The productivity puzzle:

How to get the very best out of your people in the modern workplace

Microsoft

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Introduction

Productivity remains one of the top issues facing businesses today. And while there's no doubting the importance of trying to get the most out of your talent, the approach many organisations take actually has the reverse effect. This is the 'productivity puzzle'.

How has this come about? Business leaders are smart. They've built successful organisations that they're passionate about, and want the best for their people. So how could the wires have gotten so badly crossed? There are a few common misconceptions that play a part:

"We need a 'modern' workspace"

Not necessarily. You might think that an open-plan office will generate greater productivity by encouraging interaction between colleagues. But this doesn't recognise that people work in two very different modes, the creative and the connective, and open-plan offices are conducive only to the latter.

- Creative work: this is highly concentrated activity that demands deep interrogation of a problem. It tends to generate most of an organisation's real value, and needs the right space.

- Connective work: this is the more interactive work, where people are collaborating and communicating to build on that initial creative output. It is far more suited to open office space.

Introduction

"We need to know what our staff are doing"

Again, this notion of having control over workloads in order to measure and control productivity is questionable.

Micromanagement has more of a negative impact on the knowledge workers that organisations depend on, compared to those in less demanding jobs[1]. And of those employees who say they work for a micromanager, the majority feel that constant scrutiny has a negative impact on their work and psyche[2].

As Peter F. Drucker, the man who coined the term 'knowledge worker' observed almost 20 years ago, "knowledge workers... have to have autonomy[3]." And they are not being given it.

"We know which tools our people need to do their jobs"

There is actually a real disconnect between business leaders and staff when it comes to the provision of productivity tools.

Almost half of executives interviewed by Oxford Economics believed that their employees had the tools they needed to deal with any distractions when working outside the office – but less than one-third of employees agreed with them[4].

The reality of today's workplace

Many employees are stationed in busy office environments that don't facilitate their most productive work. They are unable to make their own decisions about how best to achieve their goals. And they aren't equipped with the tools they need to work effectively when out of the office.

The result? Despite productivity being a key goal, some organisations are losing as many as 35 days per year to unproductive activities[5].

There is a real disconnect between business leaders and their employees when it comes to the provision of productivity tools.

This paper looks at how business leaders can solve the productivity puzzle by:

- Facilitating both creative and connective workstyles.

- Adopting a management style that empowers people to work in the best way.

- Exploring tools that allow a seamless transition between creative and connective modes.

Productivity is nothing without quality

According to recent research from Techaisle[6], the top two business issues facing many companies are:

- Improving the quality of products and processes

- Improving workplace productivity

However, these two challenges may simply be different sides of the same coin. As the father of the quality movement W. Edwards Deming noted, "improve quality [and] you automatically improve productivity[7]".

For businesses, it is the productivity and output quality of their knowledge workers that's a particular concern.

Over the past three decades of ongoing computerisation in the workplace, the proportion of knowledge workers in the workforce has increased steadily[8] to as much as 65% in developed countries[9].

Getting the most from these workers requires an understanding of the nature of work itself.

The creative vs the connective

Work is not a monolithic activity. Most value-creating employees – particularly knowledge workers – function in two completely different modes: the creative mode and the connective mode.

Creative work involves deep immersion in a task, when imagination and productivity flourishes.

It can be described as "the ability to focus without distraction on a cognitively demanding task" and as a "skill that allows people to quickly master complicated information and produce better results in less time[10]."

Creative work is an example of a 'flow' state, which is defined as "intense and focused concentration on the present moment," and the "merging of action and awareness[11]" – or, put more simply, "being in the zone." These are the times when, confronted with a challenging problem, we have found a flow, produced a solution, and created some amazing work. And importantly, it is this type of work that often means the most to people – it gives us the most satisfaction and a positive feeling of accomplishment.

Connective work is the corollary of creative work. If creative outputs are to have value, then they need to be shared.

Colleagues may need to collaborate to provide input; conference calls may have to be convened to debate how best to move forward; these outputs may need to be shared around the organisation or presented to clients before they are taken to market.

In a hyper-connected workplace with multiple stakeholders who may be in different offices – or even different time zones – these connective activities may be complex and time-consuming.

Striking the balance

Both creative and connective work are necessary for a business to be truly productive.

Focus too much on the creative and all those great ideas will never be realised as marketable goods or services.

But focus too much on the connective and you won't produce enough great ideas in the first place.

Striking the right balance is difficult though. The immersive nature of creative work means it is not easy to achieve. The right conditions for full concentration are increasingly hard to find in open-plan workplaces. And there is limited time to focus on it amongst all the other meetings, conference calls, and emails we have to deal with.

As a result, the balance in many businesses tends to swing to connective behaviours – those visible actions that look to be productive on the surface, but often on closer inspection lack a clear outcome on the bottom line.

And this can become self-preserving – many knowledge workers tend towards connective tasks because they lack a more creative way to demonstrate their value.

This has profound implications for both value generation and morale – and goes to the very heart of the productivity puzzle.

Both creative and connective work are necessary for a business to be truly productive.

The importance of environment

According to Oxford Economics[12], the most important considerations for business executives when it comes to the design of their workspaces are:

- Allowing and encouraging employees to interact with each other
- Improving employee productivity and satisfaction

This suggests a lack of awareness about the creative and connective modes of working, and a misconception that interaction goes hand-in-hand with productivity and satisfaction.

This analysis is borne out by employees themselves. In the same study, the "ability to focus and work without interruptions" was considered the single most important characteristic of the work environment, whereas "novel amenities like onsite day care or free food [were] far less important."

Interestingly, "having space to collaborate with colleagues easily and effectively" was the second-ranked characteristic, indicating an awareness of the need for creative and connective balance.

Tuning out the noise

Employees also said that blocking out noise and distractions increased their productivity (64%), reduced errors in their work (52%), and allowed them to focus on the task in front of them (48%). Millennials are particularly sensitive to these issues – they are more likely to say noise distracts them from work and in general are more annoyed by ambient noise in the office.

However, it seems that employers are largely unaware of the problems their staff are experiencing: the same study found that only 39% of executives said ambient noise affected their employees' productivity, and just 33% said loud colleagues were an issue. This underlines the disconnection between employers' aspirations (happy and productive staff) and the reality (distracted and frustrated staff).

Compromising on space

Oxford Economics concluded that "Companies that recognise the challenges of constant connectivity and working in varied, sometimes distraction-filled environments will see increased productivity and engagement from their employees, which in turn should translate into business value and customer satisfaction." This is music to the ears of any business leader – but is much easier said than done.

One of the unquestioned benefits of open-plan offices is that they are more cost-effective and flexible than other types of work environment. While moving offices or building cubicles for every employee would be a hugely expensive undertaking, compromises are available.

For example, every workplace could have the equivalent of the quiet areas found on many trains – spaces where music, phone calls, and loud conversation are prohibited. This would give employees ready access to the right conditions for deep creative work.

Giving people choice

A more radical solution would see employees being able to choose where and when they carried out their creative work – whether that is at home, in a public space like a library, or any other location suited to highly concentrated mental activity.

That would deliver the highest levels of productivity, but also require a change to prevalent management practices and a re-evaluation of the tools currently provided to most employees.

With clear goals and some licence to operate, employees will be able to focus on solitary but highly productive creative work.

Culture and mindset

Writing as long ago as 1999, management guru Peter F. Drucker stated that "knowledge workers have to manage themselves[13]."

His assertion was that if knowledge workers are to be truly productive, they have to be seen and treated as an 'asset' rather than a 'cost.' It is workers themselves that have greatest understanding of the task.

The majority of workers are not being afforded the kind of autonomy they need. Instead, we have a culture of micromanagement, which although well-intentioned, is stifling both productivity and creativity.

Writing in the Harvard Business Review, Ron Ashkenas defined micromanagement as resulting from the unconscious need for more direct information converging with a manager's tendency towards operational focus[14].

The often-excessive scrutiny of a micromanager is presumably intended to improve performance, but evidence suggests it has the opposite effect: of those who felt they'd been micromanaged, 55% said it hurt their productivity while 68% said it decreased their morale[15].

Trust and confidence

By contrast, 90% of employees surveyed in the Great Place to Work Rankings believed management trusted them without looking over their shoulder, and 92% said they were given a lot of responsibility[16].

But this is not just about being nice: Fortune magazine claimed that the revenue growth enjoyed by the companies on their list averaged three times that of those that were surveyed but didn't make the cut[17].

Employers need to learn to trust their employees and, in parallel, focus on outputs not inputs. This means thinking more about "are work objectives being met?" and less about "are they at their desk for eight hours a day?" With clear goals and some licence to operate, employees will be able to focus on solitary but highly productive creative work, rather than concentrating on highly visible but less valuable connectivity: they will be free to go 'off-grid' for an hour or two – whether that is at home or elsewhere – without fear of reproach.
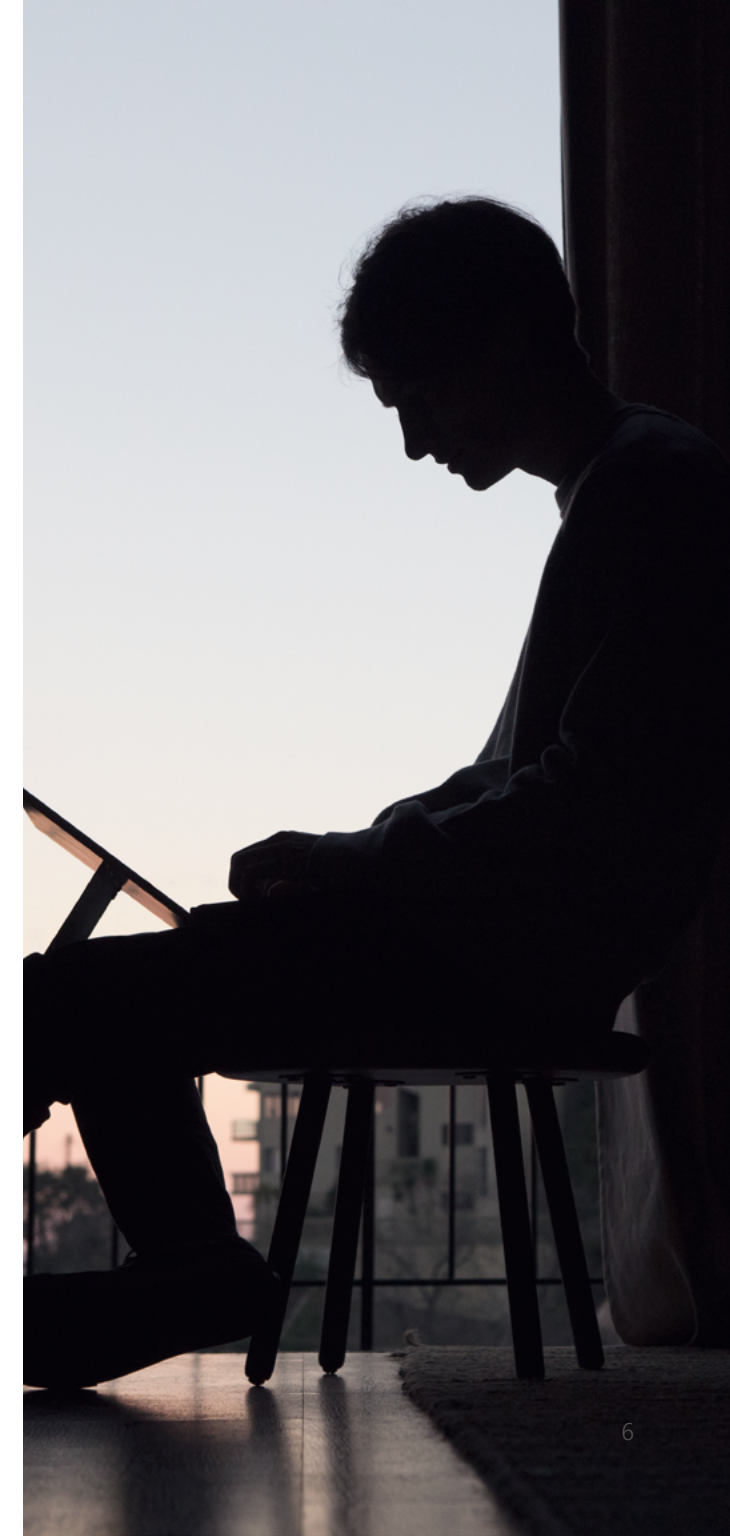
Tools for the job

Embracing mobility is key if you want your people to do creative work from the location of their choosing.

And there are solid bottom-line reasons for doing so. It is claimed that mobility "leads to 30% improvement in processes and 23% more productivity – and 100% more satisfied employees[18]."

An effective mobility strategy must encompass many things. The management culture must empower employees to make decisions about where and when they do their creative work. Policies must be created and enforced so, for example, teams can come together regularly. It's also about people having the right tools in their possession as they move in and out of creative and connective work modes.

Device disconnect

It would be understandable to assume, given advances in mobile internet and the proliferation of mobile devices, that today's employees should feel comfortable with being productive on the move.

However, as the Oxford Economics report noted, "Only about one-third of employees say they are equipped with the tools they need to work distraction-free when outside the office. This is another instance of executives not understanding the extent of the challenge – substantially more say their workers are equipped with the necessary tools than employee responses suggest."

Device dissatisfaction

Digging further into the data reveals deeper levels of dissatisfaction. 65% of employees say they prefer a single device for their personal and work lives, rather than different devices for each. Yet only around one-third (36%) of employees believe that the devices they use at home or on the road interact seamlessly with work technology.

So, in an ideal scenario, what kind of tools should business leaders be putting in the hands of their employees?

Versatility is key

Well, firstly, these tools should be flexible. The deep work carried out in creative mode must then be shared in the connective mode, so staff need tools that support them as they switch between modes.

Tools for creative tasks such as ideation or visualisation should also allow for that work to be socialised with others when in connective mode. Essentially, what is needed are adaptable tools that can mirror the behaviours of users as they move in and out of different work modes. And given that employees want to use the same tools at home as they do at work, these devices should function equally well in both environments.

One connected experience

They should also offer a seamless experience across devices: employees may choose to use different tools in different modes – for example, using a desktop for creative work, but connecting via a tablet or cell phone. Or it may be that, when inspiration hits, a device used primarily for connectivity is pressed into service as a creative tool (or vice versa).

Finally, they should offer ubiquitous access to data, a scenario made practical by developments in cloud computing. It is now entirely possible for multiple physical workplaces to function as a single virtual workspace. So people should not be restricted in where they choose to do their creative work because they don't have access to the information they need – the right information should always be at hand, wherever they are.

"Ubiquitous access to people and information is particularly important for business in order to be productive while on the go."

Jan Dawson, Research Director, Ovum Research

Conclusion

At the heart of the productivity puzzle lies a paradox.

If productivity is a critical priority for organisations, then why have so many businesses put so many hurdles between their employees and the productivity they need from them?

The obvious answer is that the different modes of working, particularly for knowledge work, have not been appreciated. Employers have created open-plan workspaces that encourage only connective behaviours, leaving employees craving the freedom from distraction and the peace and quiet that will allow them to do their creative work.

Employees seeking to carry out their creative work outside the noisy confines of the office have been largely thwarted by both organisational culture and technology. A largely unconscious micromanagement style has left many workers feeling unempowered to seek out the right environments for creative work. And the inability of tools to support flexible working has discouraged them from doing so.

Overcoming these hurdles will feel like a revolution, but will be realised as a series of small victories.

At Microsoft, we're striving to help businesses solve their individual productivity puzzles by thinking differently about workplace technology.

We talk with companies and employees across all industries to understand their day-to-day needs, so we can really get under the skin of what's holding them back from being truly productive.

And from this, we create new devices – and new categories of devices – that remove the limitations people are facing.

Whether it's battery life to get them through a full day on the road, the power to run professional apps on a tablet, or a giant touchscreen that lets a full group of people work together.

Because when people aren't faced with obstacles, and when their effort isn't limited by their tools and environment, they can work more freely, more creatively, more collaboratively.

The productivity puzzle is there to be solved.

See how Microsoft Surface is empowering people to be at their connective and creative best – wherever and however they choose to work.

In this paper, we've touched on the importance of the creative work mode for forging great business ideas.

In our next paper, we look at how Microsoft Surface, together with Windows 10 and Office 365, is helping businesses be more creative, collaborative, mobile, and secure – so they can take those ideas from concept to fruition.

Read "How to maximise the value of ideas".

Appendix

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