

## PEPworldwide Submission to the Productivity Commission

Submission made by:

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PEPworldwide is a global organisation that specialises in boosting business performance by providing highly customised practical solutions for work process improvement. We enhance the productivity and skills of individuals, create high performing teams and transform businesses. Because our strategies are both long-term and specifically tailored to individuals and companies, we consistently achieve outstanding gains in productivity. On average, our clients gain an **extra 2 hours of time a day** to focus on innovation, to achieve their ambitions and focus on the high impact projects necessary to take the business to the next level.

We currently work in many government organisations, large corporates and businesses in a mix of different industries. We work at all levels, from CEOs, DDGs and managers to new graduates.

I am available to answer any questions and can provide case studies and ROI on areas of interest to the Commission. While we have only submitted answers on a select number of questions we would be happy to provide responses/examples to other questions if specifically requested at a later date.

### **Question 23. Assuming reliable efficiency measures can be developed, what factors would influence the use of these measures by decision makers within the state sector? How could the use of efficiency measures be promoted?**

Clarity of purpose is essential, and it starts at the top. In our experience, when managers can provide clarity to the rest of their team on expected outcomes and why they are implementing certain measures, there is a greater chance of success.

Managers can see 1:1s as time-consuming and consequently, although they may appreciate that 1:1s are necessary, they often do not prioritise them. However, we frequently observe that many employees do not have clarity on their role and their priorities. It's therefore essential that managers **do** make the time to work with teams and individuals to establish priorities and define the purpose of any new initiatives. This will ultimately save them time and enable them to achieve their goals. If managers are provided with the training and tools to be more effective – including identifying the benefits of regular 1:1s – then the uptake is significant and change is successful.

Teams with a clear understanding of both their goals and, in a broader sense, their company's strategic vision work more productively and experience greater job satisfaction.

**Question 27 What examples from the private sector illustrate best practice in understanding and improving productivity?**

Private sector companies work in a more competitive environment. Consequently, it is much more important for individuals and managers in the private sector to achieve, innovate and stay ahead of the competition.

We have strong ROI around service/finance companies where an investment made in training staff to focus on key deliverables ultimately increases results and productivity. It is always a companywide strategic initiative driven from the top down. Results of our recent training for a finance company demonstrate that each person has saved 1.5 hours of time per day, enabling them to focus on the proactive parts of their roles. Senior management now clarify key deliverables and then communicate these clearly to managers and their teams, who can effectively work on these on a day to day basis. This has significantly improved the performance of the company, who are currently number one in the industry.

These huge gains began with putting their people first – investing in appropriate training to ensure everyone was achieving their potential.

Private sector companies tend to invest more in people to develop their skills. I presented in a state sector workshop recently and of the 54 people attending, only three could articulate what their key priorities were and how they were linked to the strategic plan of the business.

There tends to be greater clarity on decision making in the private sector: managers are able to make decisions and are then held accountable for them. In government, many decisions are made by committee, with several levels of approval. This slows the entire process considerably.

**Question 30. What systems and processes would support the regular and rigorous measurement of productivity (at a sector and service level)?**

The most effective way to improve and measure productivity is through managers coaching and mentoring their teams. Managers employ staff to achieve what they are ultimately accountable for – yet tend to spend the least amount of their time with these people. Too often, managers don't work with their teams to provide clarity or coaching and support to help them achieve those outcomes. If this was a core focus for managers in state government the impact on productivity would be significant. Managers could focus on strategy and would not be required to attend as many meetings, as they could rely on their staff to achieve the desired outcomes. Staff would have greater autonomy to do what was required. And teams would be more productive, more innovative and able to focus on the proactive, high performing parts of their role.

**Question 31. How innovative are New Zealand state sector agencies? What are the barriers to innovation in the state sector? What examples of case studies are there of successful attempts to change government process is to improve efficiency?**

The New Zealand government has been innovative in embracing the concept of moving to an activity-based working environment. This reduces property costs by reducing the required

working space for employees and creates a collaborative environment. The challenge has been to encourage their employees to embrace the concept too.

What we have identified is that property teams, ICT teams and project specific teams have been running the projects. But these projects are often not integrated with training and developing people for the change in process. For example: an ICT project team will introduce new technologies, yet they do not have a budget to train staff how to use the new technology. Meanwhile, the human resources department has no budget to train on the new ICT because they say that's not their project. The impact of this is that there is neither effective nor productive use of the new technology. Another example: a property project is all about designing a new environment and cost-effective set-up for staff. But they have no project/budget allocated to define the protocols and behaviours that will enable this environment to be productive. It is a gap in the process and it has an impact on productivity.

There is some innovation regarding modern ways of working, but often what is overlooked is the key component – people! Significant investments are often made in the physical environment (refurbishments, new buildings, etc) and technology, but people need training on how to change their behaviour and processes to work best in the new environment and gain maximum benefits. We worked with an agency who had invested substantially in the introduction of hot desking and flexible working, but people were still returning to the same desk every day after the move. Communal spaces were not being used and there was little to no productive change at all.

**Question 32. How effective is the state sector in using ICT to realize productivity improvement? What are the barriers to government doing this well?**

This sector is introducing ICT with minimal support for staff. The only way to maximise productivity and maximise the use of new tools is to prioritise the development and training of all employees. Evidence shows that undertaking an online, 2-hour quick module of tactical (how to) learning does not improve productivity.

The new tools available offer so many opportunities to improve productivity. Outlook 2013 alone can save people over an hour a day if they know how to use it properly, but we constantly encounter state service staff who have no idea what Outlook can do. Outlook is just one example of a tool which is not being used to its potential.

Recently I attended a meeting with a senior state service executive. Their comment was: “The easiest way to do this is to force people into change. They come in on a Monday and they have a new laptop and new technology and they have to change.” But consider: what is the impact on productivity while staff are working out how to achieve their day to day tasks using new tools?

We are often asked to come in and train people to manage the multiple devices they are required to use in the most effective way. Knowing how to do this ultimately increases their productivity and job satisfaction.