The Productivity Playbook

For CEOs and Senior Leadership Teams

Contents.

Gallup estimates that active disengagement costs the USA $450 - $550 billion every year.

Productivity is the single biggest issue holding back economic performance around the world.

01

A Wide Open Opportunity.

Tomorrow's business leaders see opportunity in these facts, tough as they are:

The world's top performing firms engage 64% of their employees.

- According to Gallup, nearly nine out of ten employees are "disengaged," making only a mediocre contribution – or none at all.

- During one of the longest bull runs in the United State's history, productivity stagnated for six years.

Clearly, something has changed in the workforce. If you adapt to it, you can take your enterprise to the next level.

It's possible, and it's been done. Gallup also found that the world's top-performing firms engage 64% of their employees. That's five times better than the global average.

You can join their ranks. These four plays are based upon the best management studies of the past twenty years and our own experience. They exemplify how modern management addresses the workforce's modern needs by inviting engagement and excellence.

02

Know Yourself.

Before we get to how your employees have changed, let's look at how their perception of you has changed.

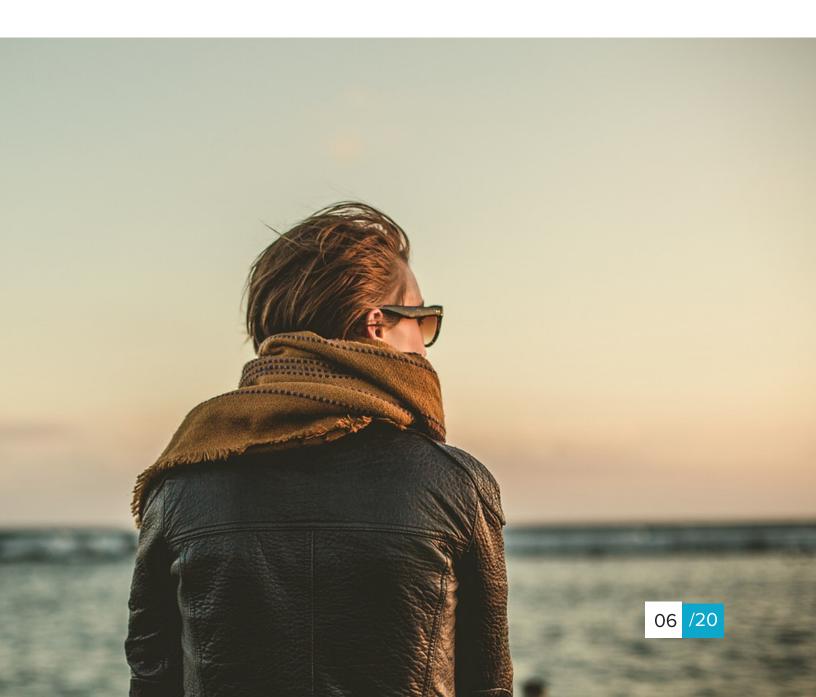**Today, executives who hand down annual "performance reviews" seem out-of-touch.**

Not long ago, informed managers thought that frameworks such as Jack Welch's "Vitality Curve" were fair, objective ways to reward merit. Every year they'd thumb through a stack of performance reviews and confidently put their team into a bell curve, rewarding the top 20% and, sometimes, as Welch did, letting the bottom 10% go.

That sounds like a meritocracy...but if it ever worked, it certainly doesn't now. Today, executives who hand down annual "performance reviews" seem out-of-touch.

"The yearly ritual of evaluating (and sometimes rating and ranking) the performance of employees," McKinsey & Company writes, "epitomizes the absurdities of corporate life."

That's because, as it turns out, year-to-year variation in performance is nearly random. There's only a one in three chance that an employee will fall into the same bracket two years in a row. In other words, someone in this year's bottom 10% could easily be in your top 20% next year – and vice-versa.

Leaders of productive, engaged teams know that and manage accordingly. To turn this reality to your advantage, run the plays below. You want to be one of those companies with 64% engagement, and this is how you'll make your contribution to that 5x outperformance.

03

Know Your Team.

Your customers will let you know if your employees are engaged or not.

> **Today's workforce can't engage unless they know that you need them.**

Customers have an almost telepathic ability to assess how well your company is run. If they feel that you've created a high performance team, they will do business with you without hesitation.
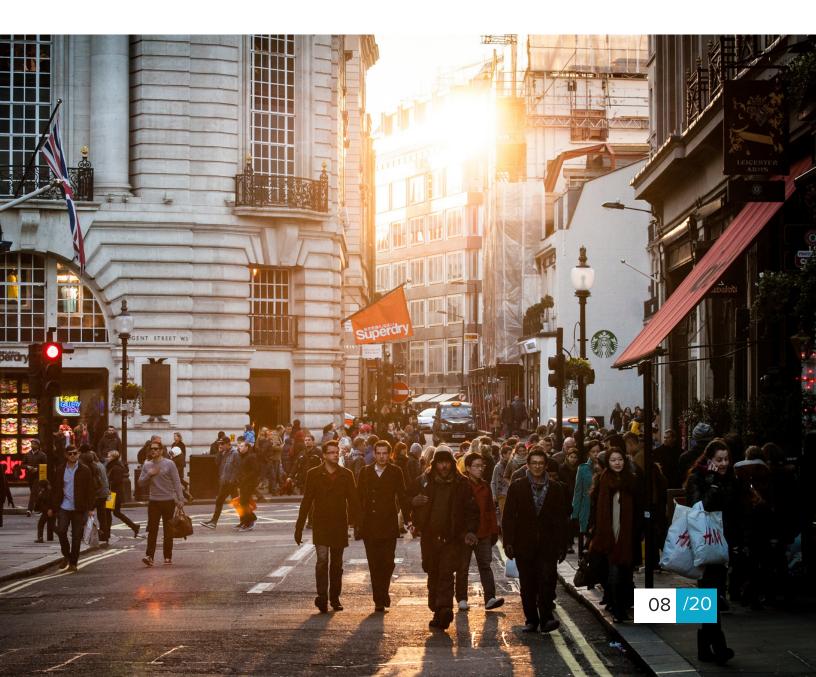
Creating that team starts with leveraging your employees' top professional needs. Studies published in the Harvard Business Review, by McKinsey, by PEW, and others overwhelmingly conclude that:

- Your people want to know how their job contributes to their company's success.
- And they want to know that their company is doing something constructive.

These desires go deep because, as the Wall Street Journal explains, the financial crisis "scared and scarred the electorate more deeply and more permanently than has been recognized before." They add that "its psychological aftereffects have been deep and long-lasting."

Today's workforce can't engage unless they know that you need them, and that the reason you need them has has long-term viability. The companies engaging 64% of their people embrace both of these truths. You should too.

Here's how.

04
The First Play
Productivity = Accountability.

Your employee can't produce at the top of their game unless he can settle in and focus. They can't do that unless they know their job is safe.

A-Players like to work with other A-Players

The secret to running this play is how you provide that sense of safety. It can't come from their personal relationship with a manager because that's impossible to control, and, besides, it doesn't produce business results.

It has to come from crystal-clear expectations:

- Your employee needs to know exactly what they're supposed to produce.
- She needs to know how you will know that she's produced it.
- He needs to have the authority and resources to produce it as best he can.
- She needs to be able to monitor her progress often – even constantly – so she'll know she's on track.
- He needs to know that he will be acknowledged, optimally in front of his peers, when he succeeds.

That puts her in charge of her own well-being with regards to her job, which makes conscientious employees feel secure. As HBR found, that "psychological safety improves learning and performance," this play takes advantage of it.

Metrics like Key Performance Indicators (KPIs) work extremely well in this regard, since they measure exactly how the employee's work contributes to the business' success. And since they measure something objective that the employee can control on their own, they intertwine productivity and accountability. To learn how to create them, see our KPI Success Kit.

When teams tackle a project, define it as an Objective and Key Result (OKR). OKRs expect every team member to contribute to the high-level polish of the project, even as each individual pays especial attention to the Child Goal they produce themselves. If the entire team tracks each individual, optimally at well-structured meetings, then accountability dissolves in teamwork and the final project meets its business goals.

In our 20+ years of business consulting, we've coached leaders to run this play in dozens of ways across every conceivable role. Our clients tell us that it's culturally transformative.

"A-Players like to work with other A-Players," Stephen Lynch writes in Business Execution for RESULTS. As soon as you put people in charge of their own jobs, the A-players take over.

05
The Second Play
Eyes On, Hands Off.

Out of every five work days, up to two are spent in meetings – worldwide. For most employees, that's wasted time. For A-players who know exactly what they're doing, it's torture...

Out of every five work days, up to two are spent in meetings.

Often, managers hold meetings because they know their team isn't aligned and they think the meeting will help. Instead, usually, everyone sits through long discussions between the manager and the couple of employees who are struggling.

Other times, managers hold meetings because they're not hitting their goals, and they want to find out why. Those can be worse, because time is spent discussing hypotheticals or venting excuses that can drain the team's energy.

Run a different play. Make meetings meaningful, constructive, and brief by following these rules:

Rule #1:
Everyone prepares in advance. If you've run the first play, all they need to prepare is the status of whatever they're accountable for.

Rule #2:
Follow an agenda. They vary, but they should start and end with team-building shares. In between, each person or team simply reports their status.

Rule #3 (Applies Mainly to You):
Celebrate success. Your A-players want the spotlight, so give it to them. It doesn't need to be elaborate, and it doesn't need to involve money. But it absolutely, positively, must be in front of everyone else. Celebrating an A-player motivates each employee to become one.

"Eyes On" means everyone looks at everyone else's status, and admires those succeeding. "Hands Off" means you don't "manage" anyone during a meeting.

Personalized coaching should be reserved for regularly scheduled one-on-ones. Combined with reporting to the whole team, one-on-ones make sure that every employee gets the support he needs and the recognition he deserves.

With this play, you've harnessed a fundamental aspect of human nature: people want to succeed, and if you create forums that deliver a sense of accomplishment, you'll invite their best possible engagement.

06

The Third Play
Lift Someone Up.

When you or your managers encounter a problem with an employee, run this play to see if you can turn it around.

Engaged Employees are 21% more Productive

Yes, you do have an economic incentive to do so. Replacing someone costs up to nine times what you pay them annually. But there's another incentive that can deliver huge productivity gains – and something intangible that might be even more valuable.

Like the first play, we want to encourage excellence, and like the second play, we want to harness human nature to do it. When you run those two, it quickly becomes obvious – to everyone – when someone is struggling.

Historically, managers have responded to low performance in one of two ways. One type takes the employee into a private setting and lets them pour out whatever it is that's impacting their performance. Usually, after a meeting like that, both the manager and employee have significantly lower expectations of the employee. The other type walks up to the employee and barks, "Get your act together – or else!" and walks away. After that, it's do-or-die for both the employee and the manager, which sets you up for a near-certain loss.

Obviously, neither approach helps the employee or the company. This play replaces both, and is based upon an idea in John Spence's book Letters to a CEO. It begins and ends with clear communications:

Step 1:
Commit the employee. Define what the employee is going to do to address the deficiency. Approach this respectfully. The problem is almost never a lack of understanding; usually, it's just one step in the process or one aspect of the project that's confounded him. Arrive at specific, measurable, clear changes in his actions that will put him back on track to report the status he should.

Step 2:
Commit yourself. This step has the power to change everything. Most managers skip it entirely, but you'll run it as a central part of this play, and that makes all the difference. Simply have the manager define what she's going to do to support the employee. That's it. The manager and the company makes a commitment to the employee, and this is the form it takes.
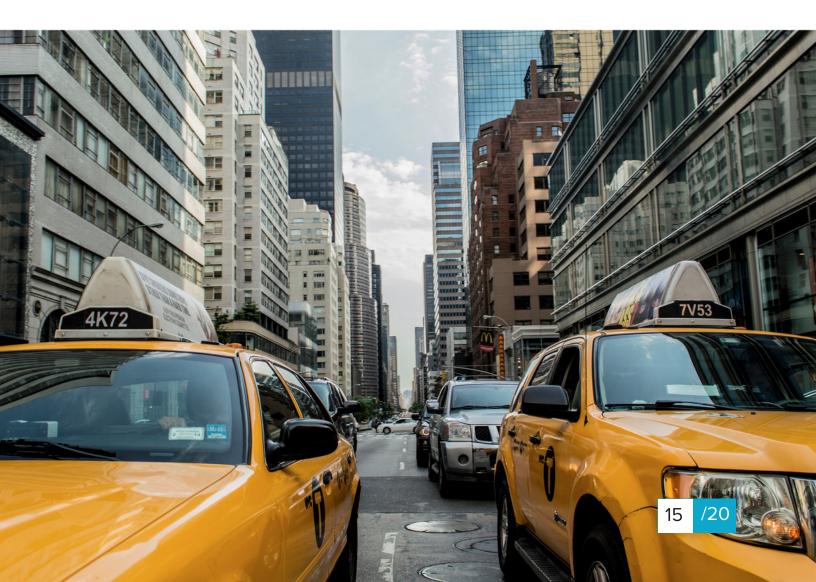
Step 3:
Define success. Know what happens when the manager and the employee follow-through. Praise in front of everyone, as we've seen, is often enough to intensely motivate. Your employee wants to be valued, and you're creating a path for him to get there.

Step 4:

Define failure. If management fails, usually the consequence is to simply re-start the process. But the employee knows management won't fail, so really this step defines the consequences for his failure. If that means he leaves, so be it.

When this play works, it changes your company. The effect is hard to quantify, because it's a moral victory. When that employee gets to stand in the spotlight, praised for a job well done, you'll understand just how profoundly you helped him in his life and in his career. Everyone else will understand, too, and you have to experience that to believe what it does.

07
The Fourth Play
Inspire Collaboration.

The first three plays address today's employee's need to know that they are helping their company succeed, which makes their job safe.

> **You're no longer just running a company. You're overseeing a community that's running itself.**

This one addresses something much deeper: the modern need to know that the company is doing something constructive. Everyone from Millennials to Boomers wants to know this.

When it's communicated correctly, it gives your people a clear sense that your customer's demand is honorable and that meeting it serves a business goal as well as a greater purpose. The "greater purpose" gives your people a global understanding which encourages company-wide collaboration.

To run this play, follow this process:

Step 1:
Mean it. This is not a factor of charisma or speeches designed to "fire up" your team. In fact, the more humble and sincere you are, the more likely your team will appreciate your message. In Good to Great, Jim Collins writes, "We were surprised, shocked really, to discover the type of leadership required for turning a good company into a great one. Compared to high-profile leaders with big personalities who make headlines and become celebrities, the good-to-great leaders seem to have come from Mars. Self-effacing, quiet, reserved, even shy— these leaders are a paradoxical blend of personal humility and professional will."

Step 2:
Break it down. Mapping your company's activities to a higher purpose or core value needs to be as simple as possible. You might be able to see all sorts of relationships, but it's better if you give your staff just the first step in that thought process. Usually the first step is the most compelling anyway. RESULTS.com, for example, sets out to "end disengagement." As you can imagine, when we succeed, we accomplish a lot more than that. Same goes for your company.

Step 3:
Call it out. Ask your people to acknowledge each other for contributing to the higher good you serve. Do this yourself as well. This dovetails perfectly with the first two plays, which give people credit for contributing to the business. When you also give credit to those who fulfill your core values, you make it meaningful for everyone to contribute to the business itself.

Step 4:
Designate a way to collaborate. When your team shares a sense of purpose, they're much more likely to share insights and techniques that help them accomplish it. Make it easy for them to do so, and you'll do more than enable greater productivity. You'll enable the discovery of new ways to improve productivity.

You're no longer just running a company. You're overseeing a community that's running itself.

08

Conclusion.

When you run these plays, your team will hit your productivity goals because they aspire to help each other, to provide for your customers, and to earn recognition for their success.

You can run them without any new materials at all. But you might consider how a business management platform can help you get to that 5x performance gain faster. "Good-to-great companies…never use technology as the primary means of igniting a transformation," Collins explains in Good to Great. "Yet, paradoxically, they are pioneers in the application of carefully selected technologies."

RESULTS.com serves as an addictive social media-like platform that's optimized for business. Everything from your strategy and core values to the metrics your employees control and the way they hold meetings coalesce into a clear, interactive vision. Clarity permeates your staff, communications become constant, and recognition becomes a given. Today's workforce responds to it brilliantly.

With or without it, running these plays can help your management turn today's employee into tomorrow's A-player. Do that, and productivity will take care of itself.

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