

Press Release

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For Immediate Release

Managing the Productivity Gap

In 2006, the NWDA estimated if the North West region as a whole, could raise its productivity to average levels of other UK regions, it would increase the GDP of the region by a staggering £10 billion.

So how does this productivity gap arise and how can it be lessened – how can we realise this clearly attainable potential? Jack Rowlands, director of coaching, and coaching training firm PINNA Ltd., takes a look at productivity and organisational performance and concludes the answer is often sitting in the same office as you.

Take any business. It has assets, resources, customers, intellectual property, products, people, market and so on and it is achieving a certain level of performance. Invariably the executive of that business want more than it is currently achieving – there is potential there that isn't being realised.

So what does the executive typically do? – they institute tangible changes, e.g. new marketing, re-branding, restructure, new processes and systems, staff training, a move of premises, merger etc. etc. Often these changes are necessary and often they can be very time consuming and costly and require the utmost focus and energy. It can be hard, demanding work.

Unfortunately, in my experience, whilst these changes can and do lead to improved performance and results, they never produce the pay-off / the return on investment, that was hoped for. There is always a gap, sometimes small sometimes large, between expectation and reality.

On the change roundabout

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So what does the executive do? – it concludes the marketing, the system, the restructure etc. etc. must have been flawed and it ditches the system, it changes the structure (again), it sacks the supplier and it goes through the whole rigmarole again.

And guess what? It still doesn't get the pay-off it's hoping for; it doesn't get to where it wants the business to be; there's still a gap.

It happens all the time. Look at the NHS. Think about government IT projects. Think about any significant organisational change programme you might have been involved in.

People affect the expectation gap

What's the reason for the gap between expectation (or is it hope) and reality? – people. The people in the business or organisation haven't changed. You might have a new system, new premises, new training and, it might have cost a lot in terms of resource and time etc., but you have the same old behaviours. People play the system – they always have and probably always will. People go on training courses, sometimes excellent training courses, but they don't implement that training – when was the last time you referred to the course notes from your last training course and changed your behaviour accordingly?

Manage behaviours not the numbers

The vast majority of managers believe they manage by managing 'the numbers' – the tangible, measurable outputs from any given job holder. My premise is you cannot manage numbers. Yes, the numbers are critical – that's why the job exists – and the sum of all the numbers adds up to the organisational results, which is why the organisation exists.

So, what do you manage? You manage behaviours, both quantity and effectiveness, and, if you do it well, the numbers / the results follow from it. Actually, if you do it really well, the performance of people and organisations can be astounding. The manager is creating an environment where his/her people can give of their best. The GDP gap is caused because too many people, in too many organisations simply operate way below their potential day after day, week in week out.

So the key is to change behaviours.

But, here's the rub. We have poor leadership and management. We don't have leaders and managers who can effectively manage behaviours. Even managers who have received lots of management

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training aren't equipped with the skills to have 'difficult' conversations with their people when they need to – they 'avoid confrontation'. As long as results are ok, managers who instinctively know behaviours aren't right turn a blind eye to them. And when results take a dip they don't know how to address the under-performance because the reality is they weren't managing when times were good and so they have little or no chance when times are bad.

Performance = Potential – Interferences

So how do we lessen this productivity gap? I believe most people go to work to do a good job and I believe their performance equals potential without the interferences

Provided people have the potential through adequate training and the necessary tools to do the job etc., the job of the manager is to improve performance by removing the interferences; to get the boulders, the obstacles, that prevent me from performing at my best out of the way. Often those interferences are within the performer, e.g. a lack of confidence, de-motivated, harbouring misconceptions, not understanding true reality. A good, effective manager has the skills to unblock all of these and to release the potential in both individuals and their team.

The irony is that it doesn't take a genius to realise that the resulting better job satisfaction means a happier, more fulfilled workforce, with less staff turnover, achieving more. Isn't that a gap that that's worth filling?

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