

Power of P cubed

PEOPLE, PASSION AND PROFIT ARE INEXTRICABLY LINKED FOR SUCCESS.

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In many organisations people are the only asset. What do organisations such as these need to do to maximise their people to get to the profit that is required by their shareholders?

The first step is to identify the people-drivers that will make the company more profitable and will increase productivity.

Research conducted across nine companies in the Services Industry is very enlightening in this regard. The research revealed that passion is a huge driver. As management guru, Jim Collins observes: "The kind of commitment I find among the best performers across virtually every single field is a single-minded passion for what they do, an unwavering desire for excellence in the way they think and the way they work. Genuine

confidence in what launches you out of bed in the morning, and through your day with a spring in your step."

Organisations need to ensure that they ignite the fire within their people. They also need to ensure that their employees associate with the company and they need to ensure that their employees want to come to work.

Although some of the leaders that were interviewed believed that employees are mostly motivated by financial compensation, the research confirmed that this is not the case. Contrary to what many leaders believe, when it comes to satisfying employees, money is not the biggest driver. Drivers are around intangibles such as a sense of belonging, self-actualisation in the workplace and relationships in the workplace. Generational theory clearly comes into play. The younger generations are a lot more aware of self and the satisfaction that they require both as individuals and employees.

There is no escaping the fact that if employees are emotionally committed, and have passion for what they do, they will be more productive and the organisation will also be more profitable. This is the basis of the service profit chain – P cubed: people, passion, profit.

Since the importance of emotionally committed and passionate employees has been identified, it is very important to monitor, on an ongoing basis, whether employees' needs are being met in the workplace. Regular, anonymous employee relationship indexes, such as the Lloyd Survey are very useful in this regard. In terms of this particular index, employees fall into four quadrants:

- ❖ staff who are truly loyal, love being in the workplace, are completely satisfied and are not looking elsewhere (these are high performers);

- ❖ those that are accessible, but because they are looking for something that will satisfy them a little bit more, they are accessible to other employers, (these are performers, you want them in your organisation);
- ❖ people who are unhappy: the employer hopes that these individuals will find alternative employment; and
- ❖ lastly trapped people, who are unable to go anywhere else.

Staff retention is an ongoing challenge in the services industry and impacts on productivity and on the bottom line. Here, it is important to recognise that the manager is the single biggest contributor to people satisfaction. It is imperative, therefore, that managers adapt their management style to manage team members in the individual quadrants appropriately.

It is important, too, to recognise that in the current recession there is a real danger of organisations only focusing on profit and productivity, and neglecting the people and passion components. When times are tough, annual increases are often one of the first areas that are cut. Although money is not the biggest driver, it is imperative that organisations retain their "loyal" and "accessible" staff. Using Jim Collins' terminology, when the economy turns it is important to ensure that you have "the right people on the bus and the right people in the right seats". Even if costs are cut, it is important to ensure that "loyal and "accessible" staff, receive increases at "the upper end".

In order to achieve P cubed, all three elements, people, passion and profit, must be in place. P cubed ensures business resilience in tough operating environments. It also ensures business sustainability in the longer-term. ([HR/](#))

