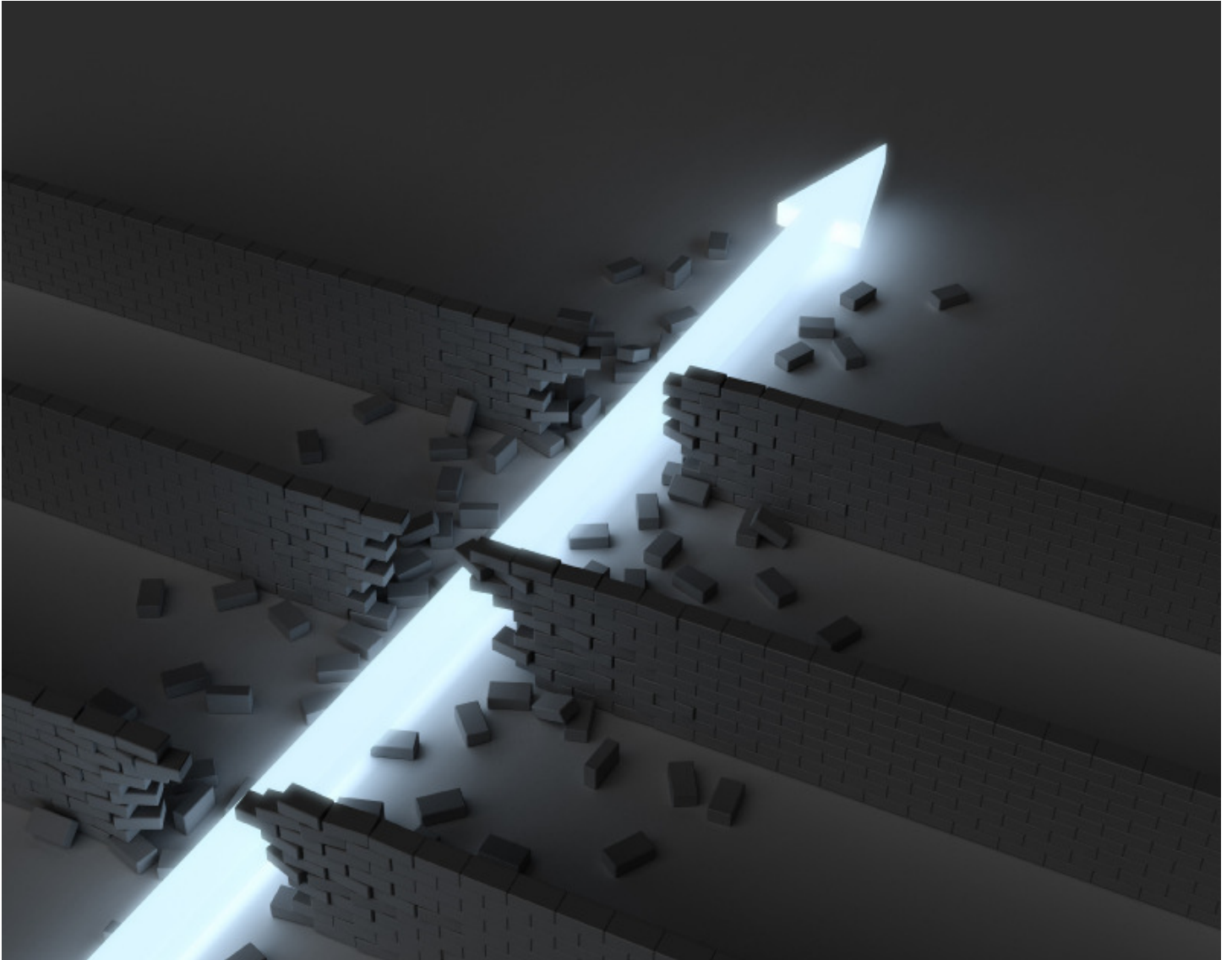


# **Sustained Success through Improved Productivity**



**5 ideas to embed productivity improvement  
for business survival**

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# **Sustained Success through Improved Productivity**

## **5 Ideas to Embed Productivity Improvement for Business Survival**

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## Executive Summary

Progress is a law of life and perhaps nowhere is this more manifest than in the business world. Indeed, in our fast-paced competitive economies it is vital for sustained success and long term survival. However, the constant demand for productivity improvement may be counter-productive in so far as people seem to be increasingly less engaged in their work. Whatever the reasons for this, improving productivity is unquestionably a greater challenge for you if your workforce is disengaged. In fact, any lack of productivity improvement may well indicate that your people are disengaged.

Nevertheless, for the purposes of this paper productivity improvement includes any demand for performance improvement, and - along with sense and respond, customer experience, retention and innovation - remains one of the 5 critical capabilities you need to build on for sustained success. Consequently this is a paradox that you must overcome.

You might better understand the paradox by recognising that productivity is perhaps a narrower, more inward-focused form of innovation and that innovation is not something that be commanded. Since nobody likes to be told what to do this must apply equally to productivity. Furthermore, because of this similarity, the same actions suggested for enhancing innovation capability also apply to productivity. Here however, 5 additional factors have been identified as helping to enhance this capability. Explained in more detail below, they are:

- Constructively challenge your subordinates;
- Challenge all targets;
- Encourage initiative;
- Consistently measure performance improvement;
- Encourage personal development.

Of course this has to be done in the right way if you are to engage your employees rather than making them more frustrated and disengaged.

The Zealise Assessment Programme will help you with this. It builds on the corollary that shortcomings in any of the 5 critical capabilities are de facto evidence of existing employee engagement problems and thus provides you with a mechanism to very quickly assess their scale and identify what action you need to take to redress them. It offers you an extremely cost effective way to stop haemorrhaging the costs associated with poor employee engagement and deliver short-term bottom line gains, and a second-to-none way to reduce the threats against your sustained success.

Contact us now to find out more about how we can help you.

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## A law of life

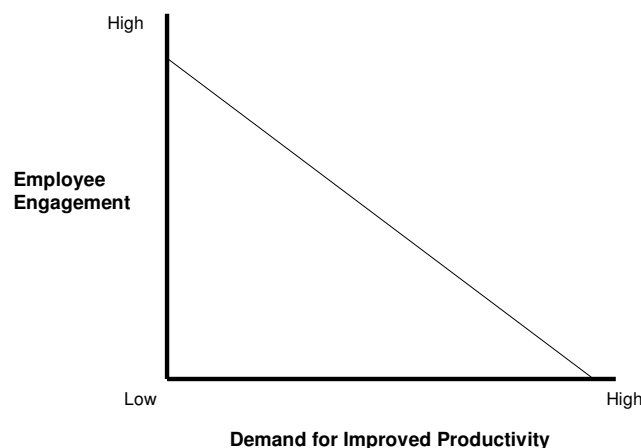
Progress is undoubtedly a law of life, and progress inevitably entails improving productivity. While this may be arguable in the natural world, it certainly is not when it comes to humanity, where it is an overriding factor in history as well as in commerce. As a result I am sure you will agree that productivity is a vital capability for any business that is looking for sustained success, and that without improved productivity your chances of business survival are at best slim.

This is why you face incessant demands for improved productivity and a seemingly endless, relentless pressure to continue doing more with less. It may sometimes seem unbearable but it is nevertheless logical and inexorable and is thus something from which you are unlikely to escape, unless you drop out of the world and become a beachcomber.

However, the sheer relenting pressure can itself become counterproductive.

## The 'Productivity Paradox'

The 'productivity paradox' is the downward force that the constant demand for improved productivity - doing more with less - has on people and their performance. It is the reason why employee engagement continues to decline despite all your initiatives to improve working conditions for your people. This is depicted in the diagram below.

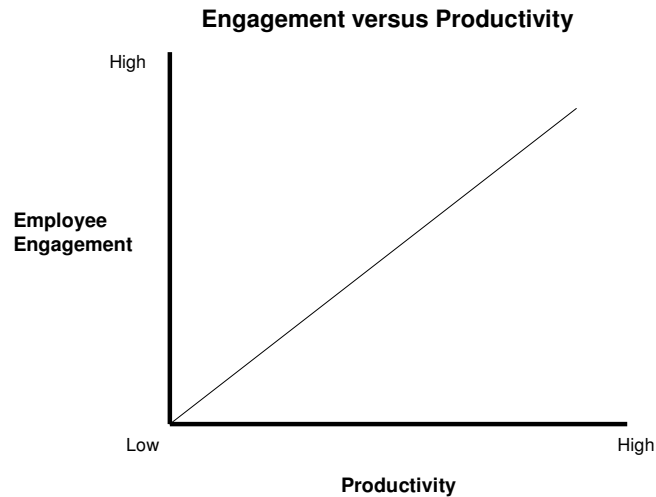


Because nobody likes being told what to do any more than rebellious teenagers, your people become disaffected by constant urging to be more productive. Thus as you continue efforts to improve performance, employee engagement deteriorates, something clearly borne out by the various employee engagement surveys, which show:

- Deteriorating trends in employee engagement; and
- This to be a worldwide problem.

It is therefore likely that this is a problem that must also affect you. With all the negative connotations this has, and their equally negative impact on your bottom line results, this creates a vicious cycle that makes your life even more difficult.

You will of course note that the diagram plots employee engagement against the *demand for improved productivity*. This is not the same as productivity, for when you plot employee engagement against productivity the graph is as follows:



Clearly then the secret to breaking the 'productivity paradox' and ensuring productivity improvement is to keep your people engaged. There is nothing profound or new in this. When your people are engaged your productivity rises, reversing that cycle and creating a virtuous cycle in its stead. If nothing else, this illustrates precisely why your people are your most important asset!

It also leads to two logical conclusions that form the central thread of this paper.

1. Productivity improvement is a major challenge when people are disengaged.
2. Inadequate productivity improvement may be a strong signal that your people are not engaged.

## Survival Critical Capabilities

However, productivity is just one of 5 particular capabilities that you need to monitor to build sustained success and ensure your long term survival in business. These 5 can be recalled by mnemonic SCRIP, where the P represents productivity. The other 4 are:

- Send & Respond;
- Customer Experience;
- Retention - looking at both employees and customers;
- Innovation.

If any of these 5 is not functioning effectively they provide an indication that your employee engagement is not all it should be. Why? Simply because they are all issues that an engaged work force ought to be tuned into, pick up on and be prepared to do something about. If they do none of these you, ipso facto, have a problem with employee engagement.

The focus here is productivity and it is outside the scope of this paper to explain these others here but you can learn about all 5 and find out more about them from my paper, "Empowering Employee Engagement: 5 Essential Capabilities for Sustained Business Success" which is available upon request or as a free download from my website [www.zealise.com](http://www.zealise.com)

It is perhaps worthwhile pointing out here, that for the purposes of this paper, the term productivity incorporates everything to with performance improvement and the terms could be used interchangeably. For this reason and because the 5 capabilities are inevitably interlinked, there boundary lines between them are blurred, and actions that I have listed under one capability could apply just as much to one or more of the others.

## Top down versus bottom up

The point made earlier about people disliking being told what to do is a critical one that you as a business leader need to keep in mind at all times. It infers the principle that trying to instil productivity from above is counter-productive. I would also suggest that it smacks of arrogance, because - other than providing and shaping the environment in which people work - you actually have little power over how a person does their work on a day-to-day basis. What we do and how we do it is ultimately always a personal choice. Consequently you will have a far greater chance of improving productivity and performance significantly if you simply let people know what you want and let them get on with it on their own - which is, of course, precisely the philosophy that underpins the whole concept of empowerment.

The thrust of the empowerment argument is that self-management is better than management. It is a major consideration for you to bear in mind if you are looking for a lean organisation, because, if nothing else, it:

- Reduces the workload on managers;
- Should therefore ease both your time constraints and your frustrations from being constantly diverted from your major priorities;
- Reduces the frustration you are likely to suffer from efforts that only generate a fraction of the rewards or returns that you anticipate. It thus has to also be better for your long term health.

Consequently as a fundamental principle you should always be looking for bottom up approaches to drive productivity improvement, as well as to support any initiatives you wish to introduce.

## Innovation versus productivity improvement

The fusion of the concepts of productivity and performance improvement begs the question, "What is different about innovation?" Certainly innovation is intrinsically a form of performance improvement, but it also has a broader connotation in so far as it includes looking outside as well as inside the organisation. Nevertheless, you should note that, because the internal aspects are identical all the factors identified for innovation apply equally here. (You can find learn more about those from my separate paper on innovation, "Innovate to Sustained Success." You can obtain this paper as a free download from [www.transformyourorganisation.com](http://www.transformyourorganisation.com) or by request from [info@zealise.com](mailto:info@zealise.com) or by calling us on +44 (0)1254 727652.)

It may be worthwhile, however, to list the points made under innovation, which are:

- Empower your people
- Reduce the number of rules
- Listen
- Acknowledge
- Encourage and evaluate new ideas
- Follow through on new ideas
- Feedback on results

As I have just said, you could apply them all here too.

Naturally the converse also works, and you could apply the following points to innovation as well.

## Embed performance improvement in your culture

This is perhaps the one area where, despite the virtually identical meaning, you may do better to use the term performance improvement rather than productivity improvement, only because it is less threatening.

That being said, the key here is that productivity is a cultural issue and to that extent entails all the elements associated with building or transforming your organisational culture. This boils down to instilling the values that you wish to see manifested in your business. Consequently, as you well know, this entails:

1. Identifying and communicating your values. Ensure that your values are clearly articulated and well publicised throughout the organisation. Explain the reasons behind them, give practical examples that your people can relate to and give your people the chance to challenge them and give well reasoned rebuttals for any challenges you do receive.
2. Making sure you always keep these values in mind yourself and that your behaviours reflect them. There is no surer or quicker way to undermine values than to disregard them yourself, so set a good example by ensuring that you are always seen to behave in a way which reinforces the values.
3. Doing whatever you can to build them into your processes and systems

The ways in which you do this specifically for performance improvement are:

### 1. Challenge your subordinates

In everything you do and in every interaction with your subordinates - consciously, but subtly, challenge how things could have been better. Ask questions like:

- What problems did you encounter?
- What do you do to overcome these problems?
- What have you done to prevent the problem happening again?
- What lessons did you learn from this experience?
- Have you shared the lessons you learned with your colleagues so if any of them encounter the same problem they can address it without the difficulties you had?

Create the expectation that you will ask these questions and you will find that people start answering them without being asked.

Note too, that you can apply this approach to others as well, especially vendors and customers. In fact ensuring that you do so will reinforce the point to others in your company who deal with them, and contribute to all round improvement across the board.

### 2. Challenge targets

Whenever you are reviewing plans, budgets or targets, be sure you challenge them. This is not just to ensure they are realistic, but also to:

- a) Identify *all* the constituent elements;
- b) Ascertain what assumptions have been made;
- c) Check those assumptions against past performance; and
- d) Look for areas where performance can be built in.

If you are thorough, you will ensure the people presenting them to you are also thorough, and thus enhance the likelihood of improvement.

### 3. Encourage initiative

While these points are all fairly obvious, consistently practising them will do more than anything to build a culture of continuous improvement. However, you should further reinforce this by:

- Encouraging initiative and ensuring people have the ability to experiment and try out new things without fear of failure or criticism, providing they communicate

what they are doing beforehand with all others who might be affected by their actions.

- Wherever possible and appropriate, (without creating unnecessary bureaucracy) treat all new initiatives as mini-projects managed by the instigator.
- Having a recognised budget for small scale improvement mini-projects.
- Ensure there is an executive sponsor for all performance improvement initiatives.

#### **4. Consistently measure performance improvement**

As part of the reporting process, build in the ongoing ability to quantify the expected and actual gains delivered through performance improvement, and treat this just as seriously as all other financial reporting.

#### **5. Encourage Personal Development**

It is often said that the training budget is one of the first to be cut when times get tough. Ensure that this is not the case in your company and that there is executive commitment to the development of your people.

Specific suggestions you might like to follow here include:

- Ensuring that your training and development budget is closely monitored by the executive team, and - as far as possible, is considered sacrosanct.
- Ensuring that all training is cost benefit justified before being booked.
- Ensure that both manager and individual understand:
  - The rationale for attendance on the training;
  - What lessons are expected to be learned from the training;
  - What change in performance is expected as a result of the course; and
  - How this performance improvement will be measured.

This is extremely important if you really want to have engaged employees who are committed to your business and its sustained success.

## **Employee Engagement**

In fact employee engagement is unquestionably the single strongest thread running through your mission to build sustained success. Ultimately, business boils down to people. It does not matter how good your plant is or your product, your business is ultimately dependent on your people and the way they support its objectives in their dealings with customers and potential customers (as well as other stakeholders.)

So not only are people the greatest asset you claim them to be, but they are your most important asset. Thus your ability to sustain success is ultimately dependent on your people. Consequently, you could say that SCRIP is not only a useful barometer for measuring your ability to sustain success, but also the key to measuring just how engaged your people really are. Why? Because the extent of shortcomings in your SCRIP measures is indicative of the extent to which your people are failing in these areas. *Any* failure here is because there is a gap in understanding of what your business needs to do to sustain success and/or a commitment to meet those needs.

In light of this it is hardly surprising the employee disengagement is estimated to cost the US economy \$300 billion a year. And remember that figure is an aggregate, made up of its effect on all businesses in the US economy. And survey results indicate that employee disengagement is just as much, if not more, of a problem in other major economies. So what is it costing your business and to what extent is it putting your long term prospects at risk?

## Don't take a chance

Of course it is no good identifying all these capabilities that are essential for sustained success without have a way to measure yourself against them. That is why I have used them to build a high-powered, cost-effective assessment tool that will enable you to:

- Assess your position; and
- Develop a targeted action plan to address any shortcomings.

Now is the perfect time for you to conduct a review. There are many who say that there are more nasty surprises in store and that the economic climate is going to get worse before it gets better. Not only will an assessment help you to ensure that there are no nasty surprises lurking in your business, but it will simultaneously help ensure you meet your executive accountabilities properly. It will also position you for both the short term and the long term and thus to lay the foundation for your future sustained success.

To what extent is productivity an issue in your business?  
How successful are your efforts to improve productivity?  
What returns are you getting on your efforts to improve productivity?  
Is there an organisational fatigue with efforts to continually improve performance?  
To what extent do employees initiate productivity improvements of their own accord?

Find out now how you can engage your people more or undertake an assessment to help you answer these questions, or others you may have, or just to assess how engaged your people really are.

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## About Bay Jordan



Bay Jordan is the author of "*Lean Organisations Need FAT People*" and "*A Feeling of Worth*" and the founding director of Zealise Limited, a consultancy he is building on his recognition that the failure to fully recognise the human element in managing change has been a primary cause of increasing employee disengagement, and the reason why so few ICT projects have ever realised the full benefits projected for them. He recognises that sustained competitiveness is impossible with disengaged people. Accordingly, he has an innovative new approach to flushing out and rectifying these problems. He fully expects his solutions to potentially to improve your bottom line results by *at least 20%*.

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