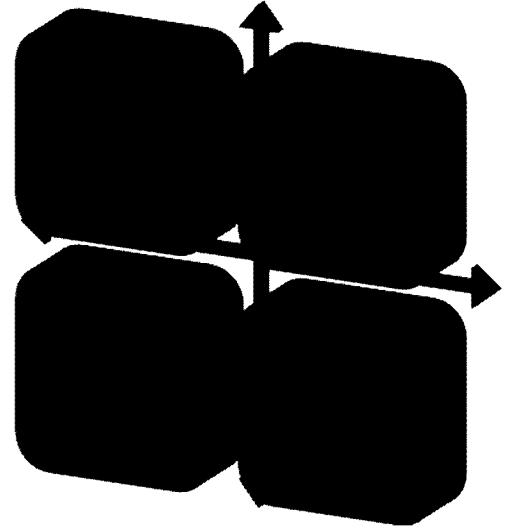


How do high performing managers get more for the same?

They start by examining things in a systematic, purposeful, and objective way. Then they use these insights to take action – to deal with the causes of poor productivity and to replicate the magic where high performance already exists.



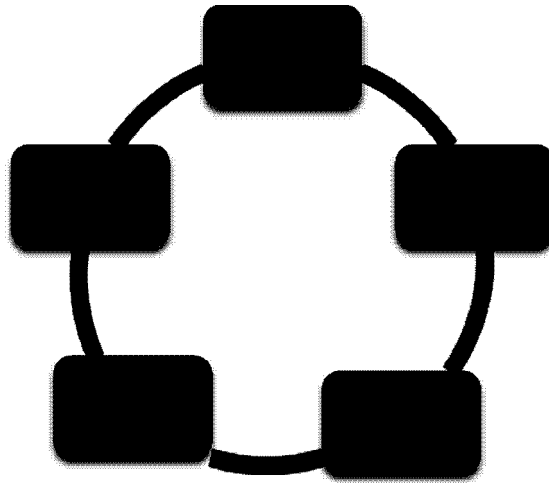
Aside from Kaizen¹ type improvements, it's not unusual to find productivity gains of 10% or more from projects by seeking step gains in efficiency, and preparing for post-project incremental gains.

People, process, and strategy are necessary to get outputs delivered. There are usually good gains in productivity to be made by understanding any weaknesses in the links between them - gathering and analysing relevant facts to be clear about productivity problems/opportunities, coming up with practical remedial options; then taking action.

Gains in productivity through improving the people-process-strategy chain can be split into five areas (tools-platforms-people-judgement-knowledge). Focusing on each are will yield worthwhile benefits, but the benefits will be magnified when put into a coherent programme that does not overstretch the organisation.

¹ a philosophy implemented in post-war Japan that focuses upon continuous improvement of processes by the explicit removal of waste ("muda")





Danger Will Robinson! Danger! Danger!!

As the Robot warned in old “Lost in Space” episodes, be careful when looking for gains from a productivity improvement project, whichever of the five areas are subject to focus.

There are two enticing traps in which to fall: mistaking a short term blip as a permanent trend; and believing that that a work horse can always carry just a little bit more.

In the first instance, productivity often rises temporarily simply through the act of observation, even if nothing is changed².

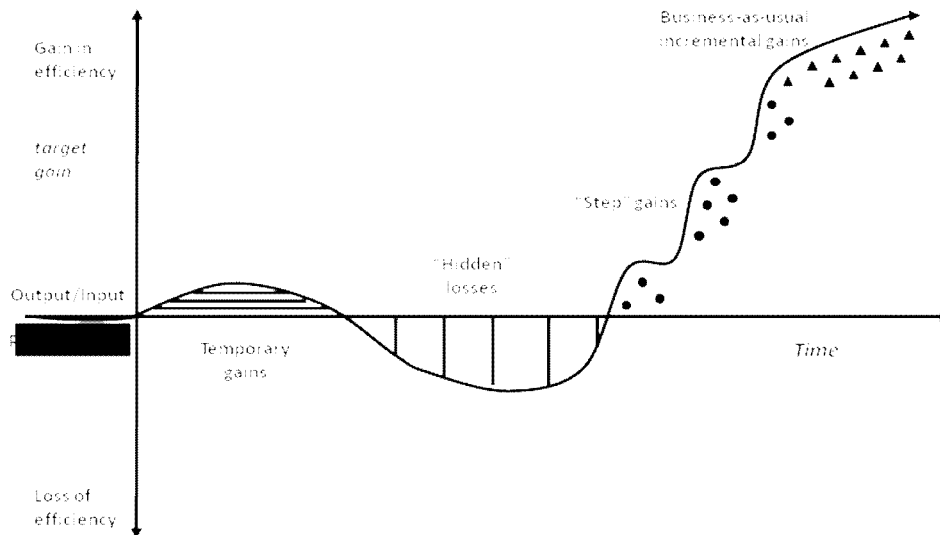
In the second instance, there are always detrimental impacts if a project is not managed carefully. As a productivity initiative moves out of the initiation stage, uncertainty and the demands of introducing changes while maintaining business-as-usual often mean that everyday business suffers. The same pressures mean that the change is not implemented properly either. It’s like trying to change a tyre while going down the motorway – speed, safety and comfort are all compromised. Enthusiasm and optimism prevent full discussion prior to the launch; ego and career paper over failures.

A positive scenario

In an organisation run by realists, a productivity improvement project may play out like this: There are temporary gains after the initial launch due to renewed enthusiasm and the Hawthorne Effect. Then the transition occurs, during which time productivity slips as staff members learn the new way of doing things, processes are changed and new tools are bedded down. The “hidden losses” suffered in morale, lower quality output, etc are anticipated, acknowledged and minimised. As the transition starts to complete, waves of planned and unplanned step gains wash in; and as the big gains are consolidated, so the foundations are set for the workforce to carry on with incremental improvements.

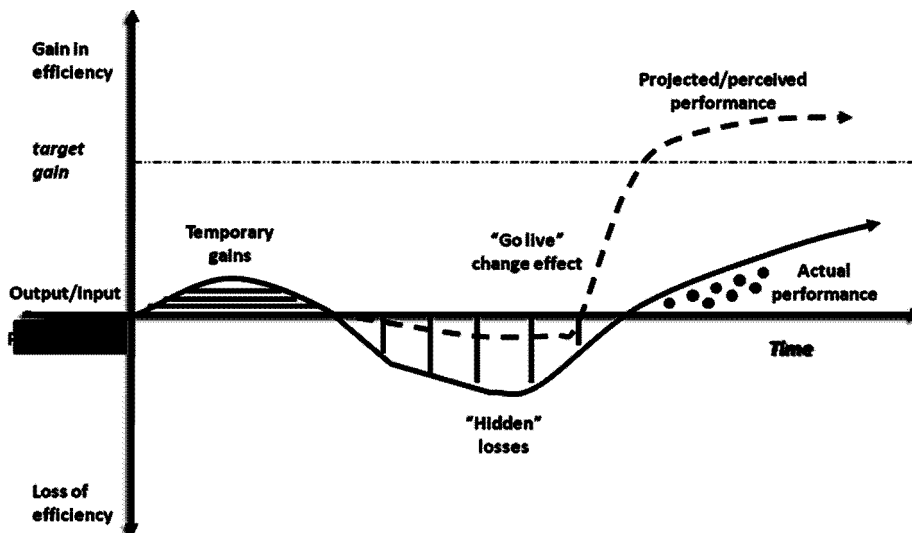
² This is known as the “Hawthorne Affect”, coined in 1955 about the 1926-32 experiments at the Hawthorne plant of Western Electric, where it was noted that observation of processes in itself appeared to improve performance.



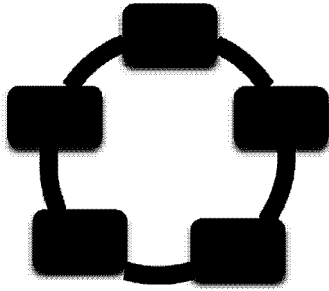


A common scenario

More commonly, a change initiative commissioned to improve productivity plays out something like this: Initial temporary gains are used as proof that the changes are working even before they are fully implemented. The “hidden costs” of the transition are not fully acknowledged because they were not fully understood or highlighted in the business case, so those associated with the project don’t want to undermine the positive messages that were sent out after the initial temporary gains. When the project goes live, a lot of spin is given to the reporting of success. Too many reputations, contracts, egos, and careers are at stake for bad news to be acknowledged without a fight. Given that a lot of projects don’t measure the benefits to be gained against a pre-project benchmark, it is not always that difficult to align projected and perceived performance. In fact, performance may actually improve markedly, but not to target levels or as quickly as reported. It is only left then to declare victory and move on.



Summary



Every organisation rests on a three legged stool of people, process and strategy. Significant productivity improvements can be gained by focusing on five areas (tools, platforms, people, judgement, and knowledge).

Be wary of early apparent success and hidden costs. Managing realistic expectations based on objective measurement will yield the best long term effects.

About the author



Adrian Sparrow has worked in senior management positions in a variety of industries. He was a consultant for Alexander Proudfoot, KPMG, and Deloitte. He has Masters degrees from Cranfield and Massey Universities. Adrian tries to bring insight and practical thinking to problems facing organisations.

