

The Productivity Wheel



This Productivity Special Edition of HR Heads Up will introduce how our HR services can combine to drive your business' performance.

The Productivity Puzzle

In recent years, we have become accustomed to hearing from the media, business groups and numerous Chancellors that UK productivity falls short of other developed countries. Recent data from the Office for National Statistics suggests output per hour worked in the UK was 15.9% below the average for the rest of the G7 advanced economies. The UK's "productivity puzzle" – the difference between post-downturn productivity performance and the pre-downturn trend – is 15.2%, double the average of 7.5% across the G7 Group.

What does this really mean and why is so much emphasis placed on productivity?

Productivity measures the output per worker over a period of time and is an important factor in determining the potential of a country's economy to grow. Traditionally, we think of productivity as a measure more associated with manufacturing or other blue collar industries. However, it affects all sectors of the economy and research indicates that the stagnation of

productivity in the UK is primarily explained by just four sectors: professional services; telecommunications and computing; banking and finance; and manufacturing.

So what is going wrong?

No one is entirely sure, and the likelihood is there are multiple reasons affecting different size/types of organisations in different ways. Anecdotal evidence suggests that many organisations are still not securing enough, or the right kind of, work. Research conducted by the Financial Times suggests there is still a reluctance to identify and tackle underperformers or reduce headcount to control costs. The Economist estimates that poor management accounts for as much as 25% of the productivity gap. Equally, employees are still not thinking about profit nor utilising IT as efficiently as they could.

What can organisations do?

It is a multi-faceted problem which requires a range of business solutions including business strategy planning, embracing technological advances, sound financial management and the way you manage your people.

The Productivity Wheel

One of the most effective ways

of improving organisational productivity is through a coordinated approach to people management. Very often Management value their people but are unable to join up the areas of HR expertise to have a tangible impact on their company's performance. In other words, to ensure individual effort on a daily basis aligns and converts into revenue and strong profit growth for the business.

Rather than just expecting employees to continue to increase effort, using the same work methods they have always used, many organisations will benefit from re-establishing or revisiting HR practices and going back and asking, "What are we trying to achieve?" Taking back control of your company by setting clear goals and frameworks and being able to keep this on track with simple and consistent performance measurement will set the foundations for increasing productivity.

Developing your people and valuing their contribution, whilst caring for their wellbeing, will lead to them mirroring your investment and them truly caring about your organisation and being part of something that is more than just a 'pay cheque'.

Is it a case of all or nothing?

No, each segment of our Productivity Wheel can be done in isolation. Where you start and what area you tackle next will depend upon where your organisation is with its HR. There is no order of priority, although ideally, you would start by establishing your business strategy before progressing clockwise.

In this edition, and over the coming months, we will expand on these segment titles through articles and case studies that will show the underlying HR that turns the theory into reality.

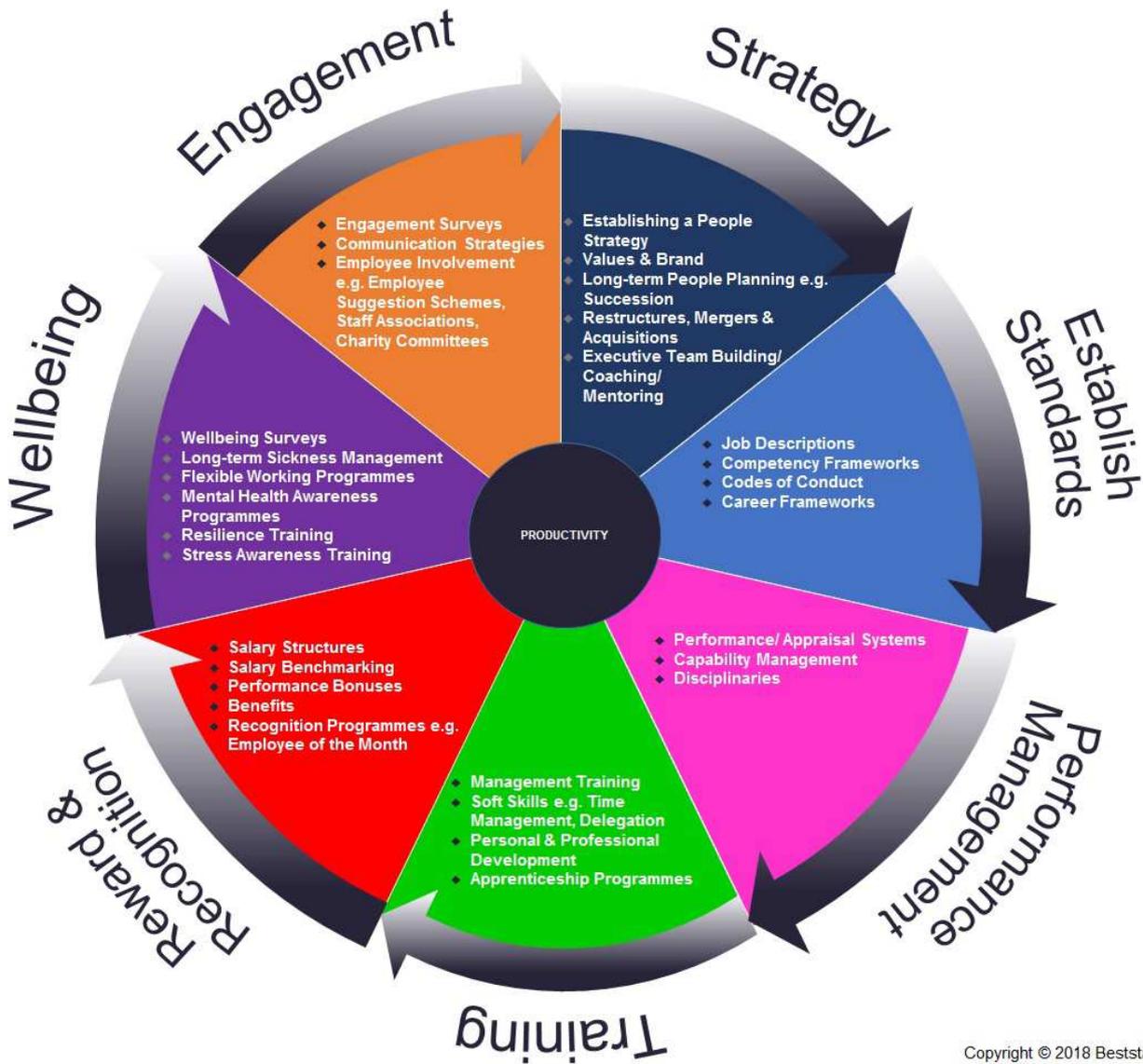
For more information, call us on 01438 747 747 or email enquiries@beststarthr.com.

BESTSTART HR *Driving Productivity*

The Productivity Wheel



A blue print to get the best from your people. The route to increasing your organisation's productivity.



Copyright © 2018 Beststart HR

BESTSTART HR *Driving Productivity*

Call us on 01438 747 747 or email enquiries@beststarthr.com if you would like to discuss any of these specific HR areas.

Establishing a People Strategy in a SME

Typically, most SMEs have limited resources with individuals wearing many hats and mucking in to get jobs done including those related to HR. Whoever is the least busy gets to hire the next employee, to Google the answer to a query or deal with the staff moans and groans. HR is seen as a barrier to growth or at best a necessary evil, neither of which is likely to encourage a SME to create and adopt a HR strategy.

Whilst many SMEs including those who are service based survive initially, 60% fail in the first 5 years – having no plan and poor management being in the top 10 reasons for failure. In addition, not all those who survive reach their growth potential.

So when should an SME start to plan and consider their HR strategy?

There is no magic formula or set time but for many it is when the owners or senior management seem to spend more time addressing people-related problems or the operational side of the business becomes unwieldy and manging informally doesn't appear to work anymore. This is the time to take back control of the people side of the business through setting a people plan. That is all an HR Strategy is – a plan of the people you will need: what they will do; how you will manage and motivate them to reach targets; how they will develop and grow; and how you intend to maintain the culture and values you have so carefully fostered. In short, a plan outlining what you need to do from a people perspective to reach your business goal. This can be one or multiple pages long – the length and format are not important, it is the content that is crucial.

Most people strategies cover a number of components, each detailing how that element of people management will contribute to the business' success whatever that looks like:

1. *What roles are required now and in the future and what are the key skills, knowledge, experience and characteristics of the ideal people to*

fill these? It is important to get the balance right between technical capabilities and softer competencies and values, which will contribute to the company's culture.

2. *How will these roles be managed and the people motivated?* This covers management structure and capability; processes to monitor, support and encourage performance; reward structures; engagement and involvement techniques; and the activities which will enhance the culture and make people want to come to work.
3. *How will you achieve growth and succession?* Promotion from within is attractive when recruitment costs are so high and common selection tools are notoriously unreliable but this is only likely to be successful if you train, mentor, coach and support people to grow within the company.



Photo courtesy of and copyright Free Range Stock, www.freerangestock.com

4. *How will the people strategy be implemented and measured?* To really reap the benefit of this, the company will need to invest in expertise to proactively drive the strategy and therefore the informal, 'all muck in' approach to HR is unlikely to be enough.

Whilst definitely not rocket science, many SMEs need some help to establish their first HR strategy and that is where we come in.

Call us now to discuss how we can help you to get control back of your people.



BESTSTART HR *Driving Productivity*

Why have written Job Descriptions and Person Specifications?

There is one simple answer to this – if you don't tell someone what you require them to do and what 'good' looks like, how can you expect them to meet your expectations?

In many SMEs, jobs grow and evolve as do the expectations of them. Many Managers do not stop, take stock and make sure that the person doing the job is clear what they should be doing and how. This can lead to a gap between performance and expectation which grows ever wider, often without the employee seeing it and the Manager getting increasingly frustrated.

A simple job description which is reviewed routinely, will keep everyone on the same page

and increase the likelihood of expectations being met.

A person specification looks at the skills, knowledge and experience required to perform the role – this is important because 'how' the role is performed is often as, or more, important that 'what' is performed. Spending time defining this early on makes the recruitment, performance monitoring and management, and training far easier and effective.

These documents are the foundations of the role, on top of which other things can be introduced to ensure standards are not just met but exceeded. Without them, it is highly likely that over time performance issues will occur.

Case Study – How to come up with your company’s Values



BESTSTART HR Driving Productivity

We often hear organisations refer to their company values but how do we establish what they are and do we help employees really understand what they mean? This was the dilemma facing one small business who wanted to introduce a set of guiding principles into their company. Several of the Senior Leadership Team had seen the benefit of these in larger organisations but wanted to ensure they chose the correct values that defined their culture and who they truly were as people. Once these values were defined they wanted to ensure they ran through the whole company from recruitment, induction, performance management to reward through to policies and procedures.

More often than not when we are asked by businesses to help them define what their core values are, we find that they already exist, it's just they take a bit of unravelling and defining.

In this instance, we started the project by taking the Senior Management Team away from their day to day activities. The meeting was designed to facilitate a creative and strategic environment. During this meeting, we asked the team to initially think of 3 key people who really made a difference to their business. Once these names were on the whiteboard the team were asked to brainstorm all the characteristics that these employees embodied. They were asked to describe their key qualities and this brainstorm was the first step to defining their values.

The next exercise was to 'Keep, kill or combine' the characteristics listed. As the term suggests, the team went down the long list deciding whether a trait stayed on the list, was re-

moved as it was not as important as the others or combined with another similar trait or characteristic. This allowed the list to become sharper and focused, moving closer to the elusive set of values the team sought.

The final stage in the brainstorm was perhaps the most challenging aspect and this was determining from the shorter list which values were really true to the organisation. After some tough debate and discussion, the company determined 5 core values and were asked to reflect on these and revisit them over the forthcoming month before they were signed off and agreed.

After reflection and with a few minor tweaks, the values were finalised and were ready to be cascaded to the business.

Presenting values to fellow employees is a critical aspect of this process. A key to their success is the initial engagement and therefore we coached the team to ensure that these values were brought to life in the launch presentation with stories, analogies and some wonderful illustrations. This was the crucial step to bringing these values to life and helping embed them in the organisation. Moving forward the company is now tasked with undertaking a review of all their HR processes to ensure that they reflect their 5 core values and that they continue to engender the values in their everyday work life.

Defining and embedding an organisation’s values is just one part of the Strategy segment of the Productivity Wheel. If you would like guidance on how to introduce values into your organisation, please contact Beststart HR.

OUR VALUES

ATTITUDE

- Passion**
 - Have energy and drive
 - When the going gets tough, persevere whilst maintaining standards
 - Love doing HR and believe in its value

- Courage**
 - Be flexible to try something new
 - Admit mistakes and learn from them
 - 'Grasp the nettle'
 - Be curious and want to understand fully the situation

APPROACH

- Transparency**
 - Do what you say you will do, when you say you will do it
 - Be open-minded
 - Know your skillset and draw on the talent around you when appropriate

- Forward Thinking**
 - 'There is more than one way to skin a cat' - look beyond the obvious and be prepared to challenge the norms
 - Don't accept 'this is the way we always have done it', if you can improve upon it
 - Apply what you know to solve what you don't know

ASPIRE

- Developing Excellence**
 - Be keen to master new skills, stretching yourself
 - Be in charge of your destiny and want to reach your full potential
 - Deliver and, where possible, exceed

- One Team**
 - Be positive and encourage others to be too
 - 'What goes around, comes around' - support colleagues and they will support you
 - You are here for a reason - you have a part to play in our clients' and Beststart's success
 - 'The whole is greater than the sum of its parts' - work together for the best results



Registered Address:
 1st Floor, Building 16
 Gateway 1000, Arlington Business Park
 Whittle Way, Stevenage
 Hertfordshire SG1 2FP

Our Second Office Address ('Streets HR'):
 Enterprise House, 38 Tyndall Court
 Commerce Road, Lynch Wood
 Peterborough, Cambridgeshire PE2 6LR
 T +44 (0)1438 747 747
 enquiries@beststarthr.com
 www.beststarthr.com

