



# The changing nature of work

## Workforce productivity



## Culture and productivity – an equation for success

Productivity was once a simple equation of effort versus output – but it now comprises people, diversity, technology, and innovation. Without a strong and relevant company culture that supports these elements, the chances of remaining competitive and breaking new ground are slim.

In a future where organisational change will be constant, the risk of productivity decline, employee disengagement and lackluster innovation are high. People are the essence of every company, and if they are facing new strategies, new technology or new competition, they could lose focus – or move on to competitors.

Steve Clark, Director, People & Change, KPMG, says in times of change, there is one thing that can act as glue for employees and organisations – culture.

“Organisational culture is increasingly important in that environment, where change is constant and the organisation is subject to disruption, and faced with situations where they need to be agile,” he says. “A culture that supports diversity, and in which individuals are equipped to deal with that change, is going to promote success.”

### Culture and productivity entwined

As organisations automate tasks and adapt their products and services to meet competition and consumer demand, the classic concept of productivity – effort versus output, is being shaken up.

“Productivity is not simply working harder. It is incremental change – so doing the same work, but doing it more efficiently. The other is the bigger transformational change, which is restructuring a whole value stream or industry vertical,” Clark says.

Catia Davim, Partner, People & Change, KPMG, says this second point cannot occur without a strong organisational culture that employees embrace.

“Culture drives behaviour, and behaviour is the key to shaping organisations,” she says. “Culture is becoming more imperative, because in a competitive environment you cannot afford inefficiencies, or to have the wrong behaviours if you want to be successful.”

Davim says organisations that lack the right culture can at worst become “obsolete”.

“They don’t foster innovation to get the best ideas from people, or foster the diversity within organisations. These elements were ‘nice to have’ in the past, but are now an imperative to drive a business forward.”

### Getting culture right

A positive, effective organisational culture is not a given, but must be a core focus of leadership and middle management, and filter through to every employee.

“You can have a clearly defined strategy, but if culture is not aligned, there is a mixed message and people behave in a contradiction, and the company can never achieve its strategy,” Davim says.

Clark says organisations must consider their purpose, values, and whether behaviours are aligned to those values.

“Do your values help people to address challenges and the competitive situation? Does your culture support the productivity improvements that you need to remain competitive?” he says.

He says leadership is key to ensuring culture is a driving force.

“If leaders aren’t ‘walking the walk’ then the values that are posted on the website will ring hollow. People will very quickly spot the inconsistency between the espoused values and the values that are demonstrated by leaders, and that will have a corrosive effect.”

Culture should filter into every decision, from allocation of resources, to the projects accepted and declined, Clark explains.

“You should see it reflected in management reporting and scorecards, and the updates from leaders. And in the traditional aspects – people, practices, structures, systems and processes,” he says.

### **Culture in a disparate world**

With technology changing the requirements of jobs, shifting how people think, and enabling people to work anywhere at any time, the potential for an unproductive workforce is high. Again, culture can play a part in keeping purpose alive.

“In some organisations, people say their organisation’s culture is stronger than their country culture. I would argue that is true,” Davim says.

The challenge is keeping the message about culture strong across borders, especially if there are thousands of staff located around the world. Davim says Apple, Google and Facebook show it is possible to foster a strong culture everywhere.

“The dialogue for dispersed workforces is exactly the same dialogue for local workforces, but the message may take longer to spread and may require a different strategy to implement,” Davim says.

Clark adds that the benefit of a strong culture extends to contractors, associated organisations or people undertaking freelance projects with a company.

“When we see organisations working in ecosystems, people are stepping into different organisations with different cultures. The ability of people to understand and navigate those differences, and leaders’ ability to ensure the right relationships are formed, is where culture is important,” he says.

### **Technology and decisions**

As tasks become automated and people become more focused on higher-skilled roles, the human element will centre on complex decision making.

“If today, 90 percent of work in a business unit is process related, and 10 percent is where judgment is required, with increasing technology, that will be reversed,” Clark says.

Davim says culture will help people ensure the decisions they make fit the strategic goals of the organisation – again supporting productivity.

“Integrity cannot be assessed by a machine – it is a human assessment. Culture gives human beings a frame to make the judgment on how to behave in a given situation,” she says.

### **A solid equation**

It is clear that in a future full of change, culture can mitigate risks of low productivity, employee disengagement or poor decision making, helping to keep everyone striving towards a clear goal.

“Strategy is not enough if you don’t align people’s behaviors to achieve it. Culture will help align mindsets and behaviours, and enable people to make decisions on a day-to-day basis that are aligned with the strategy,” Davim says.

Clark reiterates the benefit of culture to productivity, warning that without a strong culture, people will revert to doing things in old ways.

“If your culture places too much emphasis on tradition and corporate legacy, and isn’t welcoming of diversity and challenging the status quo, then you are less likely to be the leader in the market that identifies the transformational change that is going to disrupt the whole value stream. You are less likely to get those big shifts in productivity, and those big disruptive changes,” he says.

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