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Subject: Nuts and bolts of business success

At the beginning of every year, most managers return from their family holidays hoping for better things – better productivity; better sales; better profits. However, many factors are out of their control, such as the Chinese economy and commodity prices. While these economic demons swirl beyond a manager's influence, there are important things that can still be done to improve business performance.

Ongoing research is reinforcing the long held belief that engaged and motivated employees will make better efforts to produce higher quality goods and services. In a globally competitive market where physical, financial and technical resources are often short term differentiators, the performance of employees can be your best competitive advantage.

A recent report on employee motivation by Lindsay McGregor and Neel Doshi has confirmed that management practices can make big differences to employee motivation – good and bad. For example:

- Job design can have a huge impact – significantly negative for poor design and significantly positive for good design;
- Career paths (ladders) – moderately negative for poor design and significantly positive for good design;
- Performance reviews and Compensation (remuneration) – both show a negative for poor design and moderately positive for good design.

The acid test is the impact of motivated employees on organisation culture and business performance. The report by McGregor & Doshi (like many other reports in recent years) makes it clear that aligned management practices will boost employee motivation, which will sustain a high performance culture, which will have a positive impact on customer satisfaction. In related research, customer satisfaction has a strong positive correlation with business results.

So, in brief, there is little doubt about the business case for building a high performance culture. Managers should be making improvements to processes that affect culture, from job design to performance reviews.

This doesn't mean a nicely formatted position description, or a fancy web-based tool to set objectives and measure outcomes. Process improvements should be meaningful and interrelated with all business systems so that employees will be motivated to believe in the value they are creating for their customers.

Yes, it's really about the nuts and bolts of people management. However, HR processes and systems shouldn't be jerry-built, or just copied or taken off-the-shelf – there should be a unique HR architecture to suit the unique nature of each organisation's goals, strategy and culture.

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Performance & reward solutions, including the Remuneration Planning System