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Seven Ways to Boost Productivity

For many small-business owners, the recession created unprecedented pressure to cut costs, trim their staffs or enact hiring freezes. Slow sales and a tight lending environment left human capital at a high premium.

With few options but to get creative or close up shop, many small-business owners devised new ways to squeeze more productivity from their existing workers.

At Skip's Florist & Gifts, owner Sanford Skolnik saved his company roughly \$65,000 a year by making it more efficient. When the economy began to turn, Skolnik examined his Toms River, N.J., flower shop's expenses and looked for ways reduce costs. He renegotiated contracts with vendors, stopped ordering items that weren't selling and let go three of his workers.

Skolnik not only retrained and cross-trained his remaining employees to do each other's jobs, he also managed to hire two new workers (at lower rates than their predecessors). He studied his company's delivery routes and eliminated the need for one vehicle and he introduced more efficient technology. "These measures and other ones have saved me enough money to increase my advertising, bring in products that have more profitable margins, reduce overhead and increase benefits," Skolnik says.

Many owners have already instituted a number of cost and time savings measures. However, if sales pick up as the U.S. economy expands and you're still not ready to hire new workers, make sure your current staff is prepared to take on added demand.

Here are seven ways to boost employee productivity:

Relieve layoff pressure

Remaining employees who've witnessed a round of

layoffs – and even those who haven't – are under a lot more stress these days. "On one hand, they are concerned that they could get cut, and, on the other, they have more work," says Christine Probett, a human resources professor at San Diego State University. Now is not the time to cancel meetings. In fact, she says, employers might want to meet more often.

And if possible, managers should assure employees that layoffs aren't in the cards. "When [workers] are nervous about their jobs, they are not working as hard; they spend more time speculating about their jobs," Probett says. "Mitigating their fears eliminates a lot of lost time."

Prioritize duties

Even when companies are demanding more from their workers, they should be more supportive of them, as well, says Jay Weiss, a consultant at JGI, a management consultancy in Rochelle Park, N.J. That could mean doing away with a few less useful tasks or just allowing employees to prioritize their own work. For instance, if certain duties don't deliver much value but still need to get done, employers should consider letting workers do them less frequently, he says.

Measure productivity

Then, employers can create productivity standards that employees should strive to meet. Managers should talk to employees and gauge their workloads, says Paul J. Rauseo, the managing director of George S. May, a small-business management consulting firm in Chicago. If a firm employs bricklayers, for example, it should measure the number of bricks its best worker is able to cement in an hour. If there are impediments for performing better, the firm should try to eliminate them, he says.

Retrain or cross-train workers

For vital tasks, business owners should consider cross-training other employees to pitch in. As Skolnik found at his shop, having employees fulfill multiple tasks helps boost productivity; it also reduces the incidence of paying workers for downtime. For employees who perform less profitable tasks, managers should consider retraining them to perform more valuable duties instead, says Rauseo. "They can wear two hats instead of one and lessen the need for you to hire another person," he says.

Include workers in leadership

For a real lift in productivity, business owners can give workers leadership roles, says Rauseo. Not only will employees stay better attuned to organizational goals, they'll also gain a sense of ownership. "When employees take on more responsibility they become more accountable, and thus, more productive," he says.

Owners should also consider allowing rank-and-file workers to get involved with the company's social agenda, Rauseo says. Many employees are already on Facebook and Twitter. Allowing them to tweet about the company conveys empathy. It can also provide a marketing boost, he says.

Cut down distractions

Of course, Twitter and Facebook could easily become too distracting, so it's also important to provide work-life boundaries for workers. Some companies have adopted harsh rules on what employees can and can't do online. Probett suggests a compromise: Allow employees to do personal things online during lunch, for example. "When they are off their lunch break, they are then more encouraged to do their jobs," she says.

Introduce time-saving technology

When Skolnik wanted his workers to perform more efficiently, he realized that he'd need more efficient equipment. He installed 11 new computers that have Internet access. Now, "if I'm on the phone, we can clear all of our credit cards through a clearing house network," he says. "It's a big time saver."

Weiss from JGI also suggests looking to hosted software programs, such as contact managers and customer-relationship-management systems, to reduce time spent on administrative and marketing tasks.

By DIANA RANSOM

Wall Street Journal

HR Service, Inc. Message

Show Gratitude

As you bring your year-end to a close remember to show gratitude and appreciation to employees. This does not mean you have to give them money or expensive gifts. Find some way to express heartfelt thanks or to be of service. We heard of one organization where the executives rented a high pressure washer and washed employee's cars. It has been a challenging year and your employees have stuck with you, giving their best effort to keep your business moving forward. Showing them gratitude will go a long way in building loyalty and unity.

Measure Results

It is time to measure and assess how things went over this past year. What went well? What can you celebrate? What areas need improvement? How will you fix them? Who will do what by when? What feedback will you give employees? Keep in mind employees want to know the score. They want to know how the business is doing and how you perceive their impact, as well.

Create Plans

Create strategic business plans for 2010, breaking out quarter by quarter priorities, initiatives, objectives and actions for the business as a whole, each department, and by team member. We recommend each key employee complete a 90-day business plan every quarter aligning their priorities, objectives, and actions with overall business strategy.

By Ken Spencer, President & SR Consultant

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Assistance?

Contact HR Service, Inc. for assistance with business planning, goal setting, assigning key performance indicators to employees or help with any HR challenge or function at: (801) 685-8400.

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