


Productivity Survey 2023

The challenges and opportunities for improving
productivity in Jersey.

EXPERTISE. SHARED.





I cannot make my days longer
so I strive to make them better.

Paul Theroux

You cannot mandate productivity,
you must provide the tools to let
people become their best.

Steve Jobs

Today

Our collective goal

- Share the industry wide feedback
- Open discussion around the observations
- Tips, actions and guidance

Our thanks

- To our partners for promotion
- To businesses of all sizes and for the teams in those for completing the questions and enabling the insights

JB support

- Business productivity support and Business Improvement Program
- Conference on Productivity week 27th June – combined speakers, leaders and workshops to deliver insights, challenges and practical guidance

Context to get us started

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Importance of productivity

If a business isn't evolving, it is:

- At risk of being overtaken by those that are adapting
- At risk of new emerging innovators
- At risk of losing talent and customers
- Effectively going backwards

Increasing productivity maximises business gains:

- Directly – through improved efficiencies and increased quality of product and service
- Indirectly – by giving people a purpose, retaining and developing the best talent and creating an empowering culture that enables people to make a difference.
- Long-term – productivity is a formula for growth

Productivity trends

Global trends

1980–2000 steady productivity improvement of around 1.5% a year

2010–2020 productivity slower and in US, ½ that of the previous decades

The reduction can be attributed to:

- Slowdown in innovation & technology
- Demographic factors
- Increased regulatory requirements
- Slower service sector productivity

UK trends

2007 onwards productivity in the UK has risen 4.4% compared to 17.3% in US

Foreign owned businesses are 74% more productive than UK owned ones

Good management and leadership is crucial for high productivity:

- Top 20% firms by management quality are x3 more profitable than bottom 20%
- Management practices explain 55% of difference in productivity between the UK and US

Jersey trends

Up to 2000 growth was driven by the finance sector

In 2021 financial services accounted for almost 2/5 (37.5%) of GVA in Jersey

After 2000 fluctuations result in:

- Reducing GVA in financial services from £2,990mil in 2000 to £1,920mil in 2021
- Essentially flat GVA in non-finance industries but £2,390mil in 2021
- Overall output by full time employee increased 7.8% in 2021

Impact of increasing productivity in Jersey

- Growing productivity allows businesses to produce more goods and services. This then creates higher wages, supports economic growth, holds back inflation and increases tax revenues. As a result, government is able to provide a greater range of essential services.
- Reduced reliance on inward migration
- Increased global and local competitiveness
- Higher wages, better retention of employees and lower inflation
- Raise standards of living in Jersey

The 2023 Productivity Survey

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Productivity survey methodology

In a business context, how people work, what they do and what they deliver has a direct impact on the productivity of a business or other organisation, which in turn drives the culture, profitability, competitiveness and long-term viability of that organisation. We commissioned this independent survey to help us understand how businesses are approaching productivity and how we can support business to address the challenges and opportunities for improving it.

This was an independent, online survey with a mix of semi-structured questions. Hosted by 4insight, the survey used their in-house survey software to enable cross tabulations of various questions, allowing for comparison of difference segments, sectors, positions and business age.

After data cleaning 355 responses were captured and analysed. The largest group of respondents were senior managers and directors closely followed by owner/founders and three quarters of respondents were from businesses that had been established for over 11 years.

The survey was live from 18th April to 11th May 2023.

What does “productivity mean to you?”



Headline messages

Key Headlines - Strengths

85% of respondents agree that 'The organisation has invested in ensuring the workplace environment is pleasant and welcoming'

88% agree that 'Our customer are at the heart of everything we do'

82% agree that 'Employees are motivated and engaged'

80% agree that 'The organisation focuses on innovation and is constantly thinking about how to be the best it can be'

Key Headlines – Areas for improvement

59% of respondents agree that 'I feel like there are areas where we are wasting money'

77% disagree that 'processes are fully automated'

42% disagree that 'The organisation has a technology strategy'

70% said that up to 25% of their working day is unproductive

Key Headlines – Where to focus next

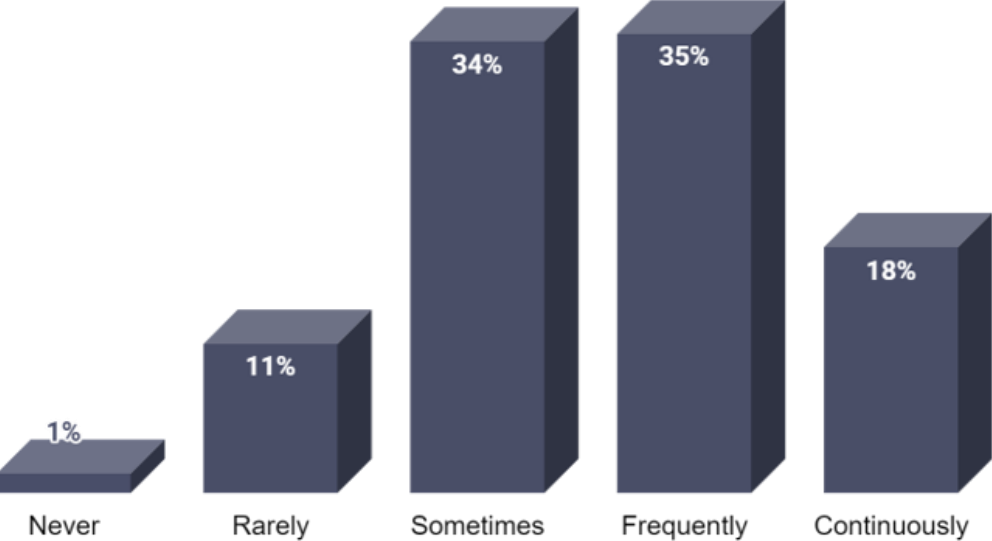
Looking at the responses overall we can see patterns and discrepancies in three areas:

- Engagement of people and the workplace
- Focus on customers and communication
- Use of technology to drive efficiency

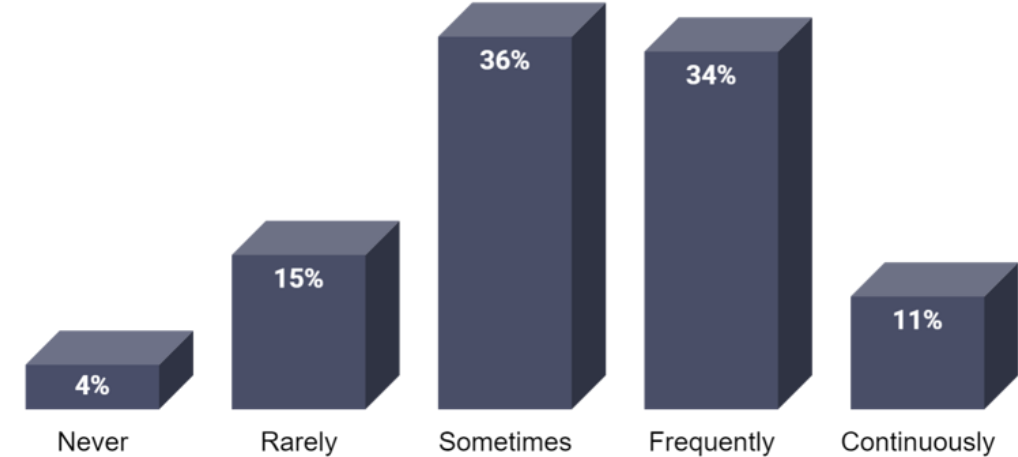
People and the workplace

Investing in skills

Q. How often does your organisation invest in skills development for employees?

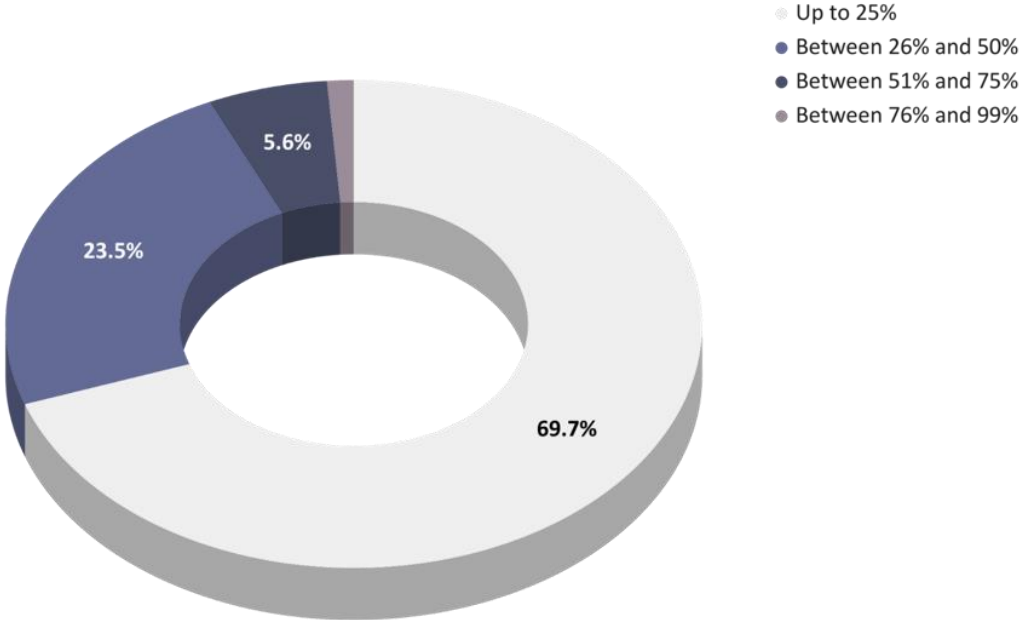


Q. How often do employees undertake change, improvement or productivity projects?

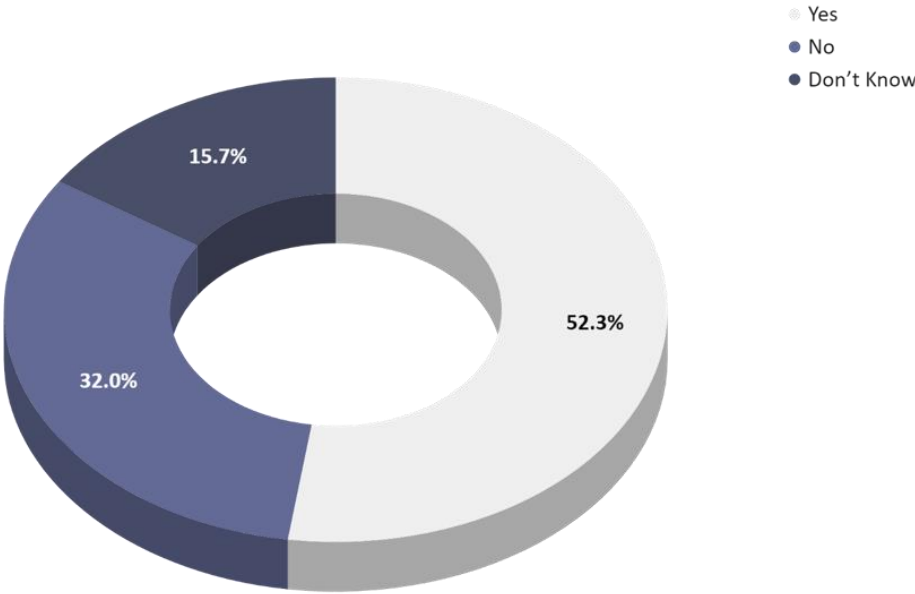


Optimising productivity

Q. What percentage of your working day, on average, do you feel is unproductive?

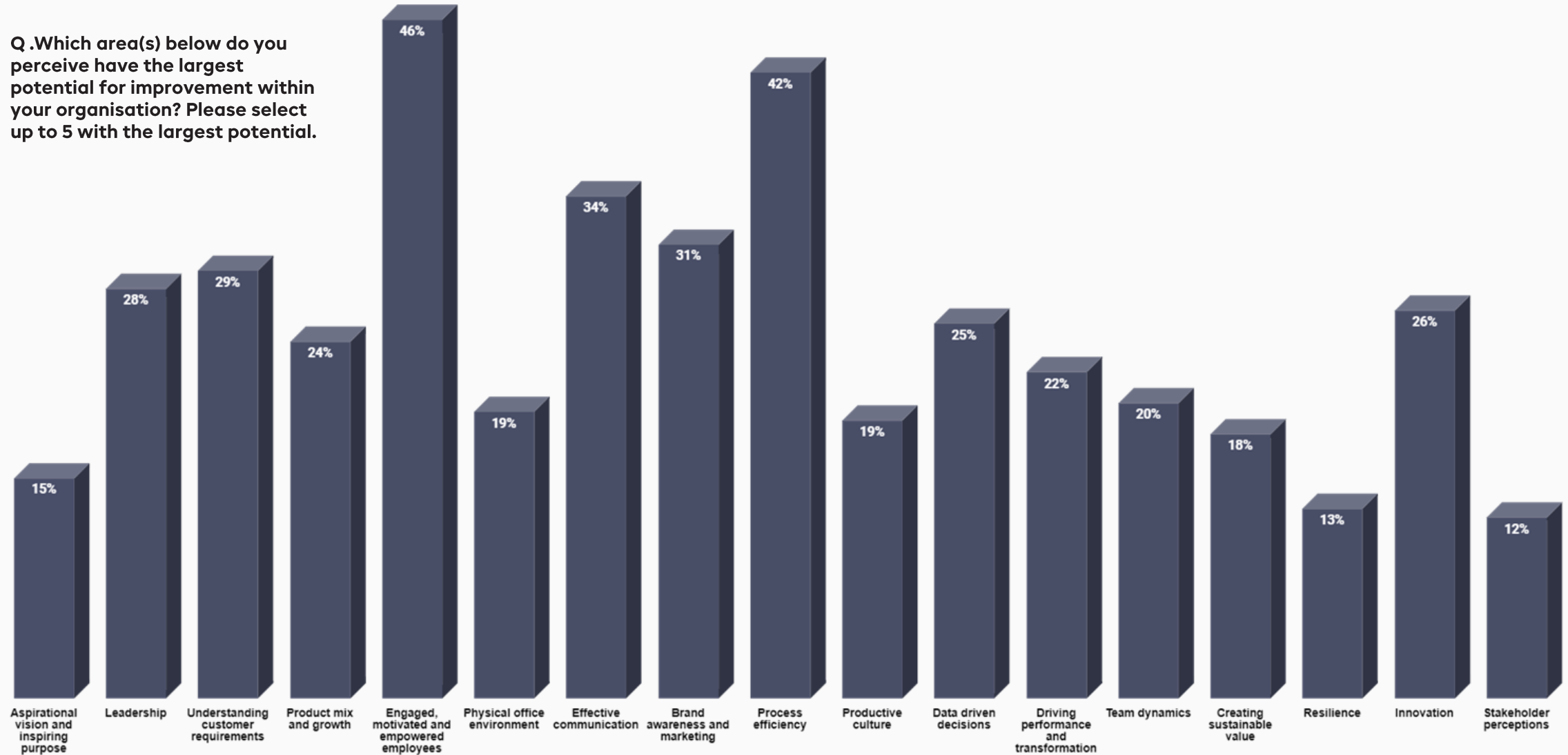


Q. Do you feel your organisation is optimising opportunities to increase productivity?



Engaged employees (46%) and process efficiency (42%) perceived to have the largest potential for improvement

Q .Which area(s) below do you perceive have the largest potential for improvement within your organisation? Please select up to 5 with the largest potential.



n=336

Conclusion

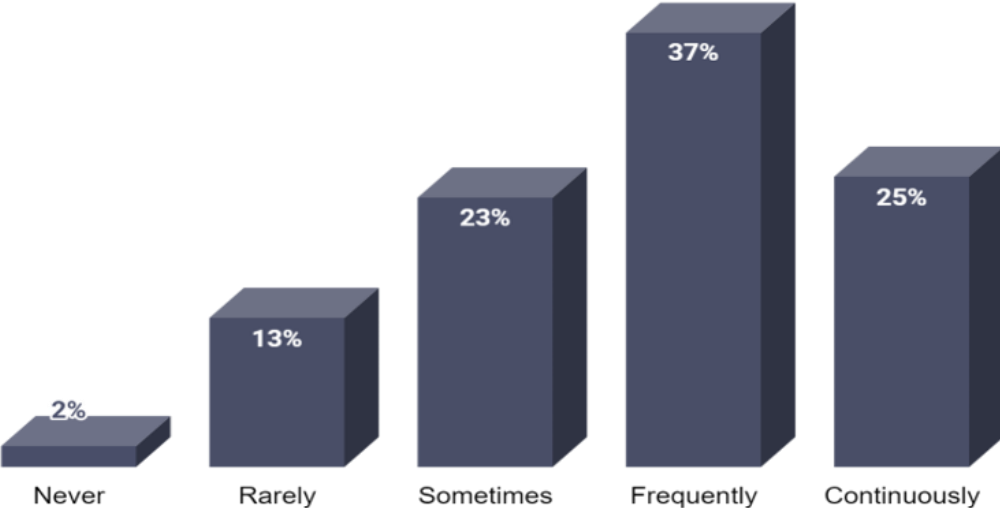
The conclusions we could draw are:

- Overall employee engagement was positive and increasing from 2022.
- Employees are happy with the skills and support they have received.
- Employees in smaller organisations were much more likely to be empowered to identify and create improvement changes.
- However, people still believe that a significant part of their day is unproductive and that there are opportunities for improvement that are being missed.

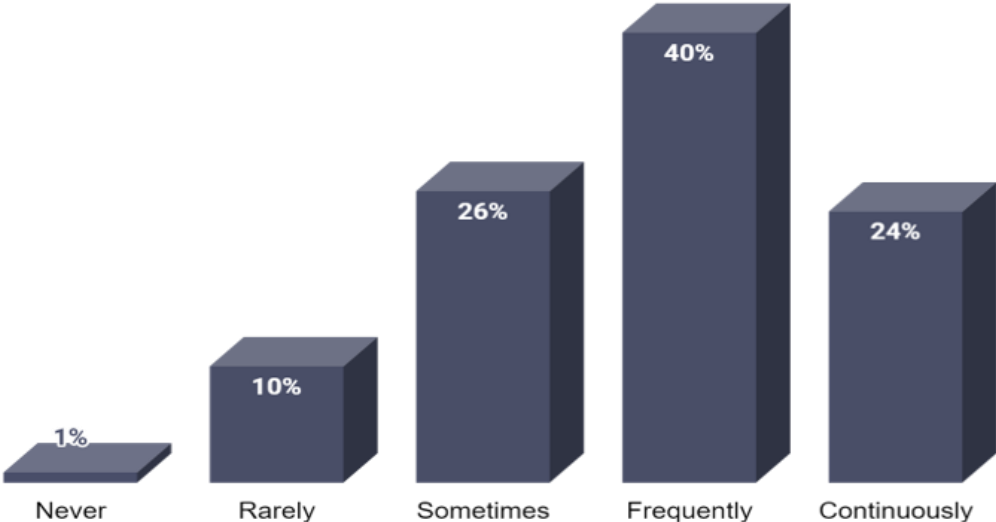
Customers

Customers

Q. How often does your organisation communicate with your customers / obtain feedback?



Q. How often does your organisation action your customers' feedback?



Biggest opportunity?:

- Increasing customer base, increasing market share and taking on more projects commonly seen as biggest opportunity.
- Embracing digital transformation and adopting different technologies key for some.
- Hiring new employees and onboarding new talent commonly mentioned.
- Some responses also mentioned developing the skills of current staff, to maximise their potential and maintain a state of continuous development

Increase in customers x 31
New technology x 27
New recruits x 23
Diversification x 20
Staff training/development x 18

Q. What do you think will be the biggest opportunity for your organisation in the next 12 months?



n= 199

Conclusion

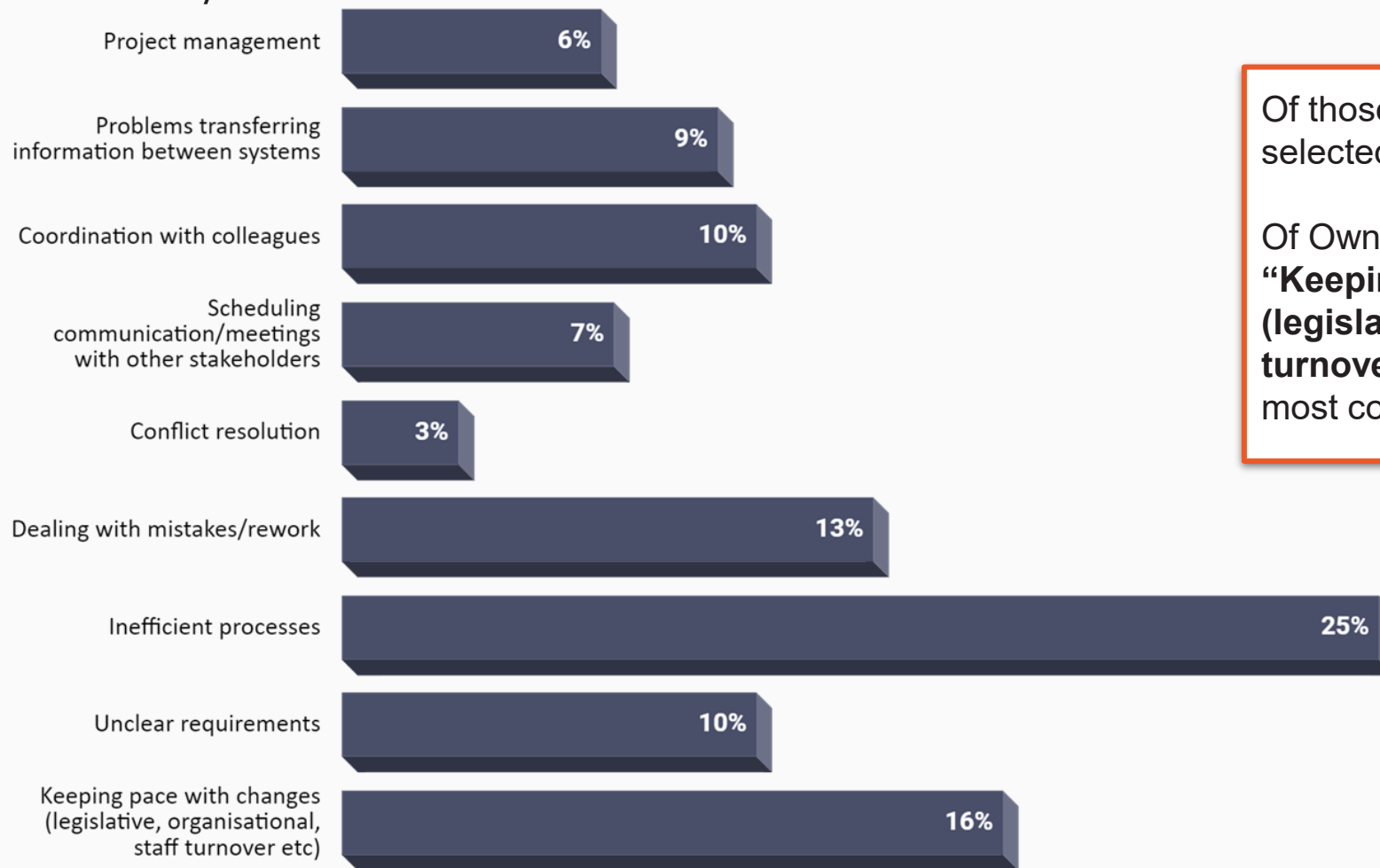
The conclusions we could draw are:

- **Most respondents, 88%, say that customers are that the heart of everything they do, but consider these points:**
- **Respondents in smaller businesses, and especially those with less than 10 employees are much more likely to respond to customer feedback than those in bigger businesses.**
- **This is an improvement on 2022 when less than half communicated regularly with customers and even fewer responded to customer feedback.**
- **Increasing customers and market share is seen to be one of the biggest opportunities for the next 12 months.**
- **Perhaps a focus on increasing engagement with current customers would bring significant benefits.**

Increasing efficiency

“Inefficient Processes” perceived as taking up the most unnecessary time, selected by 25% of respondents

Q. Which of the following takes up the most unnecessary time within your work?



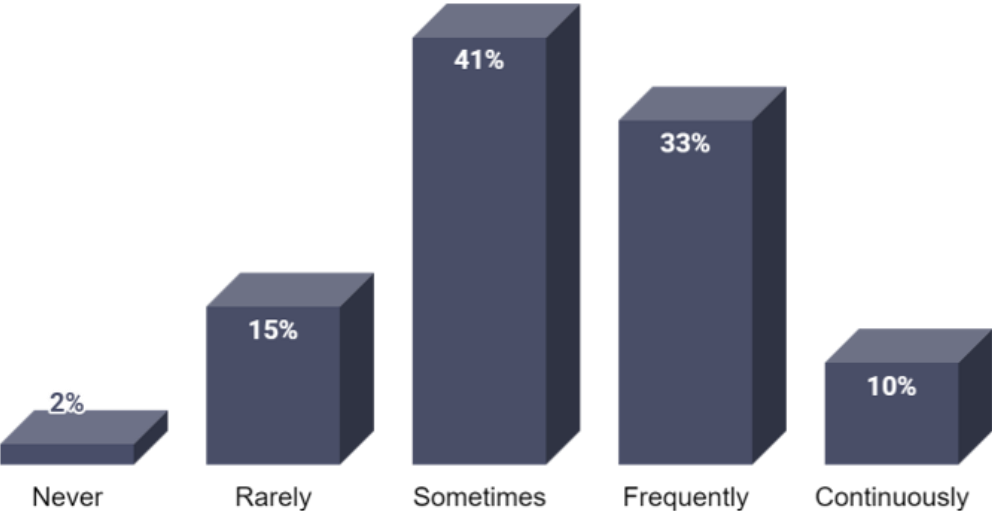
n=315

Of those who work in finance, **38%** selected “**inefficient processes**”

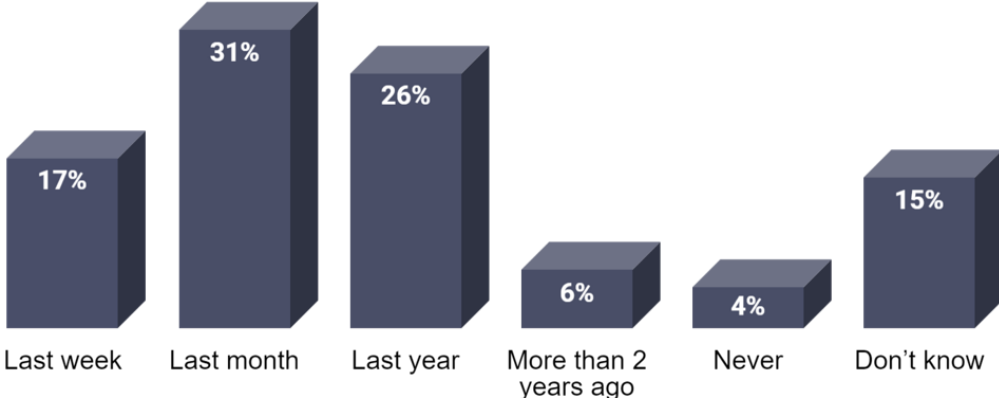
Of Owner/founders **28%** selected “**Keeping pace with changes (legislative organisational, staff turnover etc.)**” and this was the most common answer.

Investing in technology

Q. How frequently does your organisation invest in new technology?

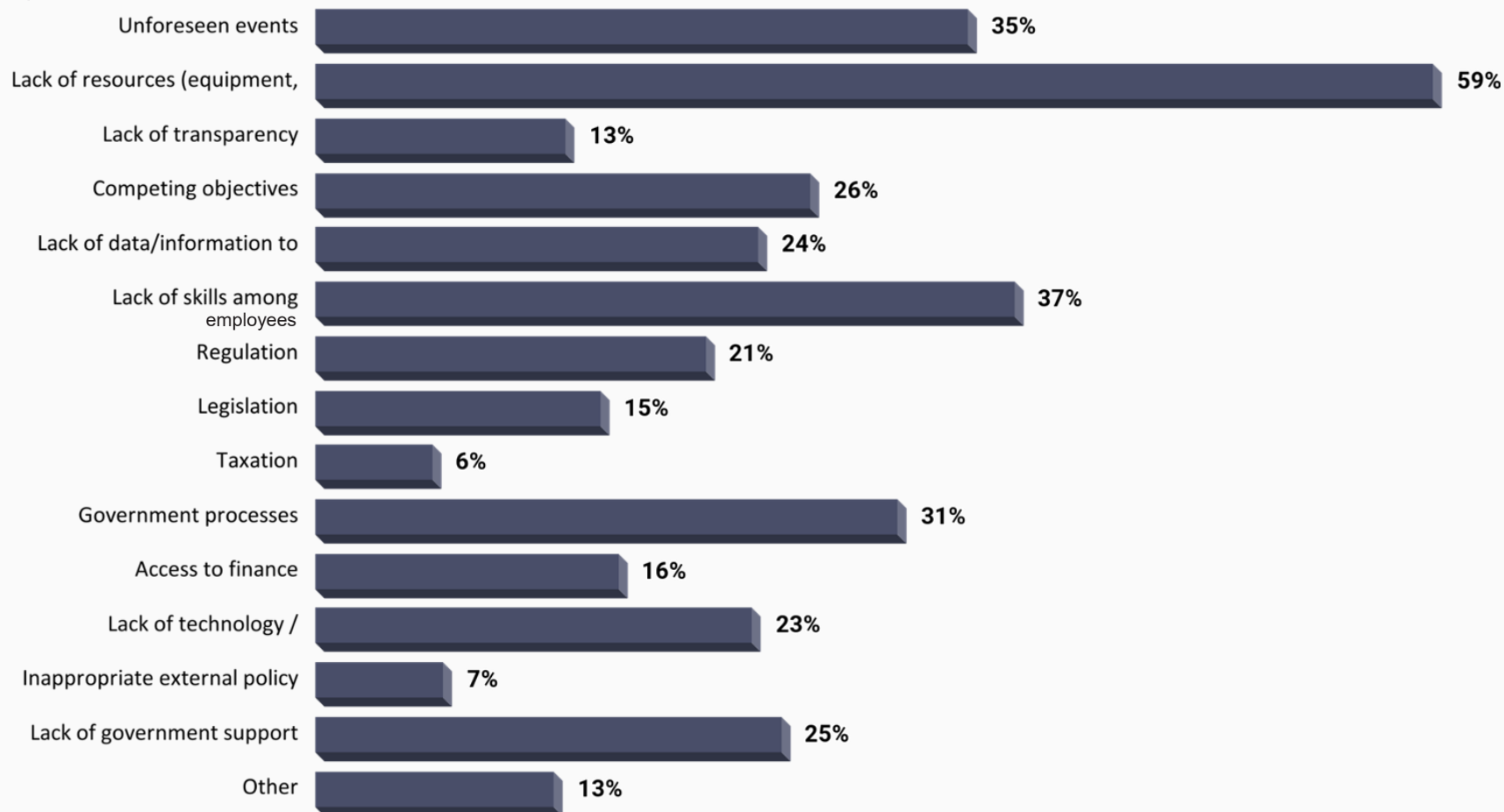


Q. When did your organisation last review your systems and processes?



“Lack of resources” most commonly perceived as a barrier to increasing productivity

Q. What do you believe are the greatest barriers to increasing productivity in your business? Please select up to 5 of the following options.



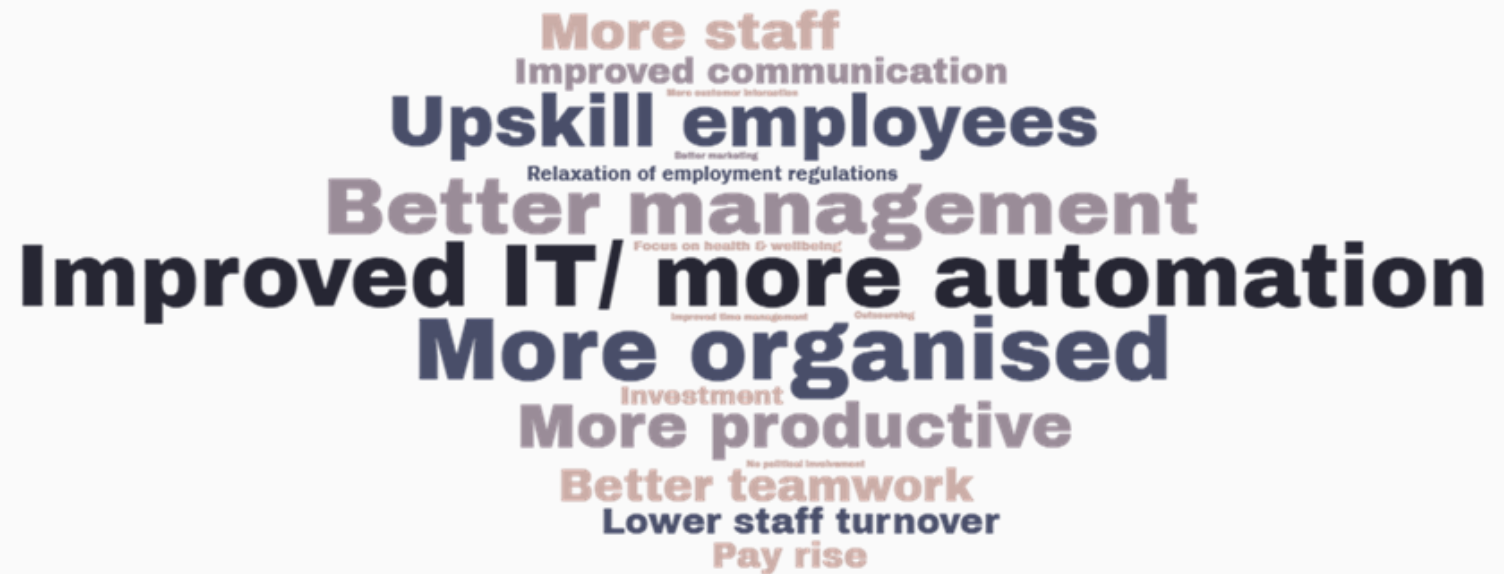
n=323

One thing you would change?:

- Clear calls for improving IT and further calls for automation to increase productivity.
- Organisation seen as an area for improvement in many responses.
- Management and leadership skills and qualities lacking for some - and perceived to be a burden on productivity.
- Some calls for more continuous development to allow employees to enhance their skills.

Improved IT/ more automation x 39
More organised x 28
Better management x 23
Upskill employees x 21
More productive x 19

Q. What is one thing you would change to make your organisation more productive?



n= 231

Conclusion

The conclusions we can draw:

- A clear message that inefficient processes are hampering business.
- There is also clear call from respondents to increase the efficiency within their business.
- Investment in technology and automation is the biggest change people would make which fits well with other desires to be more organised, productive and to work better together.
- This is the same message as in 2022 when the majority of respondents felt that money was being wasted and opportunities for improvement were not being taken and that businesses were not investing in process improvement or technology.

Opportunity for improvement

Top Tip?:

- Importance of leveraging automation and technology highlighted to streamline processes, eliminate waste, and increase productivity.
- Clear and open communication seen as vital for productivity. This includes communication within teams, with staff members, and across different levels and departments of the organisation.
- Responses also stressed the importance of valuing and empowering employees and allowing them to have a 'work-life balance'.

Embrace automation and technology x 34
Effective communication x 22
Empower and engage employees x 17
Constantly develop skills x 16
Have clear goals x 14
Effective leadership and management x 11

Q. Based on your experience, what top tip would you share to others to help improve productivity in any organisation?



2023 Conclusions

Biggest opportunity for you

The biggest opportunity for the next 12 months is:

- Investment into technology, automation and digital transformation.
- Increased customer engagement to drive growth and market share.
- Empowering employees to identify and deliver change projects.
- Invest in employee skills.
- Understand that change takes time and needs prioritisation and the support of many

How can we help

Join the Productivity movement and hear from brilliant experts at the

2023 Productivity Conference

Tuesday 27th June 2023, 08:15 – 18:00

Jersey Business's advice, support and knowledge will help you:

- Deliver a continuous improvement mindset through our **Business Improvement Programme**
- Empower your leaders to grow the business through our **Leading Growth Programme**
- Shape your strategic direction through our **relationship teams**
- Access the information your need quickly and easily through our **information service**

A green-tinted photograph of a group of people sitting at a table. In the foreground, a man with glasses and a beard is looking to the right, holding a smartphone. Behind him, other people are visible, some looking towards the camera and others looking away. The background is slightly blurred, showing what appears to be a menu or poster on the wall.

Thank you