

THE MAGIC BULLET TO BOOST FUTURE PRODUCTIVITY?

How engagement culture can
release untapped potential.

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The magic bullet to boost future productivity?

Productivity issues continue to hinder recovery and growth. So why do businesses find it so hard to solve the problem? The answer almost certainly lies in how we value and use talent. And it's going to take a simple but fundamental culture shift to catalyse change.

Here in the UK, we acknowledge that the economy has picked up and is in growth again. Employment rates are generally at their all-time peak. Yet productivity levels continue to fall below peer economies. This is cited as the biggest challenge to growth across all sectors. So we need engagement to kick start a corresponding rise in productivity.

This is widely accepted. According to Deloitte's 2015 research into Global Human Capital trends, the top priorities right now for businesses across the world are culture and engagement.

The benefits of a highly engaged workforce are pretty much universally accepted and yet year-on-year engagement levels stay broadly constant

- why? **At heart it's about recognising that there's a big difference between short term motivational "benefits" and long-term engagement.**

Creating a great place to work is much more complicated than attending to the environmental ambience.

Look at it this way: free fruit, table-tennis and Pilates can all have beneficial effects around the office. But they suffer from short-termism because people get used to being given things.

The top priorities are culture, talent and a new organization design.



Quasi-monetary rewards may offer a short-term motivational boost, they also raise expectations and thus erode value people associate with them. This is counter-productive for long-term engagement. And in the worst instances can even foster disengagement among staff who feel excluded from activities they can't or don't want to participate in – or who simply think the money would be better spent on other things, like wages.

So how are we to initiate among employees the kind of self-renewing enthusiasm that makes them want to leap tall buildings for the good of the team and the business? In her 2015 article for Deloitte, *Becoming irresistible: A new model for employee engagement*,

Josh Bersin argued persuasively in favour of making employee engagement a core business strategy rather than an HR program – and for giving managers and leaders actionable practices that they can adopt and be accountable for.

“Middle managers make things happen” she says. But she goes on to describe the management activities that actually make the difference – observing that “management's job is to set goals, support people, coach for high performance, and provide feedback to continuously improve. **Investment in fundamental management practices has a tremendous impact on engagement, performance, and retention.**”

The magic bullet to boost future productivity?

Rather than belabouring the failure, great managers inspire their employees to develop solutions of their own - that they themselves can create and believe in.



Bersin's recognition of the significance of leadership qualities resonates with the famous Nelson Mandela quote, that the role of great leaders is to make people believe they are better than they are.

If we take a hard look at what our managers do in the business, are we happy that there is enough emphasis on what has gone well, and applying it to future challenges? Or do we think the

balance is more on investigating and analysing failures - pointing out where our people went wrong?

Most people know when and why something has gone wrong, and know what to do better. Rather than belabouring the failure, great managers inspire their employees to develop solutions of their own - that they themselves can create and believe in.

The magic bullet to boost future productivity?

The intrinsic motivation of self-determination has the greatest impact on cultivating engagement with any enterprise

What really makes a difference is recognising the difference between 'management' and 'leadership' – and then cultivating the leadership practices that deliver higher engagement, and release locked up potential within the business.

And it comes back to coaching people to get the best from them, not criticising them when they fail to

shine. Bersin's article highlights that coaching-oriented cultures out-perform those where managers are focused on directing and evaluating performance. The organisations that do best – those that benefit from the highest levels of employee engagement – are the ones that put more focus on developing great leaders. Investment in management development and support appears to be key. There's evidence that organisations with the most effective leadership cultures spend up to 3 times more than their peers on management development.

This focus on leadership - or rather the culture of leadership - is the 'simple' change that could make a huge difference. If we can fix that, we may finally fix a productivity problem that's been around on-and-off for the last years. And that would be a cultural change to make any business proud.



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in your company is a step forward
that can transform the engagement
of your employees.*

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