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PROFILES PARTNER ADVANTAGE NEWSLETTER

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FROM BUD HANEY'S DESK

Productivity: Engaged, Equipped and Beyond

"Even if you are on the right track, you'll get run over if you just sit there."

~ Will Rogers

That quote from Will Rogers caught my eye. Maybe it's because I measure productivity for a living, so I think about it all the time. What makes people productive? What keeps them moving in the right direction? And how can each of us learn to be more productive on the job – and in our lives?

When it comes to productivity, being on the right track is a good start. But that's all it is. Once you're on the right track, you want to keep moving. That means having the right engine, the right fuel and the right know-how.

In other words, good intentions may be required for productivity, but they're not quite enough.

Over the years, as I've been involved in measuring and improving productivity in workforces around the world, I've gained a few insights. In my experience,

employees who are the most productive – regardless of the type of work they do – are more than just on the right track. In fact, these employees are:

- **Engaged:** Are your employees engaged in their work? Remember day 1 when the possibilities, the loyalty to the organization and the determination to succeed seemed limitless? How much more productive would your employees be if they were as engaged on day 100 as they were on day 1? There's a lot written about employee engagement, and I can't stress how critical it is to success.
- **Equipped:** Do your employees have the tools and resources they need to work effectively and efficiently? For example, imagine that you have to deliver one message simultaneously to 100 people across four different time zones. If you have email, that's a pretty easy task. If not, it could be a challenge, regardless of your motivation and commitment. All the good intentions in the world won't build a house unless the contractor is equipped with the right tools. Being equipped also means being well trained. The most productive employees I see tend to work for organizations that provide effective "on boarding," job training and ongoing development.
- **Aligned:** Are the work processes and systems in your organization aligned with the jobs? Jobs can change over time based on the people who hold them. When one person leaves a position and another steps in, does the replacement have the same skills as his or her predecessor? Does the job description reflect the current duties of the position? If not, even engaged and equipped

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employees can become unproductive. That's a shame, especially when they *want* to perform. One solution is to conduct periodic "job description inventories" to ensure that each and every jobholder's capabilities match the job description.

Provide people with the right tools, resources and training. Make sure they *can* do what you're asking

them to do. Frustration kills productivity. So make sure your employees aren't just on the right track, but moving in the right direction!

Sincerely,

Bud Haney, President
Profiles International



FEATURE ARTICLE: What is AMPC?

By: AshleyDawn Sheppard

This month, we released the 2010 report of America's Most Productive Companies, aka AMPC. You may be wondering why there is so much hype behind this study. Let me explain.

We grouped companies into 175 sub-industry groups to produce a more meaningful analysis. Our assumption is that companies competing in the same industry generally go about their business and recognize revenue in a similar manner, while different industries have differing degrees of labor intensity. It is therefore difficult to draw meaningful conclusions by comparing labor productivity across different industries such as retail and financial services. This means that the most meaningful measures included in the study are the rank orderings and comparisons within each sub-industry group.

How we measure productivity

In economics, "productivity" is a measure of output per unit of input. In order to calculate productivity, we analyzed financial data from over 1,666 publicly traded companies in order to determine a company's revenue and number of employees. Once we had these two numbers, it was fairly simple to calculate a company's labor productivity.

Attributes of America's Most Productive Companies

Once we finished gathering and analyzing the data that allowed us to rank America's Most Productive Companies, we completed some follow-up research on a number of the most productive companies. This

consisted of a survey and interviews with select executives. Our follow-up research helped us identify a number of best practices that we believe explain outstanding productivity. These ten key attributes can be further categorized into five "People Attributes" and five "Strategic and Operational Attributes." Since we are a people-centric company, we only elaborate on the people attributes – because we can help you improve those factors.

People Attributes that Make a Company Productive

1. Performance-driven culture
2. Effective managers
3. High employee utilization
4. High employee effectiveness
5. Encouragement of innovation

So what does this mean? It means that actions are valued more than words. It means that companies invest in information and tools to help front-line managers better understand their people and how they are motivated. And, it means that employees are in jobs in which they can naturally excel, and they have clear goals to help them focus on the outcomes that matter most to the organization. Failure is not discouraged and open communication, team work and risk taking help drive productivity.

CASE STUDY: Creating Loans without Obstacles, Customers for Life

With a relationship forged in May 2007 in the face of complex employment issues, a top Texas mortgage lender and Profiles International became allies against a twin battering ram: high turnover and low workforce productivity. The connection between the two companies helped the lending organization create performance standards that led to a tripling of its branches and its workforce in two years. This leading lender reaped success without backing away during a bleak recessionary period for the global economy.

Progress continues today as the residential mortgage company, licensed to operate in 49 states, continues to seek opportunities with an array of products, sophisticated loan professionals, and a commitment to the goal of creating lifetime customers.

The mortgage lender's triumph over productivity and turnover issues helped make the company one of Profiles' Outstanding Clients in 2009. The organization's swift moves to reduce turnover resulted



in a healthy return on investment of almost \$100 for every \$1 spent.

Executives decided on the ProfileXT® to help them develop a Job Match Pattern for future hiring. The pattern helps managers quickly see where individuals might fit well into a position, or where they might have to make adjustments to do the job.

Leaders can see where the scores of the most effective performers fall based on the pattern, which reflects skills and traits necessary to succeed in a specific position.

For the mortgage lender, this pattern would reveal which potential workers best fit the role of loan originator. It would also show the company's leaders which individuals best fit the organization's creative, fast-moving culture. Said one top executive: "When considering new growth opportunities, it is extremely important to us that there appears to be a good culture fit; this is a critical ingredient in our recipe for success."

IN THE NEWS: High Productivity May Cause Increase in Employment

Productivity has been a hot topic since the economic decline of 2008. The Labor Department issued a productivity report this month that indicated an increase in productivity throughout the United States. While the increase in production seems promising for business, economists believe that the celebration will soon wear off as companies realize they have maximized their employee's abilities.

Most organizations had to cut back on the number of people employed in order to stay afloat. Although those still employed have performed up until this point, economists are unsure that this level of production will be able to continue with so few employees. This could actually benefit the economy because it would increase hiring and employment in the coming year.

According to MSNBC, "Analysts believe that hiring has to show stronger gains to boost household incomes and keep consumer spending growing at a healthy pace. Consumer spending is critical for a sustained economic recovery because it accounts for 70 percent of total economic activity."

Employers should keep a clear perspective when setting goals for their leaner groups of employees, and begin to plan increasing their staff. The key to keeping production levels high is to recognize where there is a need for assistance, and when employees have been utilized to their full potential.

DID YOU KNOW?

According to data from the Bureau of Labor Statistics, productivity rose 6.1% from the first quarter of 2009 to the first quarter of 2010.

Companies with low levels of employee engagement had a 33% annual decline in operating income and an 11% annual decline in earnings growth.

-Towers Perrin

Working more than 50 hours a week has been correlated in a raft of studies with less sleep, less physical activity, higher job dissatisfaction and ultimately worse performance.

-*Harvard Business Review*

MANAGING MANKIND: Three Ways to Ensure Employee Utilization

Employee utilization seems to be one of those over-used business terms that poorly describes one of the most important elements in productivity. The most productive companies in America know that successful employee utilization is an active ingredient in their overall success. When human capital planning is at the top of a company's priorities, they are sure to achieve their goals despite a potentially lean number of employees.

So, what do the most productive companies mean when they say they have impeccable employee utilization? To successfully utilize employees, organizations should consider three elements:

- Each employee should have a detailed job description
- Employee engagement should remain a top priority
- Employees are assigned an amount of work that is manageable and based on their personal capabilities



Despite the complexities that seem to be involved, human capital planning tools have made these processes easier to achieve than one would think.

Each employee's job description should be detailed and thorough. Just because an employee holds a specific title does not always mean that the employee

will understand what is expected of him. Setting clear boundaries for employees allows them to acknowledge their goals, and understand what they are expected to accomplish. Employees will be utilized based on their job descriptions, and will aim to be more productive if they know their limitations.

Employee engagement is another major facet when considering how to use an employee to the best of

their abilities. Employees who are disengaged are less likely to achieve their goals, and more likely to avoid exceeding expectations. Employees who feel respected and valued will produce double the work that a disengaged employee produces. Personalized assessments are valuable tools that managers can use to better understand how to engage employees. Not each employee will respond to the same motivators, but a good manager recognizes these differences and works with them to create a productive work environment.

Finally, the amount of work employees are expected to produce is the quintessential element of employee utilization. Workload capabilities are just as diverse as an employee's engagement level. Organizations need to understand that an employee's workload capabilities do not always directly correlate with their intelligence or activity levels. Each employee can handle a certain number of tasks at a time, but this number will vary greatly throughout all levels of the company.

Strategic human capital management tools can assist organizations with the complexities involved in the employee utilization process. The results from assessing employees can teach managers about an individual's workload capabilities and engagement levels. Managers should also consider open communication when trying to encourage that employees work to their full potential. Weekly one-on-one meetings or an open-door policy will encourage employees to communicate when they are having trouble managing their projects or meeting their goals.

In order to successfully master productivity, companies should administer accurate job descriptions to each employee, keep employees engaged, and adjust each employee's workload so that they never feel tired or burnt out. Using employees to their fullest potential will result in higher productivity and a happier workforce.

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