

Organizational Strategies and Employee Productivity: The Nexus

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Abstract

When employees become dissatisfied at an organization, they may develop negative behaviors that impede profits and productivity. On the other hand, employee productivity influences the success and growth of an organization tremendously. Owing to the advent of globalization, there is an increasing demand for improved productivity and increased efficiency from employees. To enable this, employers have to adopt organizational strategies, aligned at promoting their employees to work effectively, and efficiently. The purpose of this single research is to understand how organizations can increase employee productivity by making use of suitable organizational strategies. The influence of an organization strategic on employee productivity will be explored. The influence of an organizations' strategic alignment on human resource planning, recruitment and selection, training and development, performance management, compensation and reward management will help in assessing the influence of the identified factors on employee productivity. The study adopts secondary sources of data collection for overall understanding of the subject matter. Literatures were gathered from works of scholars in the area of investigations under review. It was discovered that a significant relationship exists between the variables. It was therefore recommended that a suitable strategy based on an organization's strength should be adopted to increase employee productivity.

Keywords: *Organizational strategies, Employee productivity, Nexus*

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Background to the Study

Ensuring that employees are satisfied and feel appreciated is important to boosting their productivity and creating a healthy, thriving corporate culture. In the modern age there is demand for more productivity and higher level of efficiency from employees. This requires a holistic approach in employee management to ensure employees are engaged and aligned to a clearly articulated organizational strategy. Organizational performance cannot be created by a single force or through a single strategy alone. Management team can boost employee morale and productivity by introducing strategies that will motivate employees. To build organizational excellence, and effectiveness, it is essential that employee productivity is high.

There is clear agreement amongst managers that in this century, the demand for productivity and efficiency in the organizational context is more, when comparing with other times. The one major factor that can play a large role in optimizing firm level productivity is human resource productivity (Samuel, 2010). Productivity in general is limited to enhancing the skills required by employees that can help perform their set tasks efficiently. For ensuring employee productivity is high, efficient usage has to be made of materials, facilities, talents, capabilities, and powers of an organization. Productivity is of fundamental importance to employees, in turn to the organization, and ultimately it influences the national economy (Akinyele, 2009). Almost all developed countries, and developing countries alike are taking steps to improve their national productivity. When an economy becomes more productive, it becomes more competitive in the global market. It also helps countries lower their rate of unemployment (Sedghi, 2009).

Effective management of human capital is thus essential for organizations. Apart from increasing the efficiency of the workforce, by concentrating on employee productivity organizations can further increase their competitiveness (Steinhubl, 2009). Innovation is a significant driver of the growth, success, and profitability of organizations and nations. Innovation is not the only driver of growth. Managements should commit to the recruitment, retention, and strategic support of employees (Agrawal, 2012). Culture in organizations has become a common perception that sets the tone within an organization (Marga, 2010). A factor that affects the performance of workers is management's strategy within an organization. The way organizational managements treat the employees and the respect shown to employees may set the atmosphere for an entire shift. Managers with poor attitudes may reduce the employees' performance, and retention could become a problem for organizations when employees feel disconnected and leave (Kwon, Chung, Roh, Chadwick, & Lawler, 2012).

Retention of employees can be an expensive challenge for organizations when individuals feel isolated (Beheshtifar & Nazarian, 2013). Beheshtifar and Nazarian (2013) noted employees who do not feel connected exhibited dissatisfaction through withdrawal behaviors such as a reduction in productivity, absenteeism, low employee morale, and high turnover rates. The general business problem in this study was that employee withdrawal behaviors can hinder an organization's profits and productivity. The specific business problem was that some organizational managements lack strategies to improve employee's productivity.

Conceptual Clarification/Literature Review

Organizational Strategy

According to Ross & Kami in Fred (2011), “Organizations working without a strategy resemble ships going around in circles. They have no place to go and become like a tramp”. For this reason, a discussion on strategic management becomes essential. Strategic management enables firms move towards strategic alignment of the firms' employees with the firms' organizational goals and vision. Strategic management refers to a set of actions, and managerial decisions, which influence a firms' long-term performance. Strategy formulation, environmental scanning, strategy implementation, evaluation, and strategy control are essential steps to be adopted in strategic management (Wheelen & Hunger, 2006). Strategic management is a continuous process that controls, and evaluates business, assesses its competitors, and sets strategies to face present competition. Regardless of an organizations size and scale, a well-adopted strategic plan has to be adopted by all firms to survive in a competitive market (Wheelen & Hunger, 2006). The four basic elements involved in making an organizational strategy are, scanning the environment, formulating strategy, implementing strategy and evaluating it (Wheelen & Hunger, 2006).

The strategy best suited for increasing firm level productivity has to be assessed after a complete environmental or market analysis. The strategies decided upon have to be implemented, and after the results are examined, they have to be altered if required. Through strategic management a firm can be made more proactive. Effective strategies can be formulated by adopting a logical, rational, and systematic approach. Strategic management serves as a tool for motivating employees and managers' in achieving corporate goals and objectives, by increasing their dedication to work. Employees gain an understanding of what the organization is doing and how it is being done through proper communication. Through increased employee engagement, they become more committed and hard working.

Employee Productivity

Productivity has been defined in many different ways. Mali (1978) sees it as: the measure of how well resources are brought together in organizations and utilized for accomplishing a set of results. It is the reaching the highest level of performance with the least expenditure of resources.

Illustratively, Nwachukwu (2000) says that productivity often seen as total output/ total input. Thus the productivity of an employee is seen as the relationship between unit of labour input and units of output. Therefore, the effectiveness of the use of the factors of production (land, capital, labour and entrepreneur) to produce goods and services is commonly referred to as productivity. Productivity is the output resulting from a given resource input at a given time. Above all, it relates to effective use of resources, competitiveness in the market place and strategy that the organization used in pursuing its goods.

Productivity is maximization of utilizing the resources, human force and schemes scientifically to decrease expenses and increase employees, managers and consumers' satisfaction. Other definitions consider human force productivity as appropriate maximized

utilization of human force towards goals of the organization with the lowest time and minimum expense. According to the National Productivity Organization in Iran, productivity is an intellectual attitude towards work and life. This is similar to a culture that its purpose is to make activities more intelligent for a better and excellent life. Productivity is achieving maximum possible profit from the labor force, power, talent and human force skill, land, machine, money, equipments of time, place, etc to enhance welfare of the society so that increasing of it is considered by the clear-sighted in politics, management and economy as a necessity towards enhancement of humans' living standard and society (Darvish, 2008).

Organizational Strategies for Increasing Employee Productivity

For increasing employee productivity action has to be undertaken by the firm at the organizational level, as well as the individual level. At the individual level, firms have to change the way in which they give feedback to the employees. Managers have to predetermine how best they make use of their performance assessment time. Managers can concentrate on employees' performance or personality strengths, and weaknesses (Attridge, 2009). When supervisors focus on the positive characteristics of employees while giving feedback, employee productivity is high. When emphasis is placed by managers on an employees' strength, it makes the employee feel that he/she is better matched and suited to the job. They believe that they have adequate resources and skills required to complete their job efficiently (Dernovsek, 2008). To prevent employee unproductive organizations can offer resource support, ensure that the job design is good, offer good working conditions, set an efficient corporate culture, and establish a good leadership style (Nelson et al, 2007).

When there exists low social support from colleagues, and supervisors, employee productivity is low. Strain symptoms like fatigue, strain, anxiousness, and burnout can be prevented by offering improved social support (Hanken et al, 2006; Ologbo & Saudah, 2011). Firms can offer more job resources, and support to improve employee productivity, in particular when job demands becomes high. Some ways through which this could be done is by offering supervisor support, through positive appreciation, by building a collaborative organizational culture, and through problem solving using innovation (Bakker et al, 2007) the negative influence job demand has on strain can be reduced through supervisor support. Employee motivation can be increased through positive appreciation. To maintain productivity between employees, innovativeness and organizational culture are important. They help make the work environment challenging and interesting (Bakker et al, 2004).

The factors that influence Employee Productivity

The followings are factors that influence employee's productivity according to Bagga Teena and Srivastava Sanjay, (2014)

Strategic Human Resource Planning

Human resource planning (HRP) is a process of analyzing and identifying the need for and availability of HR so that the organization can meet its objectives. The need for HRP is to reduce the significant lead time between recognition of job requirement and getting a qualified person to fill that need. This means HR is required to have an idea of the job market and how it

can match to hiring needs as no organization can meet its goals without recruiting talented workers. Hiring, indeed, is an important aspect of HRP, as it provides the doorway for bringing in new employees and choosing individuals suited to the company's culture and requirement. During hiring, the HR department looks for an applicant who specifically fits the job criteria or someone who is the most versatile individual. However, today HRP is viewed as a strategic operational process and its focus has shifted from traditional Hiring and Staffing to towards forecasting and succession planning that can handle different contingencies which intern impacts the success of business operations. Effective HRP can reduce turnover by keeping employees apprised of their career opportunities within the company. The success of HRP depends on how meticulously the HR department can integrate effective HRP with the organization's business planning process. Strategic human resource planning (SHRP) is based on close working relationships between HR department and line managers. SHRM can be defined as a deliberate attempt of HR deployment to empower the organization to meet organizational goals, objectives and consistencies. Succession planning plays an important role in strategic alignment if HRP. Through succession planning organizations recruit skilled employees, develop their knowledge, skills, and abilities further, and prepare them for advancement or promotion into ever more challenging roles. This process ensures that employees are constantly developed fill each needed role. So, that a talent pipeline is maintained.

Strategic Recruitment and Selection

The core responsibility of recruitment and selection processes is “identifying the right pool of talent for establishing the right candidates”. Earlier, recruitment and selection was considered as traditional function with standard approach where the focus was on person–job fit. However, now, organizations are aiming at person organization fit and, therefore, applicants are selected against organizational characteristics rather than job-specific criteria. Today, choosing the correct employee is, indeed, essential to the development an effective SHRM system.

Strategic recruitment and selection (SR&S) can be defined as strategic integration of recruitment and selection with long-term business objectives so that strategic demands of the organizations can be translated into an appropriate recruitment and selection specification. In this, the alignment of candidate's objective and business's objective has become must. However, not all the job positions in the company are strategic and are not critical for the business operation. The strategic recruitment is focused only on the key job positions in the organization. It is focused on the hiring of the job positions needed for the accelerated growth of the business. The strategic recruitment can be a separate process from the usual recruitment process for the mass job positions.

Strategic Training and Development

Increasingly high performing organizations today are recognizing the need to use best training and development practices to enhance their competitive advantage. Training and development is an essential element of every business if the value and potential of its people is to be harnessed and grown. By definition, training and development refers to the process to

obtaining or transferring knowledge, skills and abilities needed to carry out a specific activity or task. Strategic positioning of training and development directly promotes organizational business goals and objectives. Key business challenges require that organization thoughtfully gauge their market position and determine the talent, skills and knowledge to be successful. By adopting a strategic approach to training and development rather than an unplanned and ad hoc one, training and development initiatives become more targeted, measurable and effective. The strategic training and development (ST&D) is all about identifying, designing and delivering training programmes to employees to make them capable of delivering in accordance with business strategy. In addition, the evaluation of the outcomes to check the effectiveness of the training programme based on planning to determine whether the training was effective to its contribution to the business strategy.

Strategic Performance Management

Traditional performance management systems often fail to deliver desired business objectives because communications from the top are not always clearly understood further down the line, leading to a mismatch between corporate strategy and how it is translated into targets at a team or individual level. Then, if the business goals and strategy and the employee motivation and culture are not in harmony, results certainly suffer. This missing link can be complemented by the strategic performance management (SPM) approach. Top management must address how they actually want to manage performance? What targets must be met and by when? And how do they want managers and employees to work to achieve them? It is important not only to identify HR competencies in accordance with the business needs and develop selection and development practices to secure those competencies but also to evolve and implement a performance evaluation plan that links the performance of the employees to the strategic goals. It is certainly essential to have strategically linked compensation system to improve firm performance and to retain employees with required competencies. SPM creates this link between the strategy and culture of an organization and its ability to manage employees' performance to have direct impact on business performance. SPM is actually about strategy implementation to deliver value by delivering the desired outcomes in accordance with business strategy. SPM link the individual's objectives and performance management, driving the skill and capability requirements and ensure its alignment to the core values of the organization.

Strategic Compensation and Reward Management

The main objective of compensation policy is to give the right rewards for employee performances, their skills, competencies, their knowledge and experience to attract and retain them. It is again certainly an important motivator to reward the employees for their market worth and also for achievement of the desired organizational results. However, the traditional compensation and reward system alone cannot ensure the fulfillment of the business objectives. Strategic compensation and reward management (SCRM) facilitate the alignment of compensation and reward policy with business, which can be achieved by taking a data-driven approach so that the pay and benefits are allocated to only those positions and workers that produce the greatest return. One of the healthier ways to motivate employees and reward the stellar performers is to have variable pay rewards system based upon the individual and

team performance to their contribution towards the achievement of organizations business objectives.

Conclusion and Recommendations

Managing workforce productivity involves accepting responsibility for optimizing the Return on Investment (ROI) for labor expense, just as other functions do for their activities. While some in HR would argue that it's the manager's role to increase productivity, it's not safe to assume that managers are not experts, nor are they knowledgeable about how to do so. Literatures were review and the factors influencing employees' productivity were discussed. The results of the research show that employee productivity is highly influenced by the organizational strategy.

Specific ways in which employee productivity can be increased in organizations are:

1. For improving employees' knowledge about organization, sufficient training needs to be offered to team leaders and managers on what the organization is looking to achieve. This will give employees' insights on what is expected out of their job, and how they can increase their efficiency, thereby improving employee productivity at the organizational level. When employees are aligned with organization's objectives, synergy is created. Meetings, synchronous discussions, email communication, and face-to-face communication between managers, team leaders and employees should focus on converting personal knowledge (about firm and work) into organizational artifacts.
2. To ensure employee productivity is high, the organization needs to strategically align its vision, mission, and business operation. Organization level goals should be quantified, and it should strategically develop effective strategies. Strategic thinking needs to be encouraged, especially amongst managers and team leaders.
3. To increase employee productivity, organization need to focus on making their employees feel involved and valued. For this, they have to offer adequate training and career development opportunities, have regular performance appraisals, effectively communicate with employees, provide all employees with equal opportunities, and treat them fairly, ensure good pay and benefits are offered, offer health benefits, and empower employees. Employees should be offered work life balance, organizations have to invest time and money in training their employees, safety training and health checks need to be made mandatory, employees should be rewarded for their work, and job autonomy needs to be present.
4. It is notable that there exists a positive correlation between the factors identified through research namely human resource planning, recruitment and selection, training and development, performance management, compensation and reward management. Depending on an organization's strength, a suitable strategy based on the above said five could be adopted to increase employee productivity.

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