Virtual Organisation Winter series:

Productivity: From quick wins to long-term changes

December 2020

pwc

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PwC viewpoint

Workforce productivity and engagement

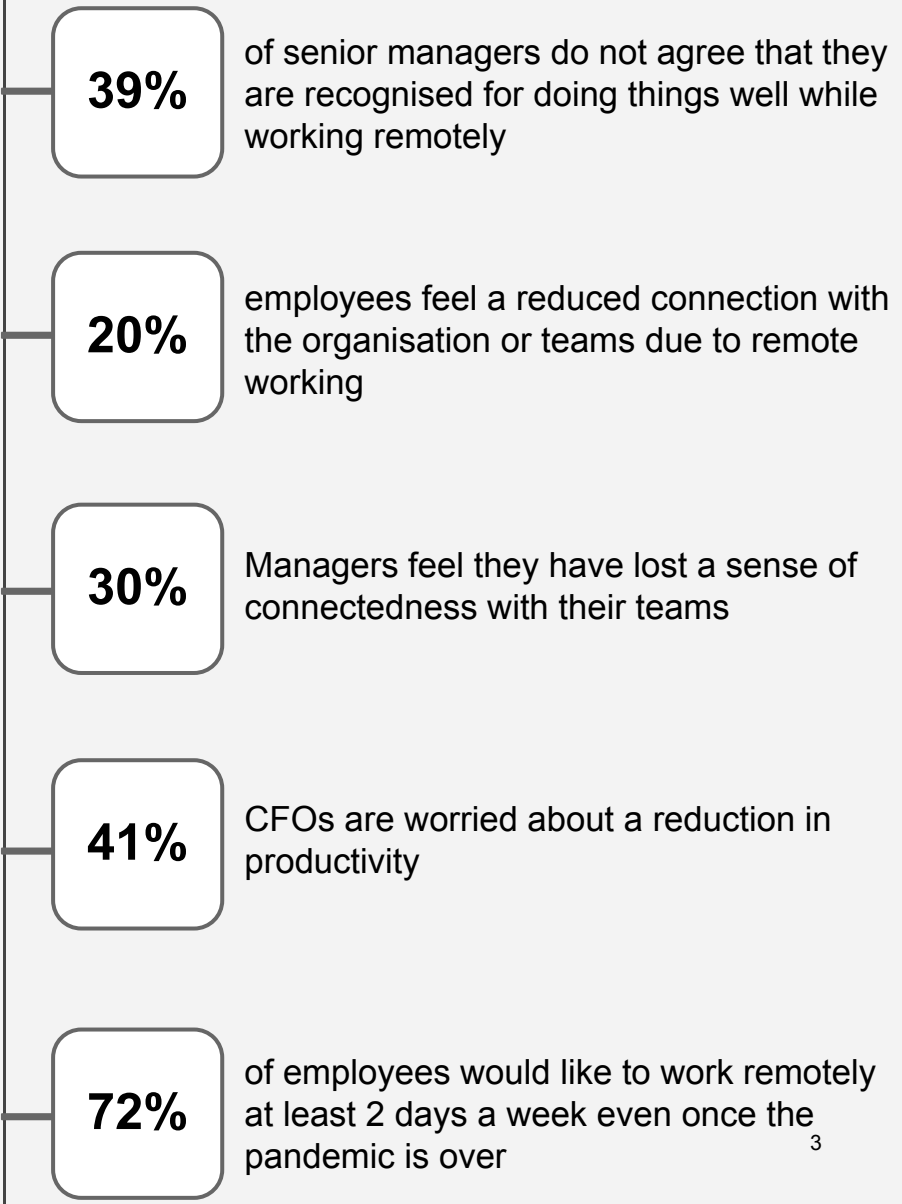**Having initially spiked, productivity has been gradually declining.**

Our observations are that many organisations' view on productivity have been:

1	Focussed on things which are relatively 'easy' to address and implement e.g. collaborative technologies and wellbeing programmes, rather than on making changes to the trickier levers which drive productivity e.g. leadership and management behaviour, role structures & ways of working and performance management & rewards.
2	Insufficiently informed by the right employee sentiment and human performance data i.e. what drives productivity for different types of people and are we really going to do what it takes to address those different factors?
3	Lacking a firm basis by reference to business need - to what end is employee productivity being put? and are investments being focussed in the areas of the business and people most critical to value creation or is there 'jam for all'?

39% of senior managers do not agree that they are recognised for doing things well while working remotely

20% employees feel a reduced connection with the organisation or teams due to remote working

30% Managers feel they have lost a sense of connectedness with their teams

41% CFOs are worried about a reduction in productivity

72% of employees would like to work remotely at least 2 days a week even once the pandemic is over

What clients are telling us they need to do to address to unlock productivity

Organisations are largely focussed on more tactical interventions to drive productivity and on wellbeing

Collaborative working & innovation

Knowledge sharing

Wellbeing

Connecting employees - Are we encouraging employees to stay connected in remote working conditions e.g. virtual water cooler moments?

Communication - How are we enabling communication across different locations and time zones?

Socialising - What socialising, camaraderie and mentoring programs have we initiated to support remote workers?

Employee webinars - Are we holding any employee seminars to address productivity concerns?

Employee assistance programmes - What employee assistance programmes does your organisation have in place?

Wellness apps - Which wellness apps have you invested in recently?

Virtual brainstorming - How are we encouraging problem solving, brainstorming and collaboration virtually?

Collaborative technology - What collaborative technology tool do we have to share and work on documents virtually?

Collaboration - How can we recreate the "water cooler moments?"

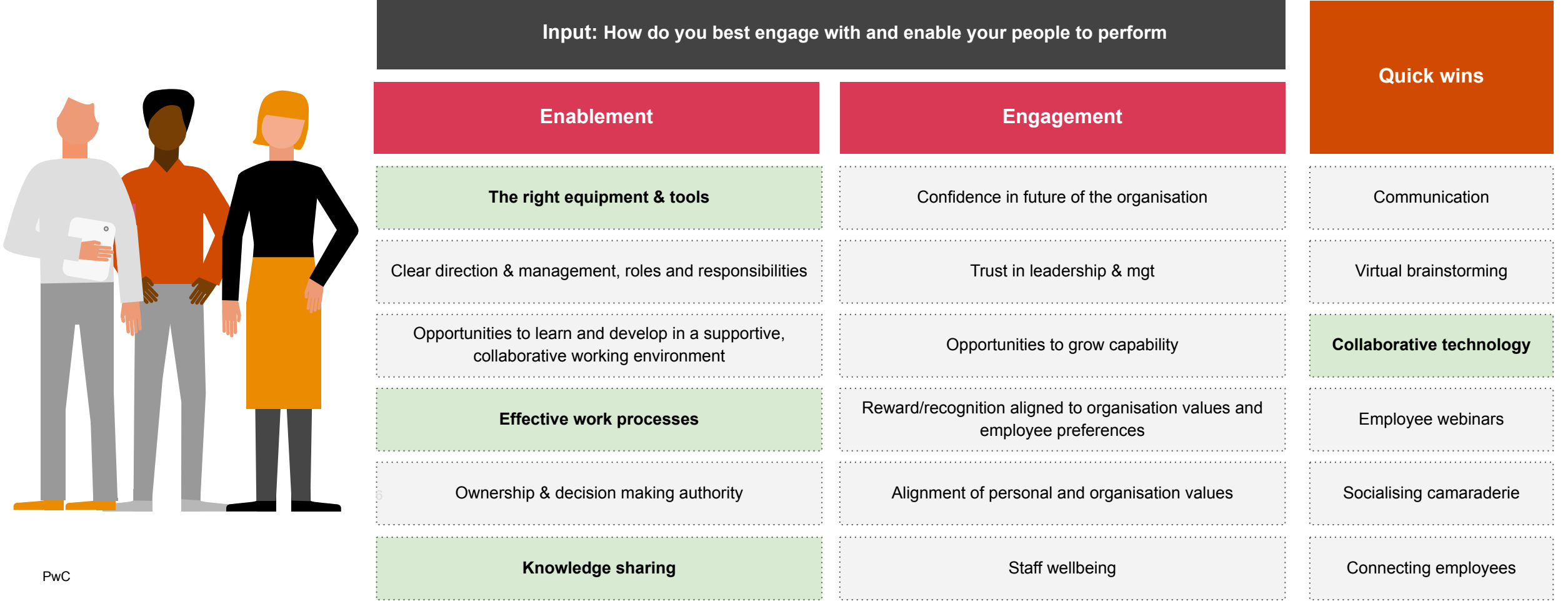# Focusing on quick wins may not turn the dial on productivity

To fully drive productivity it is important to consider the enablement and engagement of employees.

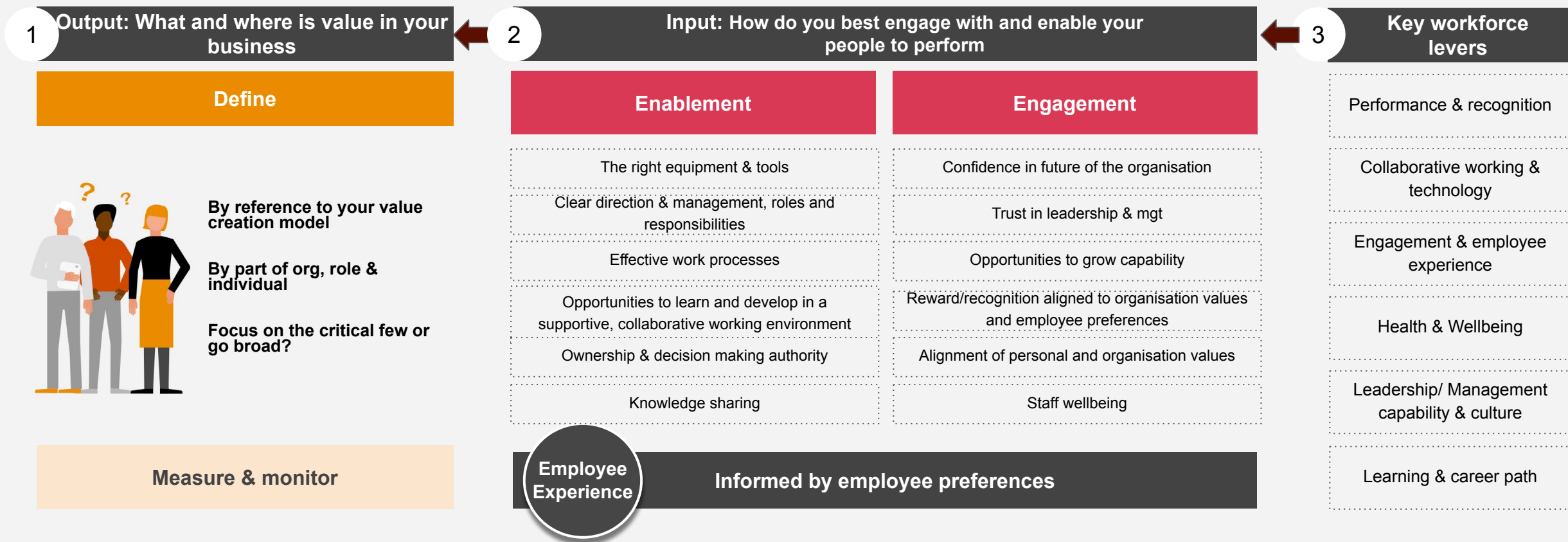| Input: How do you best engage with and enable your people to perform	
Enablement	**Engagement**
The right equipment & tools	Confidence in future of the organisation
Clear direction & management, roles and responsibilities	Trust in leadership & mgt
Opportunities to learn and develop in a supportive, collaborative working environment	Opportunities to grow capability
Effective work processes	Reward/recognition aligned to organisation values and employee preferences
Ownership & decision making authority	Alignment of personal and organisation values
Knowledge sharing	Staff wellbeing

Focusing on quick wins may not turn the dial on productivity

To fully drive productivity it is important to consider the enablement and engagement of employees. Quick wins are only partially addressing the problem:

Input: How do you best engage with and enable your people to perform		Quick wins
Enablement	**Engagement**	
The right equipment & tools	Confidence in future of the organisation	Communication
Clear direction & management, roles and responsibilities	Trust in leadership & mgt	Virtual brainstorming
Opportunities to learn and develop in a supportive, collaborative working environment	Opportunities to grow capability	**Collaborative technology**
Effective work processes	Reward/recognition aligned to organisation values and employee preferences	Employee webinars
Ownership & decision making authority	Alignment of personal and organisation values	Socialising camaraderie
Knowledge sharing	Staff wellbeing	Connecting employees

PwC

Identify what productivity means for your organisation and your people

We recommend understanding where to focus efforts by reference to where matters most in your business, taking a richer view of how best to enable productivity and then pulling on the right levers to activate that productivity

1 — **Output: What and where is value in your business**

2 — **Input: How do you best engage with and enable your people to perform**

3 — **Key workforce levers**

Define	Enablement	Engagement	
	The right equipment & tools	Confidence in future of the organisation	Performance & recognition
By reference to your value creation model	Clear direction & management, roles and responsibilities	Trust in leadership & mgt	Collaborative working & technology
By part of org, role & individual	Effective work processes	Opportunities to grow capability	Engagement & employee experience
Focus on the critical few or go broad?	Opportunities to learn and develop in a supportive, collaborative working environment	Reward/recognition aligned to organisation values and employee preferences	Health & Wellbeing
	Ownership & decision making authority	Alignment of personal and organisation values	Leadership/ Management capability & culture
	Knowledge sharing	Staff wellbeing	Learning & career path

Measure & monitor

Employee Experience — **Informed by employee preferences**

# Developing a business led approach to productivity

Highlighted below are the three key steps to be considered when developing a business led approach to productivity to enable your organisation to achieve consistent/ high levels of productivity:

1. Defining Productivity: Output and Input

2. HR levers: what tools do you have/need?

3. Developing a focused approach

- Build a detailed understanding of what productivity means to you, in terms of output and input
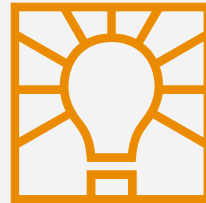
- Consider the range of levers you have and which might be most effective

- Based on 1 & 2, identify what levers to pull and how to pull them in a targeted way

This approach is data-led and enables more targeted/effective spend rather than a blanket approach focusing on a limited number of levers

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Some helpful PwC tools

Human Performance Analytics (HPA) bring cutting edge science to the world of enterprise performance and wellbeing

Historically the combination of these techniques have been limited to elite sports, armed forces and niche business domains such as trading. PwC has partnered with IHP Analytics, a human performance boutique, to bring these capabilities to our enterprise clients
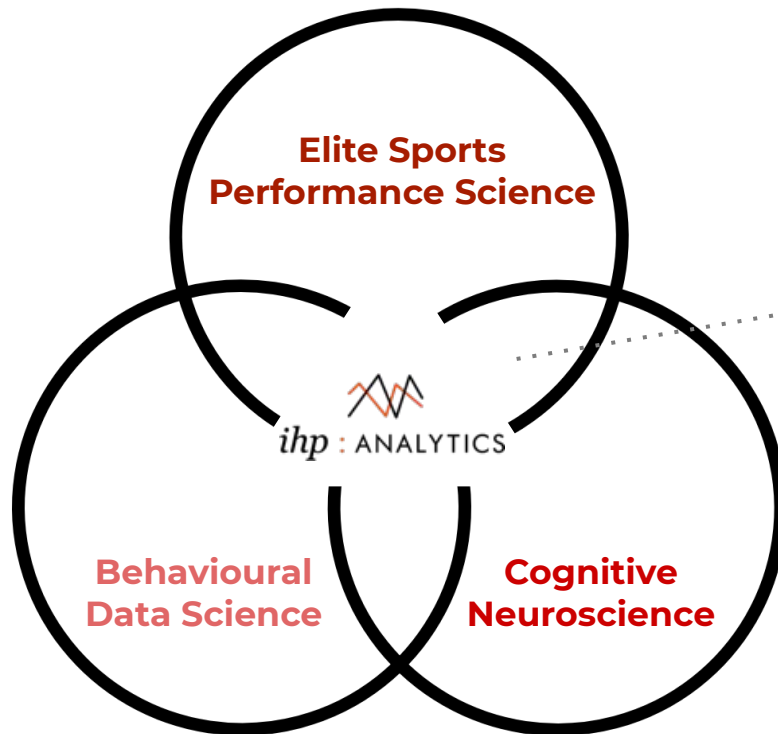
- **Elite Sports Performance Science**
  - physiological and psychological insights to help individuals and teams train intelligently and perform at their peak when it matters most

- **Cognitive Neuroscience**
  - measurement of individual and team cognitive traits to optimise and strengthen performance

- **Behavioural Data Science**
  - Understanding the human motivations that drive behaviours and enable new habits to be formed

What is Human Performance Analytics?
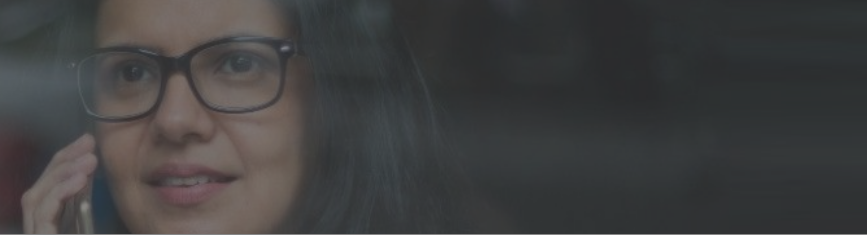
Human performance analytics is a tool which was created in collaboration with IHP-Analytics who are human performance analytics experts with pedigree in elite sports. It offers a connectedness that protects the individual and helps leaders implement contingency, adaptation, recovery, develop resilience and help reduce churn.

Understand how to maximise team and individual performance

Using a blend of data (from emails etc.), it provides a near real-time overview of factors influencing wellness and workforce performance on individual, team and organisational levels

This deep insight is then used to identify a range of opportunities for the optimisation of a broader and sustainable organisational performance uplift.

# We have already leveraged this ourselves: PwC HPA project overview

Approach Structure

- 50 person HPA POC launched in summer 2019
- Extended to a 1000 person project across UK Firm during Covid 19 - April 2020
- GDPR / NIS / R&Q compliant

Holistic Data Inputs

- *Biometric*: Pulse, HRV, stress, exercise, sleep (Garmin vivosmart 4 watch)
- *Cognitive*: Memory, task switching, risk taking, psychological safety, etc
- *Contextual*: Google calendar, timesheets, office hours, working location

Proven Insight

- Bottom-up: Individuals gained insight into drivers of physical and cognitive wellness (100s of small changes)
- Top-down: Aggregated and anonymous data on cohorts allowed management to understand drivers of stress and wellness and how they vary by group. These will be used to develop nudges, training, holiday advice and other interventions
- POC proved that it is legally, technically and culturally viable to collect meaningful biometric data from volunteers from which we can generate meaningful insights
- Project proved significant employee demand for these insights and willingness to share data subject to appropriate controls (1000 person trial 'sold out' in 3 hours)
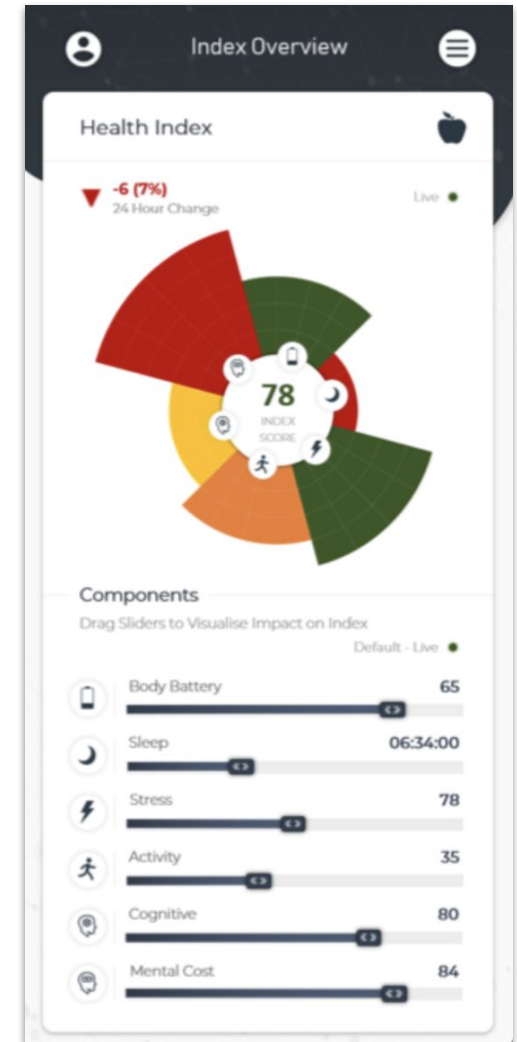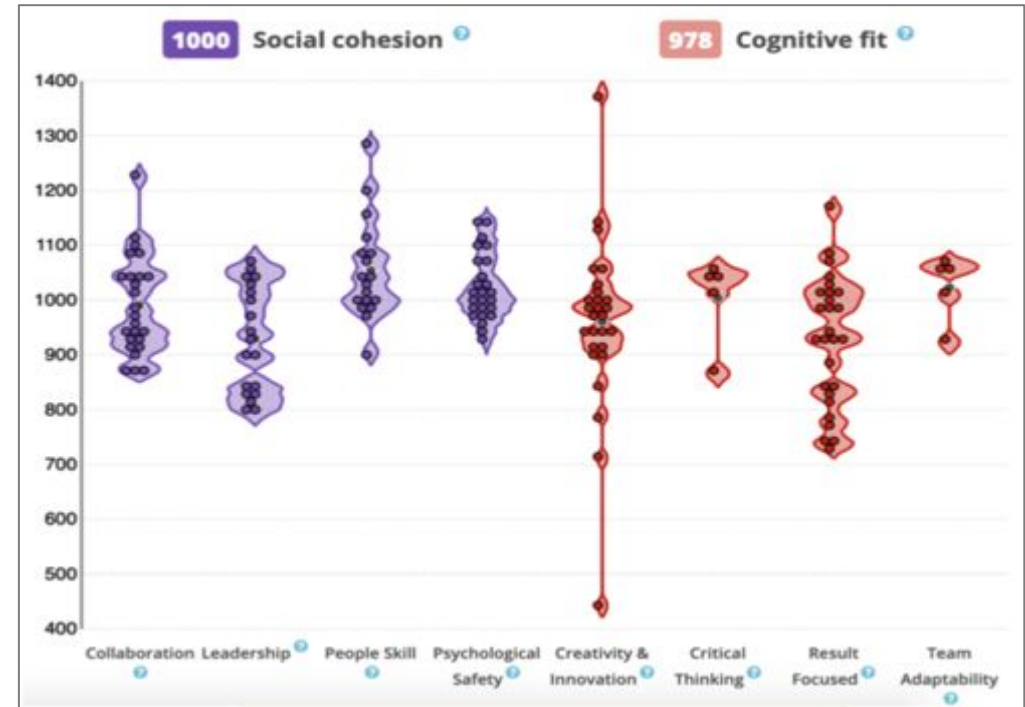
Human performance analytics - example outputs

Individual and group wellbeing dashboards
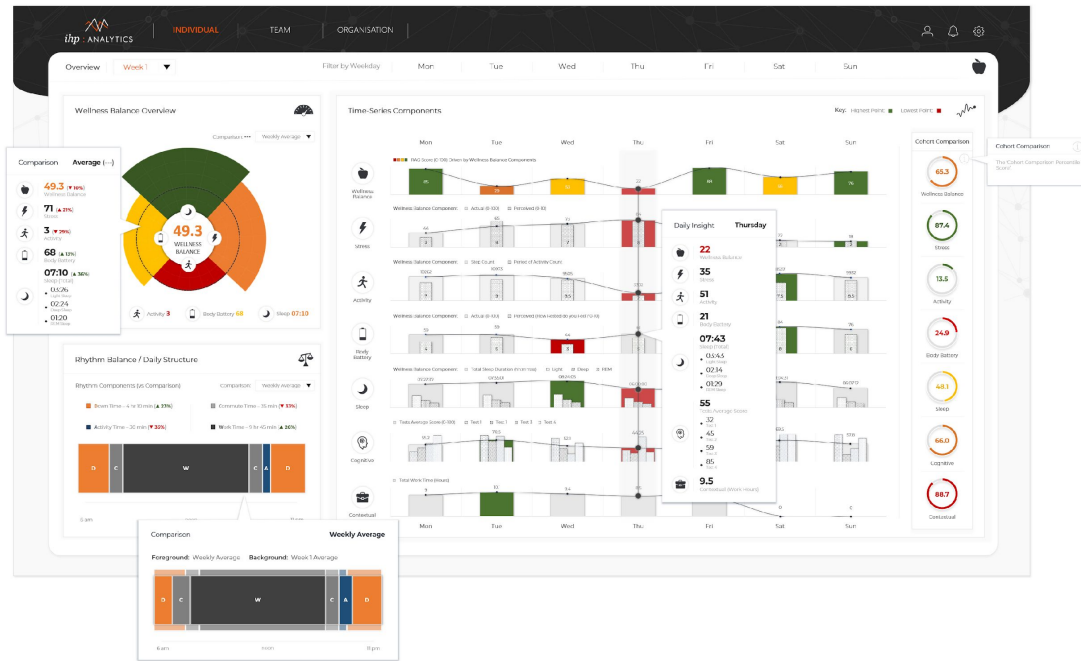
Indicative components dashboard (subject to client requirements) to demonstrate wellbeing profile (top left), weekly commitment balance overview map (bottom left) and time series weekly telematics for 24/7 reference and comparison.

Team – Social cohesion and cognitive fit

Benchmarking provides an overview relating to key team functions, together with attribute diversity range for assessing capability and potential blind spots.

Objectives of Human performance analytics (HPA)

Generate deeper insight into the performance and wellbeing of your organisation's key people.

Demonstrate management's commitment to wellbeing as an example for the wider business.

Develop individual strategies to optimise performance (previously the preserve of elite athletes).

Mitigate against costly mental and physical health deterioration through proactive, targeted support.
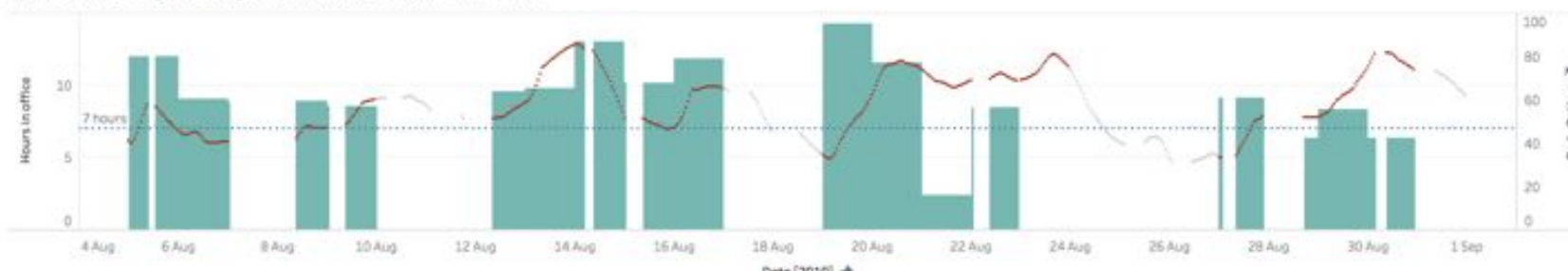
Human performance analytics - example deliverables

Daily stress peaks and number of WBS codes charged

Date/time: 14 August 2019
Description: Maximum stress peak levels in August and high relative to other participants
Context: Delivered a project report the following week

Date/time: 22 August 2019
Description: Daily stress peak totals decrease from 19th to 22nd August
Context: Delivered a final report for a project that last several weeks

Date/time: 25 August 2019
Stress peak level: 20
Description: Higher than usual stress levels during a weekend
Context
- Worked on follow up questions following delivery on 22nd
- Had to answer bidder questions over the weekend because was unexpectedly pulled onto another short term project

Final week stress levels are decreasing as the participant reports that their project is under control

Body battery levels also recover during the final week with time spent across client work and business development work
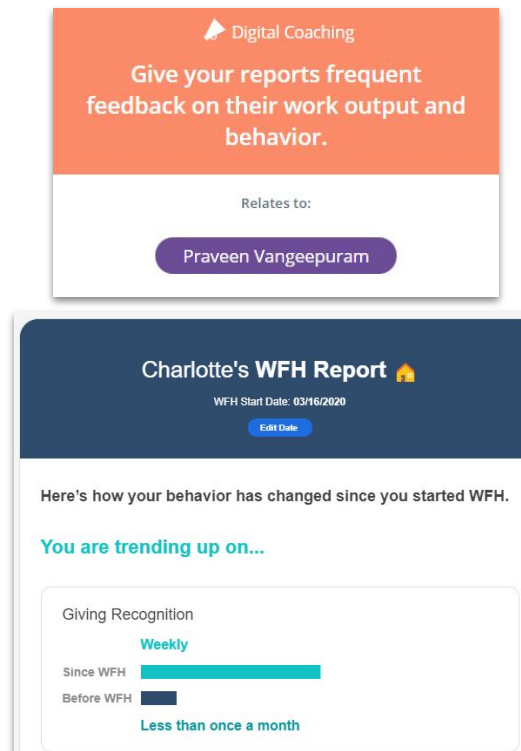
We link biometric indicators with contextual information such as diary, to understand triggers and responses in more detail at the individual level.

Smoothed body battery and number of hours in office

Cultivate develops leaders using AI, built into everyday working

Cultivate takes **insights** from the content of a leader's emails, scheduled meetings, and messenger conversations with their team members...

...and generates **insights and AI driven nudges** to enhance their impact with their teams, improving engagement, productivity, inclusivity and wellbeing.

Digital Coaching

Give your reports frequent feedback on their work output and behavior.

Relates to:

Praveen Vangeepuram

Charlotte's WFH Report 🏠

WFH Start Date: 03/16/2020

Edit Date

Here's how your behavior has changed since you started WFH.

You are trending up on...

Giving Recognition

Weekly

Since WFH

Before WFH

Less than once a month

Cultivate coaches leaders and managers to be **better leaders** and **strengthen their workplace relationships** without the need for time consuming surveys or classroom training.

Outcomes of the pilot at PwC

PwC ran a **3 month pilot** of Cultivate involving **39 leaders** across the firm test whether the tool encouraged leaders to change their everyday digital behaviour and whether direct reports noticed a positive behaviour change.

For leaders...

60% of managers (who have used the tool for 1 month) are asking their direct reports for their **opinions more frequently.** [1]

There is a **89% improvement** in how often managers (who have used the tool for 1 month) are **providing their direct reports with feedback.** [1]

100% of survey respondents "Agree" or "Strongly Agree" that the AI tool makes them **more self aware.** [1]

For direct reports...

40% noticed a **positive improvement** in the way their manager digitally communicates with them. [2]

30% are 'dissatisfied' or 'extremely dissatisfied' with the hours their manager communications with them. [2]

What did people say

1-to-1 feedback discussions were held over the three month pilot at PwC to understand how useful leaders found the tool, and whether they had suggestions for the future. **Surveys** were sent out to users by the AI tool team to find out how the tool has been impacting them.

"After seeing my dashboard, I **proactively had conversations with my coachees** and we created **individual action plans** of how I can improve my behaviour"

"PwC values **working as a team** and pulling on others' expertise… [the tool's] feedback on asking for and giving opinions is helpful because it shows how **collaborative** you're being."

"Asking for opinions is really important to show that we value reports rather than have a command chain. I have noticed that I have **reframed** how I have **communicated** a few times on Hangouts to ask rather than tell."

"[Since the tool has been piloted, I have had] **monthly meetings** put in the diary with one Director and **prompt responses** from my managers"

Perform Plus

- Enabling post C-19 'Hybrid' operating models
- Virtual, Remote and Office based teams
- Driving up team productivity

We're helping organisations to support **wellbeing, drive ongoing connection and productivity** across teams as they have to suddenly transition to remote, home and dispersed working.
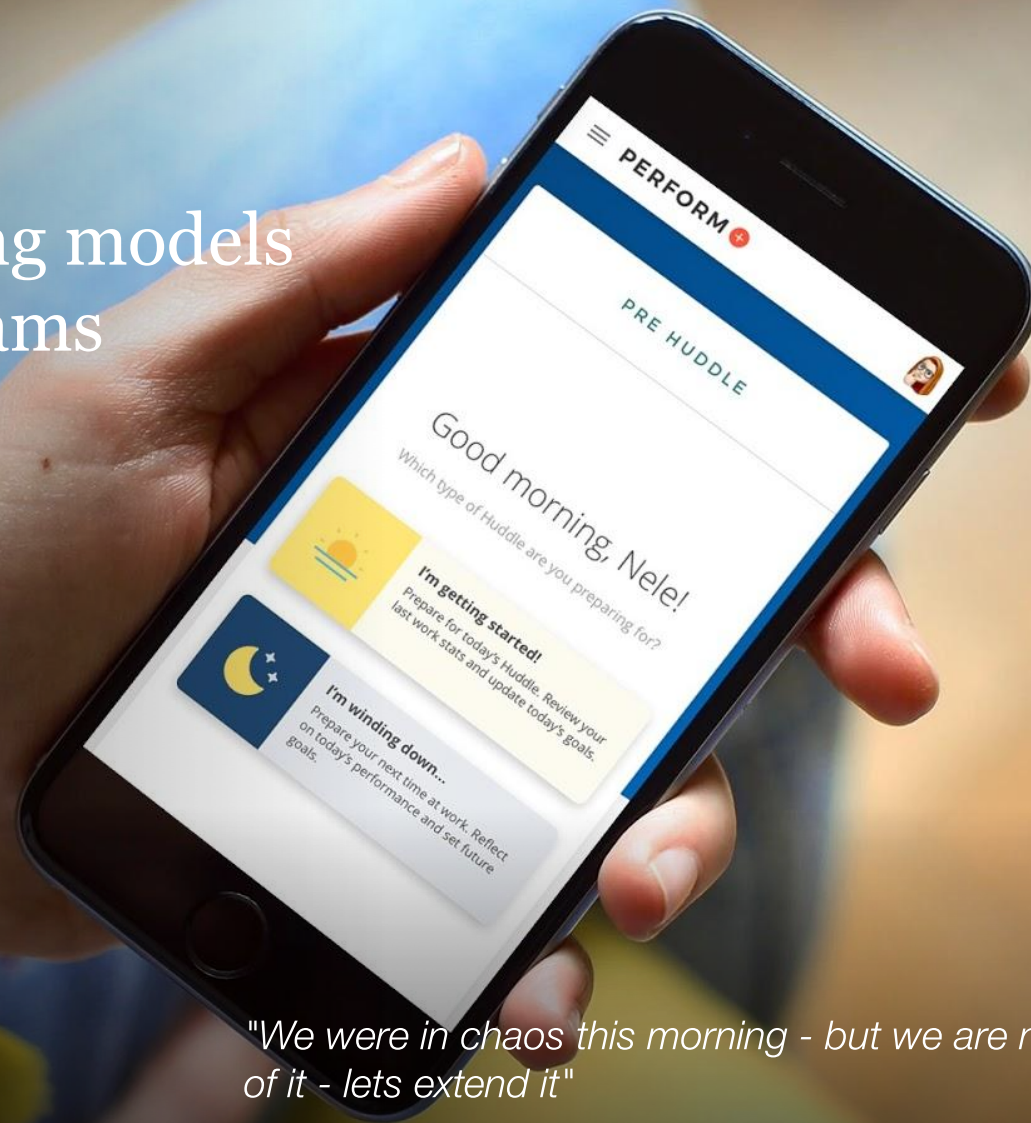
"We were in chaos this morning - but we are now on top of it - lets extend it"

"Perform Plus and the huddle structure has been absolutely key to allowing us to achieve remote working so quickly. We even improved our productivity with 10%!"

pwc

Perform Plus

The Covid-19 pandemic has resulted in the greatest shift in working practices ever seen. While initially team & company performance has sustained we observed a sweeping change in variability of individual performance with so called "Super-Achievers" working harder, while other workers are struggling to keep up more and more. But this can't last forever. **Overworking combined with a sustained decline in employee engagement is leading to falling productivity.**
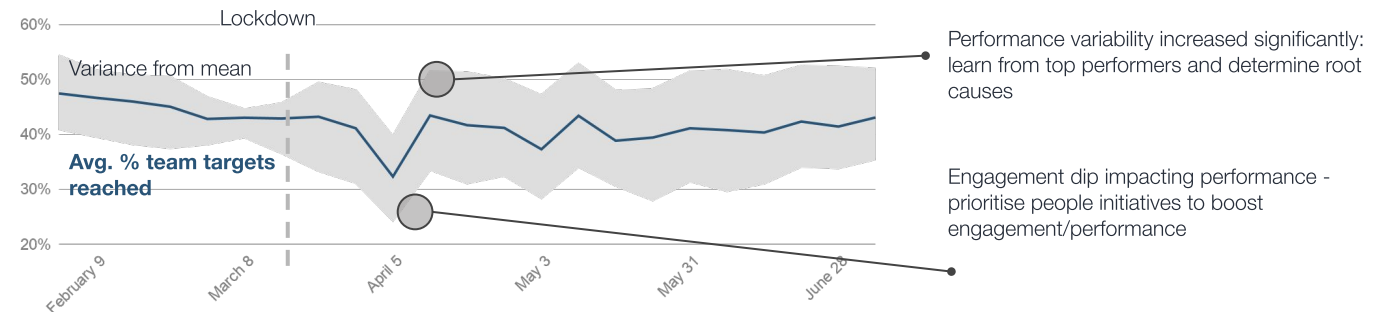
It is now essential for businesses to equip their leaders and teams with the digital tools and new capabilities to thrive and excel in the long term.

x2
since lockdown, variation in individual performance has doubled[1]. While "Super-Achievers" thrived during remote working, other struggled adapting to the new ways of working and saw a dip in their performance

Source: PwC Perform Plus Data - April 2020

Perform Plus data shows that performance variation increased following lockdown

Performance (average % targets reached)

Performance variability increased significantly: learn from top performers and determine root causes

Engagement dip impacting performance - prioritise people initiatives to boost engagement/performance

The bottom-line results show steady or increased productivity which at first glance looks like good news, but those results hide a potential problem that appears when you look harder at the data. There is greater variation around mean performance in the weeks after lockdown than before this suggests that productivity has been propped up by a cohort of superachievers (around one-third of the total sample), which has disguised a fall in productivity among the rest.