

# Productivity Improvement in Small Businesses

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**Abstract** — The report is about the steps that can be taken by small scale businesses to bring about improvement in productivity in the organization. The discussion focuses about the reasons for lower productivity and how the same can be addressed by the implementation of a number of steps. Considering the limited human resources and funding for carrying out the day to day operations, it can be seen that time management seems to be imperative in the case of small sized business. Thus, it is essential that the organization takes action for better time management in order to bring about improvement in their productivity levels as well as efficiency.

## Introduction

With limited staff and financial resources available with the organization, the staff and the small business owners are more often than not required to juggle a number of duties simultaneously in order to meet the day to day operations. Therefore, the scope to dawdle with their time schedule is sufficiently limited. Thus, time management plays a very crucial role in a small scale business. In order to increase productivity and improve an organization's efficiency it is imperative that the owners employ time management strategies. The management needs to recognize the activities that form the core of the business and it is essential that the management address the same in order to be able to expand their business further.

## COST EFFECTIVE WAYS IN WHICH SMALL BUSINESSES CAN IMPROVE PRODUCTIVITY

### EFFECTIVE BUSINESS PLAN IN PLACE

One of the most important things that a small business must have to ensure productivity and efficiency is to ensure that they have a firm business plan in place allotting the assignment and duties to all its employees that is reviewed on a regular basis by holding team meetings in order to ensure that everyone is on track (Kurniawati, 2015). A continuous interaction of the team members with the supervisor shall enable them to understand as to what needs to be accomplished on a daily basis and what is expected of them in the long term. With customized to do lists with each of the employees it shall ensure that even if the employees are temporarily distracted they can be made to be reverted back to their to-do lists and ensure they are back on track.

### IMPLEMENTATION OF INFORMATION SYSTEMS AND USE OF TECHNOLOGY

The use of information technology software for managing data and information is no longer just limited to large companies that have the capital requirements to set up the infrastructure required with IT. However, with technology such as cloud computing systems with third party servers providing IT services as per a client's requirement and business size it would help small businesses to better manage their data requirements and thus, ensure that they save time from going through physical paper work and data management. The use of IT services shall also ensure that the organization has better

connectivity on the go and also enable the employees to work from home or from any remote location by logging on to a digital platform and thus, contribute to productivity and efficiency in the business to a large extent.

### POSITIVE BUSINESS ENVIRONMENT

A positive business environment can also play a very important role in bringing about improvement in productivity. As per the American Management Association, a positive approach by the management team can definitely lead to positive results for any organization whether large or small in size. It is essential to acknowledge the accomplishments of the employees in the long run as it shall help them associate the strong positive work ethic with better results (Farsi, 2014). Thus, by being awarded for their efforts and being recognized by their achievements, will ensure that the employees are motivated to perform better and strive harder to achieve their targets which shall eventually contribute to greater productivity and better results.

### BETTER COMMUNICATION SYSTEM THROUGHOUT THE ORGANIZATION

Productivity within an organization is affected in case of a mistake committed by any employee, however, the productivity will be affected further in case of the mistake committed not communicated to the management at the right time. Therefore, it is essential that an efficient communication system is established within the small sized information. Using of digital platform where one to one messaging can be done along with group discussions can be useful in making communication efficient and time effective as well (Gupta, 2013). Thus, for a small sized organization, management should encourage open form of communication in order to ensure all the employees and the management are aware and on the same page.

### OUTSOURCING TRANSPORTATION NEEDS OF THE ORGANIZATION AS WELL AS OTHER NON CORE ACTIVITIES

For manufacturing companies that are small in size, in order to achieve efficiency in terms of logistics, it is essential that short and medium sized companies outsource their transportation needs. Organizations can make use of KPI and other forms of GPS software that will enable the organization to meet their transportation needs efficiently. Thus outsourcing

the transportation needs shall benefit the short and medium sized organizations, as it will help in reducing the cost of shipping the products and costs associated with in house warehousing as well. Thus, outsourcing of the non-core activities shall ensure that the management has the required time and financial resources to focus more upon the core activities of manufacturing, marketing and distribution. Thus, it would definitely contribute towards improvement of productivity and efficiency in the long run and help the business to grow and expand further.

#### **HIRING EMPLOYEES THAT ARE PROACTIVE**

As per a number of management training experts, it is seen that a productive workforce is one where the employees have clearly understood their job roles and have a clear idea about what is expected of them as well as those who enjoy their job. Thus, micro managing the employees and the workforce by the management and the owners would eventually result in the decrease in the degree of efficiency and productivity within the organization. Thus, with the given set of responsibilities and the expectation from the staff to multitask assuming a number of roles, it is necessary that the management provides the employees the authority and the requisite amount of freedom to deliver their duties. Thus, by having the appropriate training and efficiency as well as employee productivity monitoring system in place, the employees of a small scale business organization can be made to be much more proactive in their approach towards work and thereby enable the management to achieve greater productivity in the long run.

#### **MANAGEMENT TO ENSURE THAT THEY GET RESULTS**

A productive workplace is supposed to be one where the focus of the workplace is to achieve the objectives set in the business plan and achieve the results rather than just focus upon communication of the same. Therefore, efficiency can be achieved in the truest terms only if the employees are able to get the jobs and tasks done that are assigned to them within the given timeline (Farsi, 2014). It would therefore, be essential that the management create performance metrics and the same be included in their performance review in order to create incentive and drive them to achieve the desired results. Communication should be kept short and to the point by avoiding long drawn conversations among individuals as it would just result in loss of productivity time and bring down the overall efficiency level of the workforce.

#### **CONCLUSION**

Thus, there are a number of ways that the management of small scale business organization can carry out productivity improvements and increase efficiency levels of the workforce. Time management plays a crucial role in the case of small scale organizations as they have limited staff and funds to accomplish a long list of day to day activities. From the discussions it can be seen that using of cloud computing systems to meet the information needs of the organization can help in increasing productivity to a large extent along with outsourcing of noncore activities so that the management can focus more upon its core activities. By keeping the employees motivated through recognition and reward system in place can also

contribute in pushing the employees to work harder and therefore achieve better results.

#### **Bibliography**

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