

BUILDING PRODUCTIVE AND SATISFYING ORGANIZATIONAL CULTURES

George Cheney and Pollyanna Pixton

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Productivity is on the minds of practically all managers and administrators these days. At issue for nearly all organizations is efficiency: how to maximize the outputs of personnel and resources. For some organizations in today's economy, their very survival is at stake. But what does productivity include—especially when we step back to consider a mid-term or even long-term perspective?

We believe that productivity and success is actually dependent on an organization's ability to look beyond the current situation while also attending to pressing demands of the moment. What do we mean by this?

When a company is under financial pressure, perhaps because of a major shift in its market, the tendency is to cut services and benefits on the “social side” of enterprise. That is, certain functions under human resources, employee relations, and corporate communications are likely to go—these being considered as “non-essential” activities. The CEO or other top-level manager is likely to think, “How can we attend to the corporate culture when we're struggling just to stay in the market?” There's a hard-edged realism to this reaction that can't be denied. Yet, when pressed, we often forget that some of the very things we may sacrifice may help productivity over the long haul—getting the company through bad times and building on strengths during good times.

A good example of this realization is Pace American's production plant in Hurricane, Utah. Pace American, a privately held company, is the largest manufacturer of cargo trailers in the U.S. and a major supplier of the National Hot Rod Association. In the mid-1990s, productivity was sagging, employee morale was low, and turnover was high in the Hurricane plant. Then, General Manager Ray Salley took a series of steps to transform the culture and to boost productivity. In 2001, all employees were granted the option of flextime, and a new merit-pay bonus system was established. The break room was expanded and equipped with basketball hoops, a dartboard, and Foosball tables. At the same time, new production lines were installed to be ergonomically correct as well as more efficient. Now, productivity—as measured in the number of trailers produced per day—has increased dramatically and employees report unflagging loyalty to Pace and to Salley. The workforce has stabilized, and to meet productivity needs, a new building is being added. Pace allows general managers a great deal of flexibility in determining policies for running the plant and Salley passed this on to the employees by way of freedom to control the conditions of their own work (St. George *Spectrum*, 14 March 2004, p. E-1).

What makes productive employees? We now have the benefit of 80 years of research around the world on the link between employee satisfaction and work productivity. The issues are complex. It is not always the simple answer: happy workers are productive.

Sometimes it is the other way around: productive workers are happy. In other words, the causal relationship is reversed so that individual and team success becomes a primary source of satisfaction. Further, the relationship between employee satisfaction and job productivity is affected by other factors: work conditions, camaraderie at work, confidence in leadership, opportunities for advancement, the values of the organization, and the success of the organization as a whole. None of this is to minimize the intuitively appealing idea that the happy worker produces but simply to remind us of just how complex human motivations are and of the various things a leader in any sector needs to attend to.

Since the late 1980s, it has been fashionable for organizations in all sectors to emphasize customer satisfaction and, by implication, to downplay employee satisfaction. Again, there is sound logic behind this: increasingly competitive industries have sought ways not only to capture customer or client bases but also to keep them. An unfortunate by-product of this trend, though, has been a neglect of employees' needs and wants. As Dan Edelman, the CEO of Seattle-based Bon Marche department store, argues, "I think putting your customer before your people is the wrong way to go." This may sound like heresy coming from a customer-centered industry in a customer-centered economy, but Edelman sees the employee as the living embodiment of the company brand. This is one of the points made in the current best-seller called *Guts! Companies That Blow the Doors Off Business-as-Usual*, by Kevin and Jackie Freiberg (New York: Currency/Doubleday, 2004). The authors offer an array of examples of "gutsy" companies—from retail sales to manufacturing to high tech—to demonstrate clearly that sincere, focused attention on employees does in fact favor the bottom line. The companies cited, like SAS software of North Carolina, are proving that company loyalty to employees and employee loyalty to employer is not dead but simply needs to be revived across industries and sectors. In fact, people are hungry for it.

And what strategies are within the grasp of executives to improve productivity and remain focused on corporate goals? What obstacles face corporate leadership to transform to productive workplaces?

In the Salt Lake Valley, the Psychologically Healthy Workplace Advisory Committee brings together psychologists, business leaders, consultants, and academics. The committee is focused on creative ways to make organizations work for people as well as toward the bottom line – to find ways to create productive work cultures within corporate goals. And, as we've found with a variety of area organizations—from ARUP to Black Diamond to Silverado to Ten Thousand Villages to Nicholas & Co.(all are among the recent award winners)—the goals of productivity and employee satisfaction do not have to be in a tradeoff; they can go hand in hand.

Many effective ideas and concepts for creating productive and satisfying work environments have come from these organizations. To take the next step to find strategies for implementing these productivity measures, the Committee, in collaboration with the Salt Lake Valley Chamber of Commerce, is sponsoring a series of Executive Roundtables

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on just this issue. The discussions will draw together leaders from the local business, governmental, and non-profit communities to address these questions:

- What are the key elements of a productive workplace?
- What is the business value of each of these elements?
- What are the main challenges to create a productive culture?
- How can these obstacles best be overcome?

If you are interested in these roundtables, please contact Pollyanna Pixton at Evolutionary Systems (582-1608 or mail@ppixton.com) or George Cheney at the University of Utah (585-5918 or george.cheney@utah.edu).