

OPERATIONS EXCELLENCE – PRODUCTIVITY IMPROVEMENT

Unlocking Productivity in an Organization

Deriving more Output from Inputs is the Endgame for all Productivity Projects.

Productivity – Optimizing Human Capital

From an organizational perspective, productivity is a measure of output from an operations process per unit of input. Typically measured in terms of units of output per labor hour of input, it allows a company to view employee efficiency on a daily basis and track trends to ensure continuous improvement.

Measurement - Importance & Techniques

For organizations to remain profitable, they must measure productivity to ensure revenues obtained from the outputs are greater than the expenses occurred by the inputs. There are several methods to measure productivity and may differ by organization or industry. However, organizations need to have individual metrics in place for employees at all levels and review these results on a regular basis. This ensures that each area or function is meeting their goals and allows Senior Management to quickly review and address any areas that are underperforming.

One of the most critical components in maintaining or improving productivity is measuring individual results and the immediate follow-up with underperforming employees. Once the area targets have been developed, it is the area Managers responsibility to ensure that each employee fully understands the expectations, how they are measured, and immediate follow-up actions that will ensue for employees who fail to meet daily targets.

An Individual Productivity Tracker is a tool that an area Manager can leverage to record results on a daily or weekly basis to observe employee results, especially those who are underperforming, as well as trends to monitor performance. The tracker can also be utilized during performance reviews and goal setting sessions to ensure each employee is continuously improving their performance. It is important to keep in mind that through the natural course of business operations, there are unforeseen circumstances that fall outside of the employees' span of control. When following up on results that are below target,

Managers need to understand the reasons why goals were not met, record them, and explain these variances to Senior Management on a Variance Report which explains the reason targets were missed and the follow-up actions necessary to eliminate or reduce the likelihood of that event occurring again in the future.

Another important tool Managers can install in their area is a Daily Scorecard which measures productivity on an area or departmental level. While it is important to follow-up and measure employees who are underperforming, it is critical to measure productivity at the departmental level to ensure the area as a whole is performing at or above target. This is a powerful tool when following up with Senior Management and monitoring departmental success.

Improving Productivity – Techniques to Utilize

There are many different approaches a Manager can take to increase employee productivity including observations, providing additional skills training, and knowledge transfer through best practices.

An observation, when a Manager or Supervisor observes a subordinate typically for a significant part of their shift, is a good indicator of an employee's best repeatable productivity level. Employees traditionally perform their best when being observed by a Superior and the process gives the Manager a true indication of their actual potential. When employees fail to meet targets or claim the targets are unattainable, the Manager is armed with facts to show that both the targets can be met and that the employee met or exceeded them while being observed.

Often times, employees become accustomed to completing a task or function a certain way and lack the skills necessary to adapt to a more efficient method. Regular training sessions are an important tool in developing employees skills set and play a critical role in maintaining or improving productivity levels. Additional and more specific skills training may be required for certain employees who struggle with completing certain tasks or functions. The area Manager needs to be cognizant of these employees' skills deficiencies and provide them with the resources necessary for them to meet or exceed productivity targets.

Employees can often transfer skills, knowledge, and best practices to one another. In any organization, there are always employees who consistently exceed targets, consistently meet targets, and consistently fall below targets. An area Manager, through measuring and tracking employee performance, will quickly be able to identify where each employee is situated and create action plans for the underperformers. Arranging regular employee observations, where an underperformer and a top performer observe one another complete

their day to day tasks, creates the ideal environment for dialogue and sharing of best practices. Often time's, top performers structure their workload a certain way or find alternate methods to optimize their time spent to complete a certain task. The observation presents the ideal environment for the underperformer to view different and more time effective approaches.

Conclusion

Although there are many different approaches and methods to maintain or increase productivity, they all rely heavily on the organizations ability to create targets and measure against them. Having clearly defined, well structured, and understood targets eliminates confusion amongst employees and ensures that staff is operating on the same level. When an employee falls below target, it is imperative that Managers follow up and review the causes. For consistent underperformers, an action plan detailing the necessary training or resources required should be developed to ensure the employees performance improves.

Additionally, there are several techniques that a Manager can utilize to ensure targets are met and promote continuous improvement in an area. These measurements, tools, and techniques when utilized in unison, will ensure that Managers at all levels in an organization are continuously monitoring and improving employee productivity. ✨