RESEARCH REPORT

THE PEOPLE FACTOR - PRODUCTIVITY’S MISSING LINK
(A Neuroscience Perspective)

Saradevi Gopal

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The ‘people’ approach to productivity

Earlier this year Ong Ye Kung Minister for Education (Higher Education and Skills) spoke about how Singapore’s economic growth cannot be achieved through manpower-led growth, but should be based on productivity and innovation. This would greatly help maximise the limited resources it has as a result of being a small country.

We believe that key to this success is taking a human approach to workplace productivity.

What is meant by productivity?

Productivity is generally defined as an “output of goods and services per person employed in the economy, or sometimes as the output per hour worked”. It is a “measure of the effectiveness and efficiency of your organisation in generating output with the resources available”.

The common inputs that companies tend to invest in are labour and capital. Labour refers to the number of hours worked, number of workers in the office and the costs of labour. Capital tends to refer to physical assets such as infrastructure and machinery, as well as the financial value of these assets.

The neglected people factor of productivity

Organisations usually try to increase their overall productivity by increasing labour and capital productivity. This could mean investments in better machinery or increasing the number of employees. These are very practical ways of increasing productivity.

However, we feel that in tackling productivity issues in Singapore, most companies take an approach which focuses less on the people dimension of the issue. Organisations are essentially groups of people and the way in which they relate to each other is important. It is the level of ability of people who are assigned to do work and the amount of effort they put into doing the work that also determines the level of productivity in any given organisation, industry or economy. The National Productivity Movement was launched in Singapore in 1981 to beef up productivity levels in local organisations. However, productivity has been an issue for decades and it has seen a decline in the past year or so.

Back in the 1980s, Peter and Waterman noted in their book, In Search of Excellence, one of the main attributes in “characterizing excellent, innovative companies is productivity through people”. Excellent companies value their employees and consider them the “most important single asset”, and have people-oriented cultures. Studies have shown that enhancing employees’ experience and the psychological connection with their work and the organisation would lead to increased productivity and other desired outcomes like greater creativity, job satisfaction and workplace effectiveness.

This has certainly not been helped with a recent study (HRM Asia, 2017) showing that Singaporeans spend only 60 per cent of their time in the office doing important tasks; very much lower than the global average of 72 per cent. Instead, Singaporean employees were found to spend most of their time completing administrative or competitive tasks.
The human approach using the SCARF model

An employee’s psychological contract can be strengthened in various ways and in this paper, we seek to explore how this can be done through the SCARF model which highlights the 5 areas of human social experience:

- Status: Importance relative to others
- Certainty: Ability to predict the future
- Autonomy: A sense of control over events
- Relatedness: Sense of safety with others
- Fairness: Perception of fair exchanges between people

The SCARF model was conceptualized in 2008, drawing on concepts from the field of social neuroscience. Social neuroscience explores the biological foundations of the way in which humans relate to one another in different contexts. There are two main themes that emerge from this. Firstly, human motivation - which drives our behaviour in social contexts - is due to our brains being wired to minimize threat and maximize reward. Secondly, that these networks in the brain are also used for our primary survival needs; like the need for food and water.

The model summarises these two main themes in a framework based on how something can “activate a reward or threat response in social situations.” It can be applied to any type of situation where people interact and collaborate in groups, including all types of organisations. For instance, in a situation when someone has little control over their work, they will perceive this lack of autonomy as a threat, equivalent to a threat to one’s life. This may lead to increased workplace stress or dissatisfaction as a result. However, in situations when they are promised more autonomy, this activates the reward centres in the brain, making them feel more satisfied at work.

The model covers five areas of human social experience, namely, Status, Certainty, Autonomy, Relatedness and Fairness.

Being aware of and understanding these drivers is extremely helpful in various ways. Knowing what drivers trigger a threat response in people can help in designing interactions or processes that minimize this threat. For example, if knowing that a lack of autonomy cause stress in their subordinates (threat response), leaders or managers may then try to avoid micromanaging their employees. Knowing what triggers a reward response also means that organisations can design interventions to tap into internal rewards and motivation.

The following sections takes each of the five areas of the SCARF model and discusses how it is defined, how it affects productivity and recommendations for reducing the threats.
Status

Status refers to the relative importance of one’s position in a hierarchy or ‘pecking order’. A hierarchy is usually formed along the lines of what the group considers to be important. It could be a resource or a characteristic such as conscientiousness, for instance. This characteristic may vary across organisations. One’s status is increased when one feels more important or one’s position is considered more important relative to others along the lines of this characteristic. For instance, a more task-oriented organisation might place a higher importance on conscientiousness whereas a more socially-oriented organisation might place a higher importance on extraversion. An increase in status or having a high status would activate the reward circuitry in the brain and this makes the person feel good.

Status can be either ascribed or achieved. Ascribed status is usually when the ‘role’ is assigned to the individual “because of his position regardless of his abilities or performance.” On the contrary, achieved status is “earned by the individual, based off his abilities or performance.” Status hierarchies are mostly subjective, though there tends to be a “high degree of consensus about individuals’ and groups’ positions in status hierarchies.” Status hierarchies may change as what the group regards as important changes. Usually, the objective accomplishments of individuals are “translated into status only through subjective interpretations.”
Status and Productivity

Research has found that the differing statuses of both leaders and employees, and even amongst employees themselves can lead to different levels of performance and productivity. Researchers have found that having leaders or fellow employees in the group with a higher status, more specifically, higher achieved status, may lead to a lowered group performance on tasks, and this may lead to a reduction in productivity. This can happen in a few ways:

- Employees not daring to criticize the ideas of the higher-status member or carefully scrutinizing them. This may result in errors going undetected.
- Any idea the leader or anyone with a higher status gives will be pursued at length, and given priority and importance over other ideas, although it may not produce anything conclusive. Research has shown that, employees – particularly lower-status ones - will be reluctant to volunteer ideas in such an environment as they would not like exposing their ideas to possible failure, and very few people are willing to take that sort of risk.
- It also leads to reduced social support amongst employees. Social support here refers to the “acceptance and use of ideas”¹². But when some employees feel like their ideas are not being accepted or prioritised, there will be a feeling that they have little social support. Low-status employees may receive less social support from others and this increases anxiety and hinders their thinking.
- Researchers have found that the person’s status in the group hierarchy influences the level of participation they have in organisational and group activities. Essentially, higher status employees are given more opportunities to showcase their skills and work¹³. Their performances are also evaluated more highly by others compared to the performances of lower-status employees.
- Higher status individuals also have “more influence over group decisions than do others”¹⁴. They are more active and thus more highly respected.
- In a group, increasing the status of team members, particularly those of high-performers, was shown to lead to positive emotions and increased satisfaction which could lead to higher productivity. Higher-status employees tend to show more positive emotions than lower-status employees¹⁴, which may affect their level of output.
- According to Status Characteristics Theory, status also has been shown to affect performance. People who are already high performers and are accorded a title that indicates high status will perform better than people who were not accorded a higher status¹⁴

These factors combined have adverse effects on a group’s productivity. It especially affects a group’s productivity especially when it came to analysing, problem-solving and risk-taking activities (Bridges et al, 1970). However, when a leader or employee with achieved status has productive ideas and is able to direct the group towards a solution whilst being aware of the group’s dynamics, it can greatly facilitate problem solving and productivity. Organisations which have very tall organisational structures and are more hierarchical are hypothesized to be more susceptible to the effects described above.

Top Tips

Reducing status threat

A reduction in status threat can happen in many ways. For instance, it could occur through giving and or receiving advice or instructions, or even insinuating that someone is ineffective at their work¹⁰. Many employees also consider annual appraisals to be status-threatening. This is the reason why they are often “ineffective at stimulating behavioural change”¹⁰. Care must be taken when giving others feedback, ensuring that criticism is constructive and accomplishments are highlighted. This can be done by giving people the chance to evaluate their own performance.

Increasing status reward

Organisations can reward their employees by increasing their status and usually this comes in the form of a promotion. This may lead to higher job satisfaction and in turn, higher productivity, although the correlation between satisfaction and productivity tends to be mixed¹⁴. However, promotions can backfire. This happens when someone is promoted to a level where they are not actually very competent. Rock ¹⁰ suggests that people feel a sense of status increase when they are focused on learning and improving. This could mean organisations focusing on the learning and developmental needs of their employees and ensuring they are sufficiently met. This comes about when individuals compared themselves favourably to how they were before, which triggers a status increase¹⁰.

Another way is through recognising an individual’s work and giving them positive feedback or praise. A simple ‘thank you’ or an acknowledgement of their efforts can motivate employees to repeat the same behaviour.
Certainty or uncertainty in the organisation can take on several forms. Feelings of uncertainty arise when there is a perceived loss in some aspects of the job or the job itself, which poses a threat to individuals. Some of these features could include a pay cut, job insecurity, organisational change or organisational decline. These events threaten the individual’s sense of continuity and certainty, with employees feeling uncertain if they would be able to retain their jobs.

Employees who experience feelings of uncertainty in a role lacking clarity or clear instructions are unable to adequately prepare themselves, as they are often unclear if certain actions should be undertaken or not. Employees are reluctant to choose a course of action when they “do not know the extent of their authority and they cannot gauge the relevance or appropriateness of that choice when task expectations are not clear”. This feeling of uncertainty is usually accompanied by a sense of powerlessness and a lack of control, and if continued for a period of time, would have negative consequences such as the following:

- Occupational strain
- Feelings of burnout
- Dissatisfaction with one’s role
- Feelings of anxiety
- Low levels of effectiveness
- Reduced job performance
- Reduced job satisfaction

Roffey Park’s recent Working in Asia 2017 survey with Profile Asia showed that line managers are not great at setting clear expectations. 38% of respondents revealed that their line managers are weak at being clear, making ‘certainty’ the second weakest dimension out of the 5 dimensions of SCARF.
Our brains require certainty so that things can be easily predicted. It recognises patterns from prior experiences and forms predictions from those. When predicting phenomena, the brain uses less cognitive resources, as compared to facing completely novel experiences. Thus, even a small amount of uncertainty, like being in a new environment, generates an ‘error’ response in the brain which then uses up cognitive resources to ‘fix’ the error. These errors draw a lot of attention and cannot be ignored until they are resolved. This is why facing situations of greater uncertainty, like the threat of being laid off from one’s job, triggers strong feelings of uncertainty. On the flipside, meeting expectations or visiting familiar responses triggers the reward response as these experiences are familiar and predictable.

Certainty and Productivity

Organisations can make use of several methods to ensure employees feel a sense of certainty at work. Some of these are described below.

Goal-setting

Goal-setting is the process of “developing, negotiating, and formalizing the targets or objectives that an employee is responsible for accomplishing”\(^19\). Effort (and consequently performance) is said to increase by having clear targets toward which employees can then direct their energies. Locke’s\(^20\) goal-setting theory states that an individual will be more motivated to work harder when the goal is specific, harder (but not too hard) and if they accept it. Locke\(^20\) also reported that “setting task goals appears to have a significant positive effect on productivity\(^20\);\(^19\).

A sense of purpose and vision

Having a sense of purpose and a shared organisational or team vision is critical to achieving goals\(^21\);\(^22\). Teams with a shared vision that they deem realistic and attainable are more motivated to achieve their goals. They are more likely to share a common sense of purpose and agreed-upon goals and are committed to achieving them.

An important component is vision clarity, which is a “very specific, well-articulated and easy-to-understand goal that provides direction to others in the organisation”\(^22\). It creates a clear image for what the organisation is trying to achieve and aids in providing a sense of clarity and certainty for employees in the organisation.

When individuals have a clear goal and vision to work towards, they are also able to “learn their tasks faster”\(^23\);\(^22\), meaning that they are able to get more done in a shorter timeframe. This increases productivity.

Role clarity

This refers to individuals having a “clear understanding of his or her task and has clear information associated with a particular role”\(^22\). Individuals should have sufficient information about how to perform their roles effectively, be able to understand what is needed in their respective roles and how that interacts with the other roles in the team. Role clarity has been found to have a positive effect on various organisational outcomes, such as lowered stress and turnover, increased satisfaction and much higher employee performance levels.

Studies have also shown that when there is role clarity present in the teams, there is an increase in the “quality of communication between members that will impact their effectiveness”\(^24\). When individuals are able to fully understand their roles and the requirements needed to execute those tasks, they are more likely to achieve the team’s goals, and at a more efficient pace as well.

Thus, role clarity reduces the amount of time employees spend on trying to figure out expectations and boundaries of authority. This increases efficiency as things are done more productively.

A lack of clarity in any areas (i.e.: goals, vision, role clarity) have been shown to act as a work stressor and negatively impact employees’ psychological wellbeing and health\(^26\) and leads to lowered job satisfaction and lowered morale. A lower morale was also posited to lead to lowered productivity\(^25\).

Other studies have also found that the uncertainty of losing one’s job is akin to being actually unemployed. Uncertainty in employment messes with two factors: predictability and controllability. There is a sense of unpredictability which affects how individuals are able to predict the future and are unable to react adequately. A sense of predictability or “environmental clarity” is essential in ensuring an individual’s psychological wellbeing at work, which a lack of may lead to work outcomes like productivity being affected.
A lack of controllability is a form of powerlessness. Uncontrollable stressors seem to be more stressful than unpredictable ones, as the employee is unable to do anything to alleviate them. For instance, it was found that employees who were certain about their dismissal from the organisation were able to obtain more "certainty" than those who were uncertain. This is because they have knowledge of what will happen to them in the near future and things are controllable to them again. Any form of job insecurity violates the psychological contract the employee is trying to uphold – his/her loyalty or commitment to the employer in return for security from the employer. And when employees are mentally and emotionally occupied with feelings of uncertainty and lack of clarity around aspects of their job, there is a greater likelihood their engagement with their tasks and subsequently, their productivity, will be adversely affected.

Top Tips

Reducing the threat from uncertainty

This could be overcome at an individual-level by ensuring employees get clarity on different aspects of their job. This could entail greater job clarity, establishing clear expectations of the job and setting clear, achievable goals.

At an organisational level, this might take the form of senior management clearly communicating the company’s vision, strategy and goals. Allowing employees to participate in decisions concerning the organisation’s (and thus, individual employees’) future also helps reduce insecurity. This lets employees feel a semblance of control over the situation at work.

As unexpected events are always bound to occur, it is also important that individuals and organisations are well-prepared and resilient enough to face challenges head-on. Here are some ways to strengthen one’s resilience:

• Building up social support networks – be it at work or with people outside the organisation
• Employees could also increase their employability through the constant development of professional skills and competencies
• Having an effective performance feedback process. This can transform a highly ambiguous job into one that is “motivation-enhancing”. This is especially effective if the feedback “promotes feelings of competence and autonomy” as this leads to higher intrinsic motivation, engagement and subsequently productivity.

Increasing the reward from certainty

In terms of increasing Certainty, it could mean making certain decisions and implicit ideas more explicit. This might be something as simple as clearly stating upfront the duration of a meeting, the agenda and any desired outcomes.

When uncertainty plagues organisations that are going through many changes, restructuring and times of deep uncertainty, it would be extremely helpful if management were to communicate information about any upcoming changes at specific moments in time. For example, through a monthly staff update.

Feelings of uncertainty can be alleviated by increasing the other components of SCARF – in this case, the status of the individual. Some researchers posit that negative consequences for employees’ well-being are a result of the imbalance between efforts and rewards in a work situation. For instance, the negative feelings one gets from job insecurity can be “compensated by increasing other rewards, such as pay or status.” However, such methods do have cost implications and may be hard to implement in difficult economic circumstances.
Autonomy is a perceived sense of control over one’s environment and the ability to make and exercise one’s choices. Hackman and Oldham (1975)\(^28\) defined job autonomy as the “degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling work and in determining the procedures to be used in carrying it out”. A perceived lack of autonomy which may feel inescapable or uncontrollable to the individual, can leave one feeling extremely stressed out. According to Self-Determination Theory (SDT), “people have a psychological need to feel that their activities are self-chosen and self-endorsed”\(^29\).

Several studies have found that when employees were given the autonomy to carry out tasks on their own, it resulted in several positive work outcomes\(^29\), as follows:

- Greater job satisfaction and loyalty\(^30\)
- Greater quality of work performance\(^32\)
- Greater creativity\(^33\)
- Greater resiliency\(^34\)
- Stronger positive outlook on their work and greater job clarity\(^35\)
- Increases job satisfaction which leads to higher levels of work engagement\(^36\)
- Reduces uncertainty and enables more effective coping with stress
- Better physical and psychological wellbeing, as well as cognitive flexibility, better learning and higher self-esteem\(^37\).

In a study done by researchers\(^38, 39\), when managers were empowering and autonomy-supportive, their subordinates reported a higher level of trust, involvement and commitment to the organisation.

On the downside, having little to no autonomy has been shown to be associated with health problems, including greater stress which in turn has been linked to coronary heart disease\(^29\).
Autonomy and Productivity

Job autonomy is said to increase employees’ intrinsic motivation and thus job performance and productivity37. Increased autonomy allows individuals greater flexibility in how they define their role and how they go about carrying out their tasks39. This flexibility allows individuals the opportunity to have increased ownership and control over their roles. It enables them to master new tasks and recognise a wider range of skills and knowledge as important39 for their role. So when given more autonomy, individuals are able to expand their role by integrating new skills and tasks, thus probably increasing their output and becoming more productive.

Interestingly, autonomy is only shown to have an effect on the worker’s productivity only if the tasks are “complex or require more creativity”40. In more routine jobs, autonomy does not seem to have much of an effect on productivity. However, it is still shown to increase employee satisfaction and this in turn can lead to other positive organisational outcomes.

Top Tips

Reducing autonomy threat

Many of us work in teams, and this can reduce one’s feelings of autonomy. However, this can be successfully counterbalanced by increasing other SCARF factors. In this instance, finding ways to increase one’s status, certainty and relatedness10. Offering employees choices also helps increase their feelings of autonomy. For example, a supervisor asking ‘Here are two choices, which do you think will work?’ is much better than dictating what needs to be done.

Increasing autonomy reward

Any amount of an increase in autonomy in some aspect of the employee’s role, however subtle, can help. This could involve “self-directed learning portals” where employees could design their own learning curriculum and track their own progress10. It could even involve giving employees the freedom to design their own workspace, organise their own tasks and even managing their own working hours. It could even be a project in the office that is employee-initiated without the involvement of leaders. This allows them the autonomy and freedom to be creative.

Having support and guidance from leaders is an important aspect of autonomy as well. When leaders render appropriate support, individuals become “more conscious of their authority and competency with regard to a task’s progression and outcome”41. Leaders could also provide opportunities for self-guidance42, so they are better able to grow and learn in their positions.
Relationships and Productivity

Interpersonal relationships and friendships at work are important for various reasons. Firstly, it improves communication between employees and is a source of support that provides the resource for individuals to get their work done. Employees who are on friendly terms with one another are more likely to engage in “philanthropic behaviours” by providing fellow workers with help, guidance, support, advice, feedback and suggestions on various professional affairs such as expanding their knowledge and technical skills. Friendships are a source of information that aid individuals in getting tasks done and to problem-solve. This may include interpreting and sense-making events or managing relationships with others in the organisation. Friendships help reduce stress by “eliminating barriers to success and improving the quality of work” done.

In addition, depending on their level of closeness, friends at work can also rely on each other to improve their personal lives. They could discuss various topics to do with their families and children. This support is usually based on shared values and experiences, as well as shared perceptions of trust, and research has found that organisations benefit from supportive organisational cultures which in turn link to productivity.

Friendships also play a big role in helping employees achieve “job satisfaction, feelings of security and comforts at work.” Friendships are said to reduce workplace stress, increase communication, help employees and managers accomplish their tasks, and assist in the process of accepting organisational change. In the workplace, it has been shown that encouraging informal (or ‘water-cooler’) conversations and bonding has shown to increase productivity.
Having good relationships is important in the workplace as it affects the commitment of the individual. Employees who are committed to their jobs and the organisation are more likely to appreciate a climate that is supportive and friendly and this is more likely to increase organisational productivity.

**Relationship Conflict**

Relationship conflict, unlike task conflict, has been shown to produce relatively more negative work outcomes. Relationship conflict “reduces the level of mutual understanding and goodwill” such that group tasks may get affected. Individuals will experience negative emotions such as anger and stress and might withdraw or direct their aggression towards other individuals and to the organisation. It also increases their stress and anxiety levels. Such responses may reduce individual and group productivity, especially when people lose focus or refuse to communicate with one another due to their conflict. The negative emotional effect may even cause people to miss deadlines, lose confidence and make mistakes, thus contributing to even lower productivity.

Interpersonal conflicts can easily distract people from their tasks. This is because interpersonal issues like bullying, quarrelling and avoiding one another, uses up energy and effort that could be channelled more productively. Negative emotional reactions to these conflicts can also “negatively bias other employees’ perceptions”. Members may not feel comfortable interacting with each other and verbal confrontations may occur. Research has found that relational conflicts at work may result in high levels of turnover, absenteeism, decreased satisfaction, low levels of perceived performance and low productivity and commitment.

Workplace conflict is always bound to exist, especially in organisations where a myriad of people with different experiences and personalities have to work together. The key is in our managing of these conflicts and their negative impact on workplace productivity.

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**Top Tips**

### Reducing threats from lack of relatedness

Globalisation has meant that many organisations have offices in several different locations. This can result in a lack of relatedness amongst team members. This can be overcome by making greater use of technology, for instance, by using video conferences for meetings or virtual sharing spaces and instant messenger tools where employees are able to connect quickly and frequently with one another.

Building trust and being open with one another is another important step in building better relationships with one another. When managers role-model this open-ness, employees tend to follow suit. Both leaders and employees can also develop their skills in building rapport through active listening, appropriate expressions of thoughts and emotions and acknowledging one another’s feelings.

### Increasing the rewards from relatedness

The way to increase safe connections between people is to set up buddy systems, mentoring or coaching systems or even small action learning groups at work. “Small groups appear to be safer than larger groups” and help people connect with one another at a deeper level. Forming at least one trusting relationship with someone at work helps increase engagement and productivity. Developing different types of relationships – some for work-related purposes and others for more leisurely pursuits – can also help greatly in expanding and building up one’s support network.

Another way leaders can help to boost productivity is by practicing compassionate leadership (Poorkavoos, 2017). Compassionate leadership is not only a compassionate person but creates a culture where people are compassionate to one another and support each other. It enables people to experience positive emotions which in turn boosts productivity. When people experience compassionate leadership and compassion at work, it strengthens their relationships with others. In an organisation which shows compassion to one another, it reduces employee turnover and drastically improves employees’ well-being, leading to an increase in productivity overtime.

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Working in Asia 2017 data shows that line managers are the most ineffective at connecting with other on a personal and emotional level. 43 per cent of employees rated their line managers as ‘weak’ at personal connections.
Fair exchanges at work tend to be intrinsically rewarding and unfair exchanges tend to trigger a threat response in people. There are different types of organisational fairness but generally two types of fairness directly affect employees:

- **Informational fairness:** This concerns "the adequacy of explanations regarding the execution of organisational policies".[49]
- **Procedural fairness:** Concerns organisational policies, rules and guidelines and how employees’ judgments of how these policies affect them.

Employees may perceive workplace fairness as "important in obtaining desired resources and outcomes".[49] Employees who perceive their workplace practices to be fair would then have the desire to work harder as it "reinforces the likelihood of future reciprocation".[49] Those who perceive organisational practices as unfair may reduce their work contributions as they suspect that fair reciprocation might not occur.
Negative feelings that stem from a perception of unfairness may lead to a “desire for retribution” and the person experiences a need to “punish those blamed for the problem” (usually the management or the entire organisation) by engaging in counterproductive acts, such as theft. This is a way for employees to “correct perceptions of injustice that they feel”50, 51. Folger53 proposed that when considering unfair treatment at work and the negative extent to which employees might respond, one must take into account the following two factors: the severity of the loss experienced by the individual and the “inappropriateness of the conduct by a supervisor or agent of authority”.

Fairness and Productivity

Workplace fairness seems to be highly dependent on the subject’s perception of fairness. Reactions to perceived fairness may be due to how certain situations are perceived and an employee’s perceptions of fairness when it comes to the distribution of resources in the organisation52. When employees have a better perception of justice and fairness in the workplace they are more engaged in their work.

In contrast, employees who perceive unfairness in the workplace are likely to experience feelings of under-appreciation and may display negative behaviours and emotions. They might even disengage and withdraw from work and become very fixated on minute details instead of seeing the big picture. They are more likely to feel that their expectations have been violated53. This may result in lower productivity and performance levels.

Fairness also seems to be tightly linked to status. Researchers suggest that workplace dissatisfaction arises when high performers and highly productive people are “at the same level in the organisation as other, low-performing workers but they are not differentiated by status”13. This encourages highly productive employees to disengage and work at lowered productivity levels.

Top Tips

Reducing the threats from unfairness

One of the methods that can be used to reduce threatening feelings arising from workplace unfairness would be for leaders to be more transparent around organisational issues. Openly communicating with employees and explaining how certain policies and procedures are put in place might be helpful.

Interestingly, as fairness and status are very closely linked, another way to increase perceptions of fairness is to increase the status of that individual. This would usually mean a promotion. However, it is important to take note that there is a ceiling to promotions and some types of jobs simply do not have the trajectory to allow constant promotions13.

Something else to consider would be “job ladders”: these are “sequences of jobs that employees move through in an organisation”54, 13. Jobs on the same ladder are of a similar character and once employees master the ones at the lower levels of the ladder, they can then move on to higher level ones. Each step up the job hierarchy/ladder “not only includes a marginal raise in pay but also reflects increased competence”13. Essentially, workers are receiving pay and status advances though they remain at the same level in the organisation. This method could help mitigate the feelings of unfairness some feel around matters concerning compensation.

Increasing the reward from fairness

A sense of unfairness usually results from a lack of clear expectations, objectives and ground rules. Establishing clear expectations in all situations is likely to reduce that. “Allowing teams to create their own rules (to an extent) could also help”52 as then, it is more likely for such self-driven teams to fairly determine respective workloads and the person responsible for each task.

Sometimes, all that is needed is a perception of fairness. For instance, senior leaders’ taking a pay cut when there is an economic crisis would usually make other employees feel the sense of unfairness less.
Top Tips for Managers and HR

In the report we have highlighted a variety of ways in which leaders and organisations can, by focusing on the human aspects of work, increase productivity. Below is a summary of the key actions we believe effective leaders should take to support their teams, which in turn will increase motivation, commitment and increase their organisation’s productivity:

Reduce

- Refrain from being overly critical with employees or insinuating that someone is ineffective in their work
- Keeping employees in the dark about organisational decisions and not communicating key events clearly
- Constantly dictating what needs to be done, instead of having dialogues and discussions
- Working in silos with minimal to no contact with others
- Little to no explanations for changes in organisational policies and procedures (ie: an increase in pay for some employees but not others)

Increase

- Acknowledge employees’ contributions through positive feedback and praise
- Provide training and learning opportunities for employees to further develop their skills
- Provide job clarity, clear expectations and set stretching yet achievable goals.
- Implement an effective performance feedback process
- Build resilience (Roffey Park, 2014)
- Build a climate that is supportive and friendly
- Offer employees choices to increase their sense of autonomy; provide opportunities to design their own workspace and manage their own working times
- Set up coaching, mentoring or buddy systems to increase safe connections at work
- Encourage teams to create their own set of rules and accountability

Issues in one area can be addressed by adjusting the other components of SCARF (ie: Unfairness can be mitigated by increasing a person’s status - see p16).

HR and leaders need to take a more strategic approach to increasing workplace productivity and employees should be a part of that approach. Combining innovation and technological advancements, making strategic changes to the culture and strengthening employees’ psychological contract, is the winning formula for addressing productivity concerns. Organisations need to start looking at the bigger picture and make their people a bigger part of their productivity growth efforts.

So what will you do today to increase productivity in your organisation?
References


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About Roffey Park

Roffey Park is an internationally renowned leadership institute based in the UK and Singapore.

We develop people who develop organisations.

With 70 years’ experience of leadership, organisational development, human resources and coaching, we provide executive education and research to many of the world’s leading companies and organisations.

We offer tailored development programmes, qualifications accredited by the University of Sussex, management consultancy, coaching and training courses. Our research services provide a unique combination of research, consultancy and development expertise for organisations who are investigating ways of improving their effectiveness and intelligence.

Research at Roffey Park

Roffey Park funds its own research programme with the aim of meeting one of its charitable objectives: namely to conduct and publish research in support of the health and welfare of people at work. Our research improves the world of work and organisational performance by sharing knowledge of good practice in people management, leadership and organisational development.