

# Working harder but not smarter: what employees think about the productivity puzzle

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4/18/2016

Recent [statistics](#) by the ONS show the biggest quarterly fall in productivity since 2008. At the same time, a [survey](#) by the Smith Institute shows that 9 out of 10 of us are familiar with the term 'productivity' and think it is 'important'; but half of us say we are as productive or less than we were two years ago. In this 'productivity puzzle', writes [Dan Holden](#), employees' views are a missing piece. Yet it is their views that may actually help us understand and solve the problem.



In their latest publication alongside the Chancellor's [March Budget](#), the Office for Budget Responsibility (OBR) downgraded their projection of growth for 2016 from 2.4 per cent to 2.0 per cent on account of weak productivity performance. Earlier this month the Office for National Statistics (ONS) described a [sharp drop in productivity](#) in the final quarter of 2015. With high awareness of productivity in the workplace not being matched by growth in productivity, the employee's perspective is an important part of any political drive to tackle this issue.

Productivity has gone from a wonkish, academic concern to mainstream politics in the past few years, ending at the [despatch box](#) with much fanfare in George Osborne's productivity plan. So far the political and policy debate has largely been focused upon the larger economic picture – how productive Brits are compared to the French or the Americans – by looking at how long it takes other countries to achieve what we do in an hour ([we don't compare well](#)).



P<sub>3</sub> R<sub>1</sub> O<sub>1</sub> D<sub>2</sub> U<sub>1</sub> C<sub>3</sub> T<sub>1</sub> I<sub>1</sub> V<sub>4</sub> I<sub>1</sub> T<sub>1</sub> Y<sub>4</sub>

The Smith Institute sought to shed light on what this debate means in a tangible everyday way. With responses from 7,454 union members including shop workers, broadcasters, radiographers, and civil servants, the Institute's survey has shown that the productivity problem – bad at a national level – is a serious issue in the workplace, representing significant policy challenges not only for the government but also for the union movement, managers and British businesses.

## Management issues

According to the survey, management and work culture are seen as the biggest stumbling blocks for employees' productivity. The results gleaned from the retail sector tell this story the best: targets, such as store profit per hour, are felt by some to be raised to the point where they are unrealistic. As one respondent put it, management 'asking

for a reasonable amount of productivity, 100 per cent, not 120 per cent, would help...as this leads to sickness, decreased morale and subsequently, staff leaving'. Incentivising working harder in this context is nigh on impossible – 'all stick and no carrot' as another respondent put it.

Responses also focus on how there is a detrimental emphasis on short-term gains at the expense of longer-term, more productive practices. For those in retail, this may mean customer service suffering; in healthcare, as one radiographer put it, 'having a difficult conversation with a patient is extremely important to them but could be deemed non-productive as it does not physically produce an outcome'. The knock-on effects and reactions to management decisions, whether by customers or patients, underlines the relationship that productivity has with quality. As one TV broadcast employee told the Institute – 'is productivity churning out more programmes (lower quality) or is it creating better programmes (higher quality, fewer)?'

The CBI's perspective on workplace productivity errs towards the latter; [according to them](#) being a productive employee 'isn't about working harder so much as finding new, better and quicker ways of doing things'. However, this shared vision of productivity isn't materializing in the workplace. Our survey shows that 68 per cent of respondents said that they are working harder than two years ago (74 per cent in retail) whilst at the same time only half of us believe that we are more productive than two years ago.

### **What we want productivity to mean**

When asked what productivity in the workplace *should* mean, and how it ought to be tackled, the most popular response was management listening to employees, with the second being better management of staff. By not listening to their employees, management are missing on 'very simple, inexpensive and quick fixes [that] would make a huge difference to productivity'.

Management is not just losing out on better practice and higher productivity by not engaging with their employees, they are also missing out on a chance to make them a part of the process. Respondents to the survey said that being made part of the process would have a beneficial impact upon productivity and would perhaps go some way in addressing the perception that they do not and will not benefit from higher productivity.

### **Productivity in the future**

Looking forward to the workplace of tomorrow, the survey presents a complex picture. Many respondents were positive about the impact technology would have on productivity and more still were keen to embrace technology. However, only one in four employees report having a say over how technology affects their job and one in three said they were worried technology would result in job losses (this was particularly acute in manufacturing where it was 49 per cent).

Whilst national political rhetoric on productivity is ramped up, progress will be held back without fully engaging employees. Most of the respondents to the survey believe that they are working harder, but not smarter. The key to changing this lies in making work better and involving workers and their unions in developing effective productivity deals that deliver a win-win for both employers and employees.

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*This survey forms part of a wider piece of work conducted by the Smith Institute into productivity in the world of work. If you would like to know more, please get in touch with us on [info@smith-institute.org.uk](mailto:info@smith-institute.org.uk).*

### **About the Author**

Dan Holden is a researcher with the Smith Institute. His writing has been featured in the Guardian, Independent, New Statesman, Public Finance, and New Start magazine. He tweets [@DanSHolden](#).



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