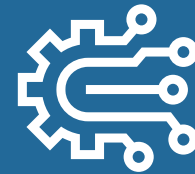


Gartner®

# The CHRO Guide for Maximizing Employee Productivity

4 key actions to boost employee  
productivity up to 35%



Growth continues to be a top priority for most CEOs, but recent shifts in an already tumultuous operating environment are driving increased levels of caution and stronger emphasis on cost optimization.

HR leaders are feeling the pressure.

Sixty-five percent of HR leaders now say improving employee productivity is more important than ever. Despite this newfound focus, employee productivity remains an elusive target. But what's really hampering these efforts?

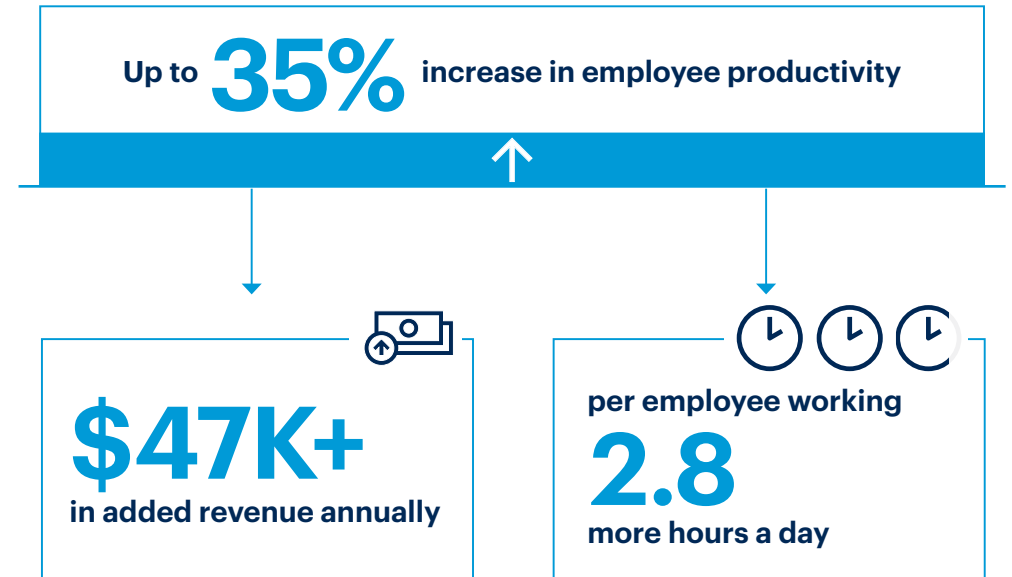
Gartner has identified four best practices that CHROs need to implement to achieve the full potential of their organizations' desired business outcomes:

- 1. Become a productivity partner.**
- 2. Define HR's role in AI enterprise strategy.**
- 3. Reframe the return-to-office (RTO) debate.**
- 4. Focus on data context over data quantity.**

Source: Gartner

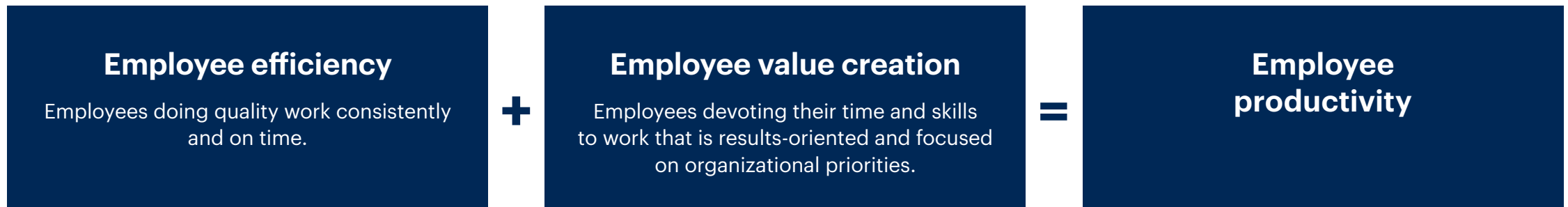
This guide provides CHROs with insights and key actions for overcoming employee productivity challenges.

### Benefits of executing on all four productivity actions:

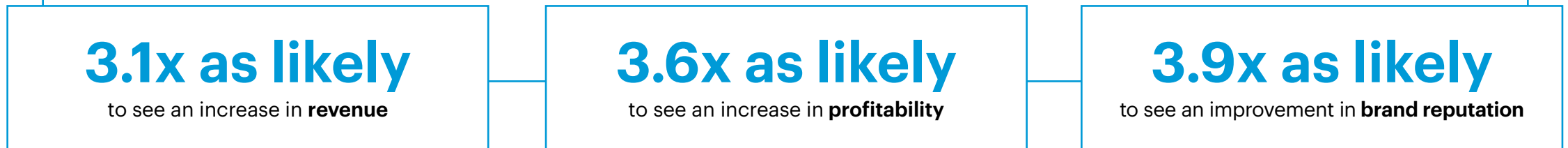


# How do you measure productivity?

Before taking steps to boost employee productivity, it's imperative to understand how to clearly define and effectively measure it. Although there are several methods of measurement, a working definition of productivity for knowledge workers should have two critical elements: employee efficiency and employee value creation.



When employees are productive in this way, their organizations are:



Source: Gartner



# Become a productivity partner

Executing on traditional HR initiatives and hoping productivity will follow by default is not sufficient. To help employees reach their productivity potential, CHROs must directly address productivity with targeted programs, policies and explicit goals to ensure leaders, managers and employees at all levels can effectively measure it. When HR gets directly involved in providing direction for productivity strategy and execution, employee productivity increases by up to 11%.

## → CHRO action

CHROs must identify cross-functional collaboration opportunities to measure and increase productivity. CHROs also need to help facilitate visibility into the collaborative initiatives between different levels within the organization while holding leaders, managers and employees accountable for measuring outcomes and increasing their productivity.

### CHROs must:

1. Have HR business partners (HRBPs) work with the business to co-create role-specific productivity metrics that link critical tasks in each role with measurable business outcomes.
2. Appoint “productivity champions” from the business to train managers on data interpretation and teach them to have better productivity coaching sessions with their teams.
3. Empower local leaders to decide when and how to act on productivity mandates.



Source: Gartner

## Become a productivity partner

# Your peers in action: Lee Health



Lee Health, a healthcare provider based in Fort Myers, Florida, understood that taking a top-down approach to boosting productivity had its risks. It could disenfranchise local leaders, put caregivers on edge by making them feel like they were somehow “not doing enough,” and lead to initiatives that didn’t reflect the day-to-day experiences of their employees.

Instead, Lee Health’s HR team took a dual approach to facilitate productivity leadership in both the central and local levels. This method enabled HR to act as the glue across the groups and gain visibility into the needs of each level.

Local leaders own the planning and execution of productivity initiatives that reflect the context, priorities and day-to-day experience of employees. The central leader council then reviews local leader proposals. Once initiatives are approved, they’re passed back to local leadership for implementation.

By tapping into leadership at both the central and local levels, HR at Lee Health enabled a collective effort where local leaders are empowered to be a core part of the solution.

Source: Adapted From Lee Health  
 a Central and Local Leader Councils refer to Lee Health’s System and Entity Councils.  
 b CNO refers to Chief Nursing Officer

### CHRO productivity leadership actions

- Co-sponsor self-governance
- Connect with organization’s mission
- Orchestrate nonpunitive productivity measurement and reporting

### Local HR productivity leadership actions

- Upskill local leaders
- Champion voice of the employee
- Account for change fatigue in action planning

#### Central Leader Council<sup>a</sup>

**Members:** Heads of function across Finance, IT, Medical  
**C-suite sponsors:** CHRO, CNO<sup>b</sup>

#### Local Leader Council<sup>a</sup>

**Members:** HR, nursing, medical and finance leaders

### Why this works



- ✓ HR has visibility into both enterprise needs and employee contexts.
- ✓ HR coordinates self-governance from a place of impartiality and credibility.
- ✓ HR operates within its swim lane, using core capabilities.



# Define HR's role in enterprise AI strategy

Though many leaders anticipate generative AI (GenAI) as a growth and productivity driver, only 8% of employees frequently using GenAI tools feel they're fully capturing speed and quality improvements.

## → CHRO action

To achieve the desired productivity benefits of GenAI, HR must plug three leaks: limited awareness, inconsistent adoption and ineffective use. To do so, HR must leverage its core competencies in change management, learning and development, and employee experience.

Productivity leak	HR opportunity	Employee-centric solution
Awareness	Change management	Develop a human-centric AI talent roadmap
Adoption	Learning and development	Foster a culture of AI literacy
Use	Employee experience	Shape AI use with employees

**+8%**

When an organization addresses GenAI awareness, adoption rates and usage experiences, employees can be up to **8% more productive.**

**2.7x**

They're also **2.7x as likely** to experience speed and quality gains from GenAI.

Source: Gartner



## Define HR's role in enterprise AI strategy

# Your peers in action: Red Hat



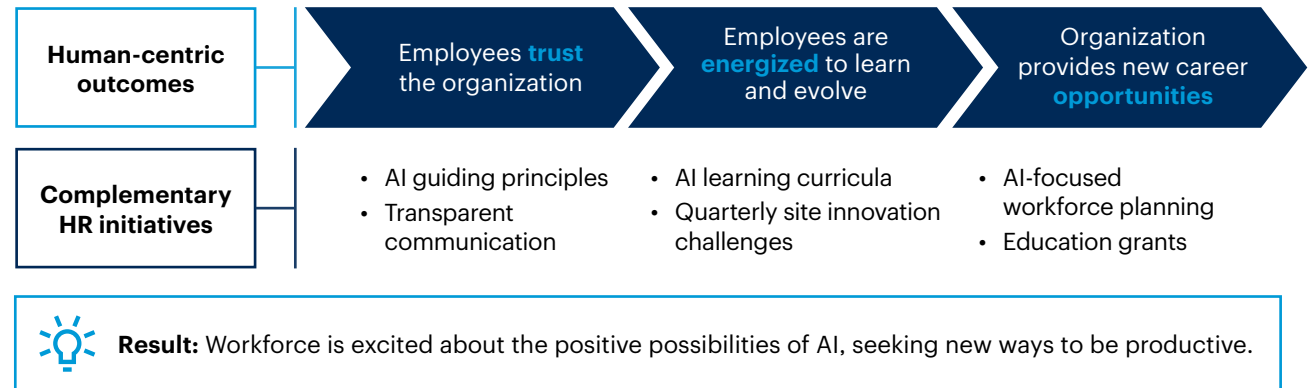
The CHRO at Red Hat identified three challenges inhibiting AI-enhanced productivity:

- 1. An evolving AI landscape:** HR faced a moving target as employee needs changed and new technologies emerged.
- 2. Low trust:** HR needed to address anxiety in the workforce caused by the replacement threat of technology.
- 3. Varied experience impact:** HR needed to adjust support and their communication strategy as disruptions to employee experience varied from group to group.

The CHRO helped Red Hat address the awareness leak by imagining what an AI-ready workforce could look like and developing an employee outcome-based roadmap to achieving AI-enhanced productivity. This effectively shifted the conversation from tactical to strategic.

By building an outcome-based roadmap around human-centric outcomes that provided clarity to employees around the initiative's focus, the CHRO at Red Hat was able to convert workforce anxiety around AI into excitement and is actively exploring new ways to boost their productivity.

An **outcomes-based roadmap** ensures ongoing alignment to employee needs as adoption grows and use cases proliferate.



Source: Adapted from Red Hat

Gartner clients can access additional client case studies on the "Adoption" and "Use" productivity leaks on the client portal.

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# Reframe the RTO debate

Gartner research revealed the same percentage of on-site and hybrid employees (21%) are ranked as highly productive. Unsurprisingly, recent RTO mandates are showing no immediate effect on employee productivity. However, RTO mandates can have a negative impact on talent outcomes, including a 10% decrease in intent to stay and a 19% increase in the number of employees engaging in “quiet quitting.”

## → CHRO action

Since there’s no real difference in productivity between on-site employees and hybrid employees, CHROs should focus on how work gets done, and not where work gets done, to build a productivity-focused team environment.

A team environment that boosts employee productivity is one that equips and powers employees to take ownership of boosting their own productivity, ultimately leading to improvements of up to 11%.

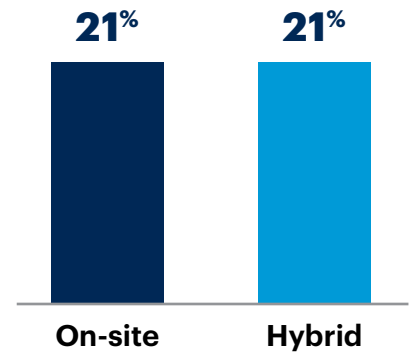
**CHROs must:**

- Enable teams to decide their own productivity values.
- Empower employees to solve their own productivity problems.
- Equip managers to have meaningful productivity conversations with employees.

Source: Gartner

## Productivity by work model

Percentage of employees who are highly productive, as reported by managers



It’s not about **where** work gets done, it’s about **how** work gets done.

Source: Gartner



## Reframe the RTO Debate

# Your peers in action: HOYA



HRBPs at HOYA, an optical products company, partnered with managers and employees to co-create role-specific productivity metrics that enable evidence-based performance management.

At HOYA, HR realized that managers' capacity for assessing and coaching productivity varied, which limited the organization's ability to meet its strategic goals.

HR worked with managers and employees to identify critical tasks and create role-specific productivity metrics, all tailored to workflows and linked to business outcomes.

CHROs should explore a similar process to equip managers with the necessary data for evidence-based performance management and to address employee fears of subjective evaluation in an in-person environment.

Source: Adapted from HOYA

### Steps HR takes to design productivity metrics in partnership with the business

HRBPs collaborate with those who know the work best to **co-create role-specific productivity metrics** that link critical tasks in each role with measurable business outcomes.

1
Identify **critical** tasks for each role
!

What does the work look like?

**- HRBP**

Managers
 Employees

- Which tasks are most essential to achieving your role objectives?
- What is the expected outcome of each task?
- Which tasks are part of your role but do not add value to the organization?

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2
Identify **measurable** aspects of work
📈

What can we measure accurately?

**- HRBP**

Business and functional leaders
 Finance leaders

- What are the steps that employees must take to complete this task?
- What data can we use to assess the completion of tasks?
- How can we establish a baseline of success for each task?



# Focus on data context over data quantity

Organizations relying too heavily on quantitative data to improve employee productivity often omit nonmeasurable and nondigital labor, which can inadvertently encourage employees to game the system and negatively affect engagement.

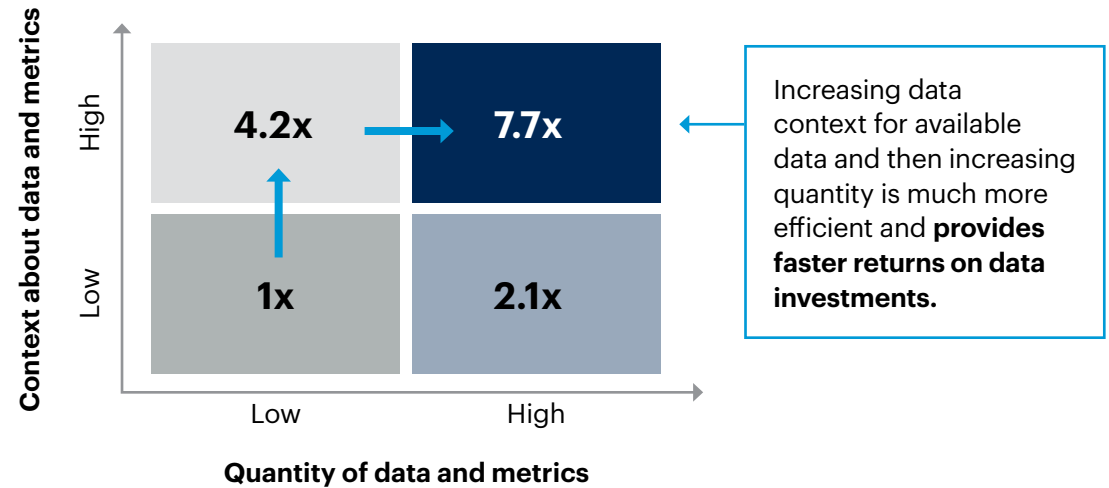
## → CHRO action

CHROs should focus on better understanding the data they have before collecting additional productivity data to better inform productivity decisions and drive faster ROI.

### CHROs can take three actions to ensure their productivity data comes with the needed context:

1. Design a targeted set of role-specific metrics.
2. Collect contextual information about the reported metrics.
3. Enable managers to use context-rich metrics in productivity conversations.

## Likelihood of employees being highly productive



n = 3,061 managers of knowledge workers  
Source: Gartner



## Focus on data context over data quantity

# Your peers in action: Lee Health

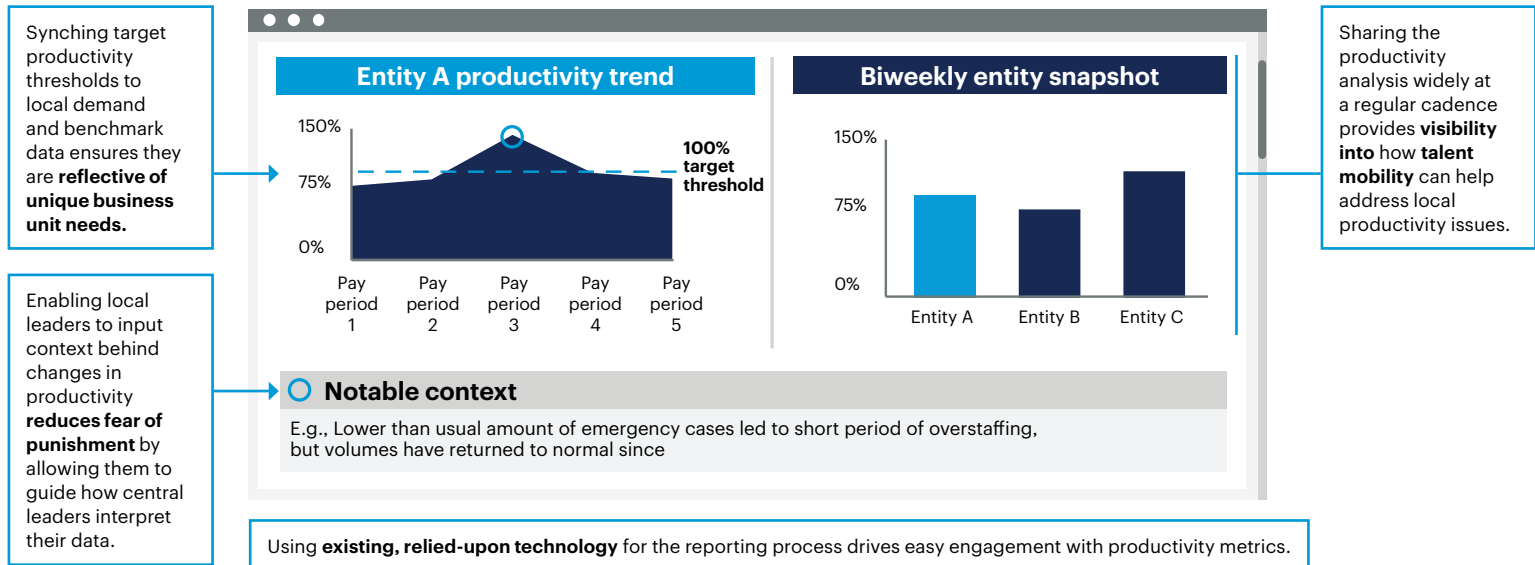


Lee Health discovered that employees are not comfortable self-reporting productivity metrics due to uncertainty around who will view that data and how it may be interpreted.

To help address employee concerns, Lee Health uses a productivity dashboard to provide context about reported metrics, enabling teams to determine the best way to act on productivity improvement opportunities.

Syncing target productivity thresholds to local demand and benchmark data, along with regularly sharing the productivity analysis, enabled local leaders to provide context behind productivity changes and reduce fear of punishment.

### Lee Health's productivity dashboard



Source: Adapted from Lee Health

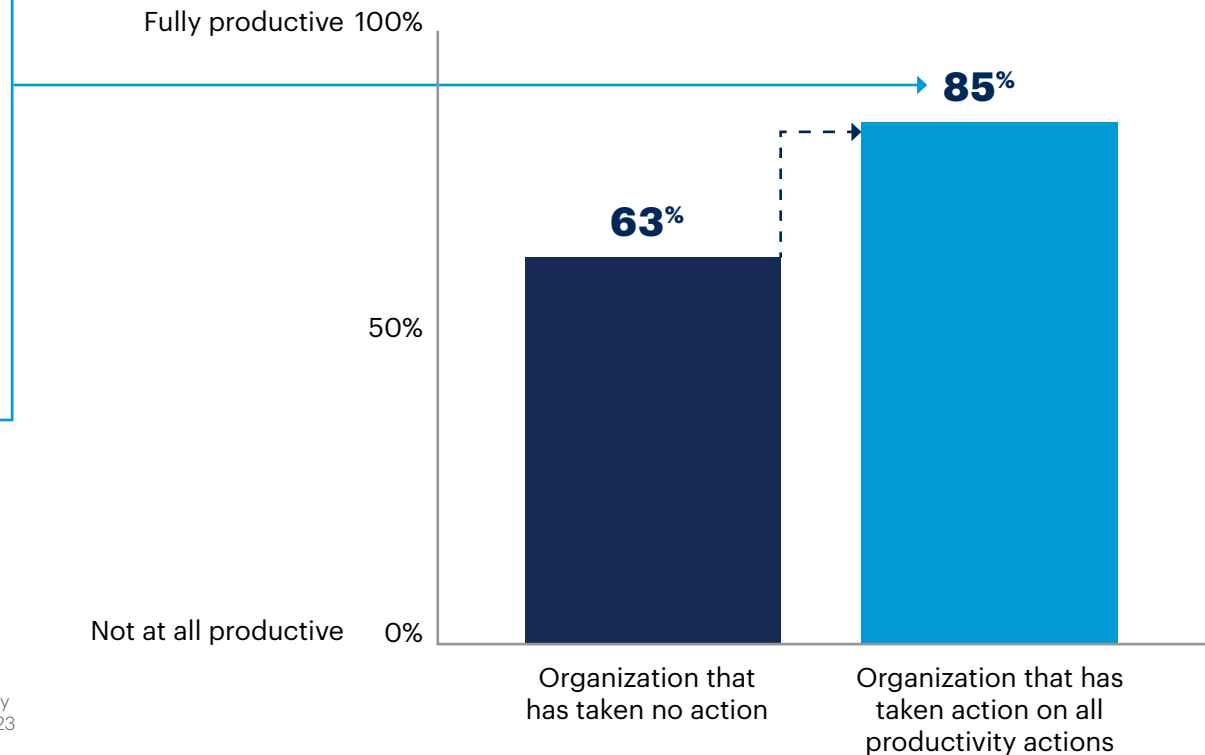


# Execute on all 4 productivity actions for maximum impact

By successfully implementing Gartner's four employee productivity best practices, organizations have the potential to **increase employee productivity up 35%**, which is equivalent to an employee working 2.8 more hours a day, generating \$47,000+ extra revenue annually.

- ✓ **Become a productivity partner.**
- ✓ **Define HR's role in AI enterprise strategy.**
- ✓ **Reframe the RTO debate.**
- ✓ **Focus on data context over data quantity.**

## Impact of executing on all four productivity actions



n = 1,938 managers of knowledge workers  
Source: Gartner

Note: Additional hours per day assumes average employee works 8 hours a day; Additional revenue/FTE calculated by identifying variance explained by multivariate regression model (R2=0.39), multiplying that by the 25th percentile 2023 revenue/FTE for S&P500 companies (\$350,000/FTE) and multiplying that value by maximum impact value (35%).

## How Gartner helps CHROs stay ahead

The decisions HR leaders make today can impact their organization’s business outcomes and brand for years to come. It’s critical to have trusted support. With our insight, actionable tools and guidance, we help HR leaders adapt their strategies across a variety of mission-critical priorities to set up their organization for success.



Diagnostics and benchmarks



Guides and toolkits



Expert inquiry



Expert research



In-person events



Peer connections



Case studies and best practices



Live webinars and online learning events



Document reviews

## Illustrative key initiative support you receive as a Gartner client:

For Gartner clients only

### Diagnose current state



Engage with a Gartner expert to create a roadmap for maximizing the productivity of your workforce.



Measure employee productivity at your organization and diagnose where to take corrective action using our Employee Productivity Diagnostic.



Benchmark your organization’s approach to change management against our best practice framework using HR Score.

### Develop your plan



Use our AI-Focused Workforce Planning Toolkit to develop a strategy reflecting AI’s impact on jobs.



Use the Productivity Strategy Risk Calculator to quantify the talent impact of your productivity strategy and share with your CEO and board of directors.



Understand how ROI mandates affect productivity and support sustained productivity.

### Execute and drive change



Identify role-specific productivity metrics and foster empowering employee discussions with our tools.



Collaborate on a communication strategy to secure stakeholder buy-in for productive behaviors.



Embed SugarCRM’s “Just Fix It” principles to drive sustained productivity through employee innovation.

# Actionable, objective insight

Position your organization for success.  
Explore these additional complimentary  
resources and tools for HR leaders:

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## Guide

### 2025 CHRO Talent Strategy Guide

Discover four critical actions to develop an effective talent strategy that supports ambitious organization growth goals.

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### How CHROs Can Help Employees Navigate Constant Change

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## Guide

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Discover expert insights for increasing productivity and strategies to nearly double the business value of HR's technology investments.

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## Tool

### Gartner HR Score

Objectively measure HR's functional performance and maturity to rank priorities by importance to drive better business outcomes.

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