

# Increasing staff productivity

Macquarie Planner Services  
Smart solutions made simple



**For many firms their most valuable asset is their staff. Our insight into the planning community in Australia highlights some of the key building blocks in cementing a strong team culture.**

Good staff are critical to the success of any business and it makes good economic sense to improve staff productivity where possible. Employees in both the front and back office are a vital component to the success of the business and possibly the greatest asset of any planning firm.

Financial planning is all about relationships and advisers need the right people to foster and build a relationship. However, many practices don't have the time or the expertise internally to ensure they get the most out of their people. Best practice firms tend to have detailed job descriptions and clear KPI's (Key Performance Indicators) that are aligned to performance appraisal programs. Some of the building blocks financial planners need to increase staff productivity include:

- Proper job descriptions;
- KPI's that are measurable and achievable;
- Performance appraisals;
- An effective staff development plan.

Liz McCarthy, Head of Macquarie Practice Consulting in Australia, shares her experience of working with some Australian practices. "Many financial planners don't realise they need to do more with staff," she says. "Staff actually do want KPIs that they can work towards, and performance reviews can be demoralising if the manager isn't taking them seriously."

Samantha Laurie is Macquarie's Banking and Financial Services Group Head of Human Resources (HR). She says businesses these days need to offer staff more than just good remuneration to motivate and retain them, they need to offer a work environment which encourages and rewards performance while supporting a sustainable work environment.

One of the most common tools used with staff are performance appraisals. "In an appraisal, goals need to be set," Laurie says. "They could be financial goals such as wanting to achieve a certain increase in revenue or they could be behavioural, such as ensuring key information is shared between colleagues in a collaborative manner."

One common complaint about appraisals however, is that managers conducting them only pay them lip service. "If you are going to have one, the manager needs to be open and committed," Laurie says. "If you're not going to own your part of the discussions then there is no point having them. But both the staff member and the manager need to commit to the review. It's also about keeping the conversations real, and this applies to both parties."

But, she adds, you don't need to wait until the six-monthly review to have such discussions. "If the business or individual is going well then managers need to tell staff. This also works in reverse. Managers also need to give timely feedback to staff if things aren't going well – don't avoid the issue - providing constructive support is critical.

Laurie says reward and recognition schemes should also be set up based on outcomes. These may be rewards for 'hard' actions such as achieving financial targets, or 'soft' actions such as behaviour. Rewards can include more remuneration, promotions or other recognition tools. Defining productivity in all roles can be difficult, Laurie says, it isn't only about achieving revenue goals but also identifying the tasks and outcomes that indirectly contribute to the overall business goals.

While all staff need to be recognised, employees in administration and support may not be able to achieve financial targets, so managers should have other ways to review and recognise their contribution," Laurie says. "For example, the way receptionists deal with enquiries can play a big part in how clients perceive the business and if they do a good job it should be acknowledged. For staff, there is often nothing as effective as recognition in the informal sense and managers should take time to invest in it." Laurie says sharing results with staff including the wins and the losses, is crucial to improving productivity. "Knowing what is going on makes staff feel more involved and accountable for their contributions. The more accountable staff are the better clients are generally served, which flows on to better business outcomes."

Staff who are kept in the dark can incorrectly perceive what is going on. "If monthly meetings have been promised and one hasn't been held for six months, staff may very easily feel that the business is doing badly," Laurie says. "A more engaged workforce feeds into increased productivity. Managers need to look at what drives staff engagement and often this includes simply getting feedback." Setting and monitoring individual KPIs is a great way to understand your business's productivity.

Laurie says KPIs need to be easily measurable and aligned to your business goals. Once they have been mapped out and measured, managers can understand where the business is falling short and highlight any gaps including any skills shortage. "A gap may be something like there is a lack of marketing or business management skills in the company," she says. "If you understand what is needed to achieve the real goals then you can see the skills gaps and risk areas." Job descriptions, while important for staff and the business, they need to be flexible within a smaller organisation. "Managing expectations and role clarity is important as staff need to know what their role is and what's expected of them which leads to greater success in retaining staff and achieving real outcomes," Laurie says. " But don't tie them into too limited job descriptions, as you want them to be able to be flexible and help out in other areas if needed."

### **Tips to increase productivity**

- Understand your business goals. Make sure they are clear to yourself so you can articulate them to your employees and clients.
- Apply your vision to the individual level as much as possible. Every role in an organisation can make a connection.
- Measure and reward behaviours, based on your business strategy.
- Keep staff updated. Tell them about the business on an ongoing basis. A business strategy is not just for owners.

**This article was written as a result of experiences within our Australian business.**