies believe [replacing workers is much harder than it was a few years ago](#), even though the number of available workers has more than doubled. There just aren't enough skilled professionals for all the open positions.

Randstad Inhouse Services works with a dedicated employee retention plan focusing on concepts such as development opportunities and promoting strong work/life balance. It can also improve your team's recruitment and selection processes to minimise staff turnover.

## 3. forecasting staffing needs

Ensuring that shifts are fully staffed is one of the biggest challenges in manufacturing. When there's not a proper attendance plan in place, team members often must switch to a position they are less familiar with or are not trained to handle. This leads to a significant drop in productivity.

Research shows that absenteeism impacts your entire team, not just the employee who stays home. One study by SHRM revealed that the [productivity of coworkers was reduced by almost 30%](#), while the productivity of their managers went down by around 15%.

Randstad Inhouse Services can help you avoid this drop in productivity by forecasting your staffing needs, identifying business-critical tasks, and advice on cross-training your workforce. Our solution is designed to ensure that you always have the skills to fill all your shifts.

## 4. increasing flexibility

Your need for workers is constantly shifting. Sometimes it's predictable, such as when you have to hire additional staff to ramp up for seasonal sales. But oftentimes, such as when there's a global health crisis or a sudden drop in demand for a certain product, it's not. You don't want to lose money on payroll, but you don't want to miss out on sales by not having a big enough team to handle incoming orders.

The key is flexibility. Randstad Inhouse Services can help you minimise wasted resources by scaling your workforce up and down as required. You won't waste resources paying workers who aren't needed in less busy times or on overtime hours when you are fulfilling unexpected orders. We manage your workforce to make sure you have skilled workers to support you in busy periods and short term projects.

## 5. managing contingent workers

Overseeing a large workforce is a time-consuming process, especially when your company depends on large numbers of contingent employees. It can take your attention away from more pressing matters, including managing your full-time team.

Randstad Inhouse Services takes care of your contingent workers, freeing up your leadership and internal human resource teams to focus on your core business. At the same time, our in-house team analysed your workforce processes, coming up with strategies to keep them happier, healthier, and safer.

[For more information, connect with us today.](#)