

FEATURE

How to Build Sustainable Gains in Productivity

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Researchers who track worker productivity often find that productivity booms during a crisis and then dips when the crisis has passed.

For example, during the pandemic, productivity initially skyrocketed, according to the [Federal Reserve Bank of San Francisco - \(https://www.frbsf.org/research-and-insights/publications/economic-letter/2024/11/productivity-during-and-since-pandemic/\)](https://www.frbsf.org/research-and-insights/publications/economic-letter/2024/11/productivity-during-and-since-pandemic/). Some watchers predicted that the forced adoption of technology and increase in remote work might drive persistent gains. However, as the economy recovered, productivity gains slowed and eventually returned close to pre-pandemic lows, the Fed reports — and a similar boom-and-bust productivity cycle occurred during and after the 2008 recession.

For HR leaders, that raises the question: How can organizations avoid another rollercoaster of short-lived surges and declines, and instead build productivity that lasts?

Organizational leaders need productive employees to justify the funds they spend on human resources, but nobody wants to wait for a crisis to drive productivity gains. When HR leaders can demonstrate the link between employee productivity and the organization's bottom line, they can better illustrate the value of each function's contribution, according to SHRM's [2025 CHRO Benchmarking - \(https://www.shrm.org/content/dam/en/shrm/topics-tools/research/chro-benchmarking-data-brief.pdf\)](https://www.shrm.org/content/dam/en/shrm/topics-tools/research/chro-benchmarking-data-brief.pdf) data brief.

By understanding the shortcomings related to current productivity tracking and myths, HR leaders can start implementing the strategies that can help drive long-term gains in productivity.

Why Productivity May Boom During Crises

There are a number of possible reasons for productivity's cyclical nature. Workers' capacity may spike during crises because “urgency drives people to rally around immediate results,” said Karla Eidem, regional managing director for North America at Project Management Institute. During the COVID-19 vaccine rollout, for example, “teams achieved urgent, high-impact results under intense pressure. But without structure, these bursts aren't sustainable and can quickly lead to burnout and disengagement,” she said.

Other factors behind the cycle are economic. During a recession, companies often shed lower-productivity jobs, which can make their numbers look stronger in the short term. "Gross domestic product declines, but worker hours typically fall even faster," said Justin Ladner, senior labor economist at SHRM. "That can boost productivity figures temporarily. But over time, those layoffs backfire because firms lose workers they could have trained into higher productivity roles."

Traditionally, firms [measure productivity - \(https://www.shrm.org/labs/resources/productivity-is-the-new-hr-mandate--rethinking-front-line-training-to-unlock-performance \)](https://www.shrm.org/labs/resources/productivity-is-the-new-hr-mandate--rethinking-front-line-training-to-unlock-performance) based on hours logged or time taken to complete a task, but measuring workers' performance only by their output "has had poor results for both employees and businesses, often leading to burnout, low performance, and employee turnover," said Sue Cantrell, vice president of products and workforce strategies at Deloitte.

Her firm's [2025 Human Capital Trends report - \(https://www.deloitte.com/us/en/insights/topics/talent/human-capital-trends/2024.html%22%20/%20%22as-human-performance-takes-center \)](https://www.deloitte.com/us/en/insights/topics/talent/human-capital-trends/2024.html%22%20/%20%22as-human-performance-takes-center) found nearly three-quarters of respondents agree on the importance of rethinking productivity, but less than a fifth say their organization is effective at evaluating the value created by individual workers beyond tracking activities or outputs. "To achieve sustainable gains in productivity, organizations should consider moving beyond measuring activity or output alone and reframing productivity through the lens of human performance, focusing on both business and human outcomes," Cantrell said. "Human outcomes, for example, might include creating value for employees in terms of skills, opportunities, and well-being. Business outcomes might include improved innovation or quality."

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Productivity Myths May Curb Gains

Over the past few years as pandemic-era productivity gains have ebbed and flowed, many leaders have taken strong stances about remote work, return to office, or other practices they espouse for improved productivity. "There have been a lot of eye-catching headlines and research about pandemic-era changes and their impact on productivity, but not a lot of consensus," Ladner said. "Most people would agree that the answer depends on the type of role and the context."

Some workplace beliefs about productivity can harden into myths – and end up doing more harm than good. One common example from the pandemic was the idea that adding more digital tools would automatically make employees more productive, said Meg Donovan, chief people officer at Nextthink. "The proliferation of tools is not necessarily the best thing for employee productivity," she said. "The context switching needed to navigate between so many tools is a drag on our efficiency."

Another myth that emerged during the pandemic is that productivity can be accurately measured through activity tracking, Cantrell added. [Additional research from Deloitte - \(https://www.deloitte.com/global/en/issues/work/quantified-organization.html \)](https://www.deloitte.com/global/en/issues/work/quantified-organization.html) showed that this kind of oversight can lead to "productivity theater," where desk-based workers spend nearly 67 extra minutes per day simply trying to look busy, rather than creating real value.

"Clinging to these outdated measures not only fails to improve performance but also actively erodes trust, with employees feeling watched instead of supported," Cantrell said. "The reality is that productivity and human performance cannot be divorced. Organizations should look beyond superficial metrics and focus on outcomes that matter, such as skills development, well-being, and belonging. When companies prioritize trust, transparency, and shared value creation, they can unlock sustainable performance gains that benefit both their people and their business."

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Sustainable Productivity Gains Are Possible

To genuinely spur productivity gains over time, leaders must be strategic and targeted in their approach. "Only once leaders have taken the time to fully understand the existing landscape can they effectively identify tools or processes that can create meaningful productivity benefits," Donovan said. She recommended asking questions such as:

- What are the most labor-intensive processes within a given department?
- Which ones drive the most business value?
- Are there issues that are consistently creating friction for employees?

Beyond examining the status quo, the following strategies can help build long-term productivity gains.

Implement Systems for Goal Setting and Tracking

Times of crisis may spontaneously boost workers' capacity. But over the long term, productivity doesn't just happen; leaders must set up systems and processes that foster it.

In most organizations, productivity is helped when leaders provide "clarity around the overall purpose and goals as well as regular accountability around how teams are doing in reaching those goals," said Karyn Gordon, CEO at DK Leadership, a global leadership coaching company. She recommended setting a predictable cadence, weekly or at least monthly, for team members to check in with leaders about progress toward goals.

"When there are no regular check-ins and no clarity around purpose and goals, people get busy, priorities are not in the proper cadence, and you see productivity bursts up and down," Gordon said.

Focus on Employee Experience and Well-Being

Because productivity depends on people, it's also important to understand how people work and what they need to perform at a high level. In addition to an organizational system that is built for high performance, individuals on the team must also be allowed to figure out how they personally can be most productive. "All 24 hours in the day are not weighted the same," Gordon said. "Team members need to figure out at what time of day they get their best quality work done in the least amount of time, and if possible, craft their schedules to optimize their most productive hours for focused work."

In some organizations, frequent interruptions may be crippling productivity, Donovan said. Landmark psychology [research - \(https://psycnet.apa.org/record/2013-00033-001\)](https://psycnet.apa.org/record/2013-00033-001) found that an interruption of less than five seconds can cause the rate of errors made when completing a task to triple, "so enabling people to work without distractions is a huge deal in terms of productivity," she said. "Whether it's encouraging people to block out more focused time without calls and emails or making sure their equipment works as it should, the single biggest thing that businesses can do to boost productivity is ensure that workers can get on with their jobs without interference."

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Listen to Employees and Act on Feedback

Because the drivers of productivity are unique to each person, position, or team, leaders must look to employees to find out what works best for them. Megan Couch, chief experience officer at Integrity Staffing Solutions, recommended conducting surveys or roundtables to learn about employee preferences. "When you get their feedback, you have to act on it," she said. "And it has to be continual; you can't just do one survey. Whether they want upskilling or flexibility, finding ways to give employees what they want drives productivity."

For example, surveys of temporary staff at one Integrity Staffing client found a high desire for upward mobility. Couch and her team worked with the client to establish a clear path to promotion for entry-level staffers who meet specific benchmarks over 90 days, and an opportunity to become a manager after meeting additional benchmarks at the next level. With the path to advancement clearly established, the firm saw significant increases in productivity.

Plan for Evolution

Historically, some of the biggest gains in productivity have accompanied significant technical progress, such as the invention of electricity, the proliferation of computers, and the advent of the internet, Ladner said. "Emerging technology can drive productivity gains if organizations are well-managed and understand how to use that technology for their purposes," he said.

What works for productivity today may not work tomorrow, so leaders should always be prepared for change. As Ladner points out, what he would have recommended for boosting productivity in early 2022 was very different from what he would suggest just a year later, after ChatGPT made generative artificial intelligence broadly accessible.

"Change can be very sudden and extremely transformative," Ladner said. "It's helpful to have infrastructure in place that allows the workforce to be as adaptable as possible. People don't just enter an organization with a fixed set of skills that will not change; they think of themselves as being able to develop over time as the environment evolves."

Staying informed about new technologies and building a nimble, adaptable team is important, but Donovan cautioned against prioritizing tools over people. "Deciding on which tools to invest in should be the last thing businesses do when it comes to productivity," she said. "If you buy a \$3 million hammer, then everything will look like a nail. The only way to effectively safeguard productivity is to take the time to fully understand the reality of employees' daily experience and tailor solutions to specific needs. HR leaders in particular have a

responsibility to keep the human element front and center, because all too often people can end up being treated like widgets in a system instead of real people."

The Path to Lasting Productivity

Ultimately, sustainable productivity isn't about crisis-driven surges or quick fixes. It requires HR leaders to challenge outdated measures, focus on employee well-being, and prepare their organizations to adapt to rapid change. Those who strike the right balance between business outcomes and human outcomes will be best positioned to deliver lasting performance gains.

Nancy Mann Jackson is a freelance journalist and content writer who writes regularly about finance, insurance, HR, health care, and education. Her work has appeared in Entrepreneur, Forbes, Fortune, CNBC, and many other outlets. She is a frequent contributor to SHRM.

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