

Psychological Impact of Human Resource on Productivity

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Abstract

In achieving an organization's primary goal the productivity is key and it depends largely on the contributions made by the employees. These human resources are influenced by many factors like motivation, social facilitation, leadership, nature of groups, cohesiveness and the like. These psychological factors have a great impact on the productivity. The understanding of this has become essential to a HR manager so as to use and manipulate these psychological variables to enhance productivity. The basic knowledge of these factors will help in planning policies so as to meet the different need levels of the work force. The successful organisation brings out the best in their employees focusing on factors within themselves. These factors which challenge the human spirit inspire the personality development, allow for goal accomplishment and represent higher standards of conduct in the primary areas of concern for the management of the human recourses.

Key words: *Productivity, psychological factors, motivation, employee characteristics*

Introduction

Human resource with enthusiastic, capable, talented and intelligent characteristic is viewed as a pivotal ingredient, the backbone for the success of any organization. Human resources are used to describe the individuals who make up the workforce of an organization. It is a challenging task for any organization to attract candidates with right attitude and aptitude and to use these resources for maximised performance and output.

In governing human resources, three major trends are typically considered:

- **Demographics & Diversity:** The characteristics of a population/workforce, for example, age, gender or social class. This type of trend may have an effect in relation to pension offerings, insurance packages etc. There is a variation within the population/workplace. Changes in society now mean that a larger proportion of organizations are made up of "baby-boomers" or older employees in comparison to thirty years ago. Advocates of "workplace diversity" advocate an employee base that is a mirror reflection of the make-up of society insofar as race, gender, sexual orientation etc.
- **Psychological factors and diversity** includes values, work attitudes, abilities, perception, motivation, leadership, autonomy and responsibility on task supervision, group behavior

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social facilitation, social loafing, working in teams, decision making.

- **Skills and qualifications:** As industries move from manual to more managerial professions so does the need for more highly skilled graduates. If the market is "tight" (i.e. not enough staff for the jobs), employers must compete for employees by offering financial rewards, community investment, etc.

With a diversified workforce, organisations take a lot of efforts to train and empower employees for a consistent and increased productivity. Productivity refers to the relationship between what is put in to a business (inputs) and the final result (output). However, in terms of human resources, productivity is more difficult to measure, understand and define. What influences the productivity levels of staff is wide variety of skills, characteristics and attitudes. This includes formal training and qualifications, motivation levels, initiative, team skills, attention to detail, judgment, multi-task abilities, communication skills, general attitudes and work ethos.

Clear determination of the difference in the individual's actual and expressed levels of competency is to be ascertained. When this is done it can be understood such as those who are competent and those who need help in maintaining the competency and those who are incompetent. This idea helps in optimizing a human resource potential by giving training to sustain and improve competency. It should also be understood despite all precautions, there will be people not willing to change and remain incompetent. If there is not a system for purging these workers, they may linger and infect or disrupt the organization and its functioning which will certainly affect the level of productivity. So understanding the psychological factors is important as a preventive, curative and promotive approach to uphold the organization's performance.

Looking back it is seen that Hawthorne studies started the human relations movement which believed that the key to higher productivity is to increase employees' satisfaction. Apart from Elton Mayo's experiment the contribution of Dale Carnegie, Maslow and McGregor emphasized the human factor in the functioning of an organization. Their contributions in field of attention on individuals for organizational benefits became the stepping stone for future research work in this area. The following are some of studies focusing on psychological impact on productivity:

Schein, Virginia E. Maurer, Elizabeth H. Novak, Jan F (1977) considered the impact of flexible working hours on productivity, using a sample of 246 clerical-level employees, the impact of flexible working hours on productivity for 5 production units within a large financial institution. Results of the study are mixed, but overall they indicate that the introduction of flexible working hours had no adverse impact on productivity. Based on comparisons with

productivity outcomes during the same period of the previous year, the results for one group indicated significant positive effects, based on pre–post comparisons while other groups indicated neither positive nor negative effects of flexible working hours on productivity.

Katzell, Raymond A.;Guzzo, Richard A(1983) reviewed studies on Psychological approaches to productivity improvement. It was found that in experiments using psychological approaches to improving employee productivity, 87% reported improvement in at least 1 concrete measure of productivity. The kinds of programs that were most often successful were training, goal setting, financial compensation, participative supervision, and socio technical systems design. It was also found that more favorable attitudes toward work often resulted from the productivity programs, showing that productivity and quality of work life are closely related.

John Gastil(1994) did a Meta-Analytic Review of the Productivity and Satisfaction of Democratic and Autocratic Leadership styles. The effects of democratic and autocratic leadership on group productivity and member satisfaction were examined. Analysis revealed that no correlation existed between democratic and autocratic leadership style and productivity, except when taking into consideration the influence of setting and task complexity. Results also suggested that democratic leadership has a moderate positive correlation with member satisfaction, but this relationship may be moderated by task complexity.

Jonathan Michie, Christine Oughton and Yvonne Bennion(2002) studied employee ownership, motivation and productivity and concluded that employee ownership alone does not make a difference to performance, but there is a positive outcome in terms of performance when employee ownership is combined with high levels of employee participation. While high organizational performance is associated with the use of an employee sharing ownership programme and representative participation in wider policy decisions, it is more probable that the impact of employee participation is an indirect one influencing employee attitudes and behavior which have an impact on internal performance, and in turn has an impact on sales and profitability.

Donald, Ian;Taylor, Paul;Johnson, Sheena;Cooper, Cary;Cartwright, Susan;Robertson, Susannah (2005) studied about the effect of work environments and stress on productivity. It was found that psychological well-being; commitments of the organization towards the employee were found to influence the productivity levels.

Kit Brooks and Fredrick Muya Nafukho (2006) studied the human resource development, social capital, emotional intelligence and its link to productivity. It as found that the human resource development, social capital and emotional intelligence had strong positive relationship with organizational productivity. Steven H. Appelbaum, Normand St-Pierre,

William Glavas, (1998) conducted a study on the role of leadership, motivation and productivity. The scrutiny revealed that, In view of the pressures being expected from the external environment and the critical vision of organizations, research suggests that top management needs to establish a flexible and adaptive infrastructure that should lead contemporary and complex organizations to optimum levels of performance. The largest barrier to “change” is not changes to technologies and work processes but changes involving people.

The work place environment's impact on employee performance and concluded that performance and commitment had a situational context and it does not occur in a vacuum. Challenging goals may communicate high levels of confidence in the abilities of employees and increase self-efficacy and performance and the positive feelings may also manifest in enhanced employee commitment.

Chandrasekar, (2011) studied on workplace environment and its impact on organisational performance in public sector organisations and concluded that the workplace environment impacts employee morale, productivity and engagement, both positively and negatively. The work place environments in most industries are unsafe and unhealthy. These includes poorly designed workstations, unsuitable furniture, lack of ventilation, inappropriate lighting, excessive noise, insufficient safety measures and lack of personal protective equipment. People working in such environment are prone to occupational disease and it impacts on employee's performance. It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance.

A review of above studies shows that different individual, group and work factors predominantly influence productivity. Some of the individual factors are attitudes, motivation, commitment, creativity, stress, self-efficacy and well being, absenteeism. Factors relating to group are leadership issues, group cohesiveness and the supervision. Work related factors are flexible work timings, employee engagement, employee ownership and employee participation.

Conclusion

Human resource is viewed as an asset to the organization and increase in productivity is related to employees' welfare and work place management. Flexible scheduling of work hours found to offer better results to the organization. Keeping open communication and paying attention to the workplace problems result in organizational commitment there leading to increased productivity.

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