



430% Improvement in Productivity for Every \$1 Invested is Achievable: Here is Why

A return of 430% improvement in productivity sounds massive but the truth is it is far more achievable than what most organisations believe.

In a combined study by Integrity Research Advisory Services and Ernst Young in 2012 titled; “Workplace Productivity” they found 85% of Australian workers could be more productive. Perhaps that is not surprising to many of you but can you fathom exactly what that finding means? In essence, 85% of your businesses workforce cannot give the company 100% focus, energy and performance for the compensation they are being remunerated. Hard to swallow but true!

In a 2016 study of Australian leadership by SAL of 2,700 organisations titled; “Leadership at Work: Do Australian leaders have what it takes[?]” found more than 40% of Australian workplaces are not meeting their performance targets. The 40% seems logical based on the potential 85% of a workforce not being 100% productive but what really struck me was the inverse conclusion. That is; 60% of businesses are making their performance targets and they are achieving this without tapping into the full capacity of their productivity...which means they

have so much more performance potential available to them.

So, let’s break this productivity issue down;

1. According to the combined study by Integrity Research Advisory Services and Ernst Young 34% of employees spend ¼ or more of their day doing things unrelated to what they are paid to do
2. 47% of employees are completely unproductive 5+ hours a week
3. 25% of employees are completely unproductive 7+ hours per week

As an estimate this loss of productivity is costing businesses 5.6 weeks per employee per annum. If you include 4 weeks annual leave per employee, potentially every business is losing 20% of their payroll due to a lose in productivity.

When we talk to clients about these hard numbers jaws drop through the floor because they immediately realise the real problem they face and the potential opportunity, if it can be addressed by them.

Every organisation knows whether they are meeting their performance targets or not. They have the budgets set, systems available to forecast and the hard numbers at hand to review. What they don't have is an ability to measure the 'non-financials', the capabilities, actions, behaviours and values that lead to achieving results or not.

In other words businesses rarely have the systems that can measure why their people are unproductive at any given moment-in-time [and yes it changes from moment-to-moment] to determine; 1) who is impacted 2) what caused it; and 3) how to fix it so greater performance can be achieved.

According to the combined Integrity Research Advisory Services and Ernst Young report 21% of those surveyed said just only a few things would need to change in the business to solve the problem and every finding related to issues around leadership and culture effecting their engagement and the specifics varied from organisation to organisation.

The SAL report provided a far more directive response to this issue in this current environment.

- Many Australian leaders are often technically very strong but fail to be great leaders because their current organisation has never coached them to use the right actions, taught them the expected capabilities, educated them in the core values or focussed on what behaviours will fit with the organisations culture. This means leaders are qualified but not necessarily capable in that environment... but it is fixable.
- One of the most interesting findings was the gap between a managers self assessment of their capabilities, actions, behaviours and values [their own perceptions] and the way they are viewed by their employees.
- Many workplaces do not invest in leadership development, culture or employee engagement at all, or invest very little. Those that do invest in these often spend in the wrong places. For instance, many organisations are not investing in the issue across the whole organisation instead just focussing on pockets such as the best performers, worst performers or only senior leaders and not middle to frontline managers thus creating huge leadership

gaps between levels. These gaps effect their teams engagement and productivity thus effecting the organisations overall performance.

In a 2014 Harvard University meta-evaluation analysis of 62 separate research studies found that for every \$1 an organisation invested in addressing leadership, culture and engagement properly achieved a 430% return-on-investment.

So how can organisations do this properly?

1. Organisations need to understand what the capabilities, actions, behaviours and values are required from their leaders and employees that link to the businesses objectives and strategy.
2. They need to design a bespoke assessment to regularly measure the causal factors that drive these capabilities, actions, values and behaviours.
3. They need to be able generate assessment results in near-to-real time to ensure the data and implementation is relevant.
4. Gaps and strengths need to be identified at a causal level with development action plans available immediately productivity can be expedited.
5. Pulse regularly and monitor progress frequently to measure your ROI.

The problem is huge but the answer can be simple! To understand more about this you can call us.

The future is coming, so you better prepared yourself for it!

ABOUT 3D

3D is an advisory and technology firm specialising in people, leadership and culture. Our research and technology platform is founded on the scientific principles of applied behavioural science and positive psychology for the purpose to increase a company's effectiveness, performance and health to achieve its strategic goals through its people.

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