

# BusinessNewsWales

## How can SMEs Promote Productivity?

HR & PEOPLE

 CHRIS MCCOLGAN , 20TH FEBRUARY 2019

SHARE

Productivity is a frequently used term in business, but what does it actually mean? The Collins dictionary defines it by stating that ‘someone or something that is productive produces or does a lot for the amount of resources used’.

Employee productivity is particularly important in small businesses, where resources are more limited than they would be in a large company. According to a study by Opus Energy, 86% of UK SME’s claim that productivity is

an issue.

Before implementing strategies to improve workplace productivity, small business owners may wish to measure how their team are currently working in order to identify sticking points.

### Measuring workplace productivity

In a workplace context, productivity could be defined as the amount of work (or output) that an employee produces during their shift (their input). So put simply, the productivity of a baker could be measured by how many items they bake during their shift.

There is a simple formula that is often used in businesses:

Productivity = output ÷ input

However, it isn't always as simple to measure it in such a tangible way. The way in which you measure it within your business can depend on the industry that you operate in. Each industry and each job role within that industry would need a different method in order to measure how productively people are working. How can a firm of accountants, for example, measure it when they aren't necessarily producing a physical product? Save for setting your team a task and timing how long they take to complete it, is there a way to measure productivity in these non-tangible industries?

### Challenges of measuring productivity

Alongside the method of how it's measured within a business, there can be other challenges that business owners may face when analysing how effectively people are working.

In customer service roles, such as call centre staff, the traditional method of measuring productivity would be the number of calls that a customer service representative takes during their shift. However, this doesn't take into account the level of service that was delivered to customers. Employees who have their productivity measured in this way may be tempted to rush through calls in order to fit as many as possible into their shifts without taking into account the quality of the service that they are providing.

This is where the importance of monitoring efficiency comes in. While productivity looks at the output produced by an employee in comparison to their input (the amount of time they've spent at work, for example), efficiency looks at the quality of work that they produce as well as the output. As a result, some businesses might look to combine the measurement of the two by only including the output that is of a good quality.

**Productivity** in the workplace can often be confused with the amount of hours that an employee spends in the office. If someone is staying in the office until gone 7pm when everyone else has gone home, it doesn't necessarily mean that they are working harder than everybody else. Rather than monitoring the amount of time that someone is in the office for, productivity should be measured by the actual output that they are producing and the quality of their work.

## Benefits of measuring productivity

Measuring and monitoring productivity levels can have a number of benefits for small businesses. Alongside giving you the opportunity to see output levels within your business, it also allows you to keep track of the service levels that your team is providing your customers. This can help you to maintain a consistent level of customer service across your business.

Productivity measurement can also help you to identify particular areas or processes within your business that might be causing unnecessary delays to your team's workflows. This can help you to streamline the processes within your business to ensure that your team is able to get the most out of their working days.

Measuring workplace efficiency may also have benefits for the employee as well as the business. The use of productivity measurement tools may highlight particular times of the day when people are the most focussed. Someone might be able to concentrate better in the mornings, for example, than they are past 3pm. This could mean that this particular person might favour a more flexible work schedule that allows them to start work earlier in the morning and leave earlier. This could benefit both the employee, as they are able to have a more flexible working structure, and the business, as they would be in the office during the time when they are the most productive.

## How to improve productivity

If there's a need to improve productivity within your business, there are a number of measures that you can take:

1. **Limit meetings.** Meetings can be a big cause of lost productivity at work. Try to limit the number of meetings that you and your team are having where possible. When you do have meetings, set a time limit for the length of the meeting and stick to it.
2. **Prepare a to-do list first thing.** One way to ensure that you and your team get the day off to a positive start is to write out a to-do list and tackle your least favourite tasks first.
3. **Support your team.** When we have things going on in our personal lives, it can be difficult to concentrate at work. Offering an Employee Assistance Programme to your team can provide them with the opportunity to speak to a trained professional about anything that might be bothering them, at a time that suits them.
4. **Feedback.** Ensure that you are giving your team regular constructive feedback on the work that they are carrying out, and encourage peer to peer feedback too.
5. **Tools and systems.** Invest in the relevant tools and systems for your business that could help cut out certain admin tasks for your team, freeing them up for the work that is more likely to benefit your business in the long run. TechRadar has compiled this list of top productivity apps.
6. **Benefits.** It might come as little surprise that employees' happiness affects their productivity. According to a study by Warwick University, happiness made people 12% more productive<sup>3</sup>. You could look for smaller, quick wins to boost morale such as providing a free breakfast for your team one morning or organising a team outing. Alternatively, you could look to implement a more comprehensive employee benefits package including perks such as private medical insurance and childcare vouchers.
7. **Flexible working.** Workplaces can be distracting, particularly when someone has a big project that they need to concentrate on. Some people may find that they are able to work more productively at home, where they have less chance of getting distracted.

There isn't a one size fits all approach when it comes to measuring how productively your team is working. It requires a much more tailored and personalised method in order to be the best fit for your business and industry. While it comes with its own set of challenges, there are also a lot of benefits associated with measuring the productivity and efficiency of your team for both the business and your people.

Related

[SMEs in Wales Lose Out On £1.36Bn a Year Due to Productivity Gap](#)

26th June 2018

In "Financial Services"

[How to Avoid the January Blues in Your Workplace](#)

18th January 2018

In "Business Zone"

[Daylight in the Workplace - Are we Getting Enough?](#)

8th February 2018

In "HR & People"

---

## SHARE

---

Previous Article

[Introducing LimestoneGrey](#)

Next Article

[Ceredigion Chosen to Help Rehearse the Next Census](#)



## Chris McColgan

Chris is a digital marketing and publishing whizz by trade, having worked alongside the Recruitment, Automotive, Information Security and Software Asset Management sectors.

Specialising in data analysis and social media, he combines an analytical approach with a creative flair to achieve the best results.

Originally from Northern Ireland, Chris came to Wales in 2008 to attend Swansea University studying History and Politics. A Formula One fan and a gamer at heart, Chris has a keen interest in technology and politics and is constantly on the look-out for the latest stories around change and innovation.

Moving from Swansea to Cardiff over 3 years ago, Chris has taken his passion for publishing and now utilises his skills at the Business News Wales HQ.

Chris sources the latest news from businesses across Wales, scouring social media channels to keep up-to-date with the latest going-ons.

## RELATED ARTICLES

---