# Four Ways to Drive Productivity Improvement Through Better Company Culture

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**TBM**

## Key Takeaways:

1. **Leadership Development:** Enhancing leadership skills and providing proper training for managerial roles significantly boost productivity by creating a supportive work environment

2. **Positive Work Environment:** Addressing and preventing toxic leadership practices improves employee morale, health, and safety, leading to reduced absenteeism and turnover

3. **Communication and Recognition:** Effective communication and genuine recognition of employees' contributions are key to increasing productivity and encouraging a more engaged workforce

**It probably comes as no surprise that company culture and manufacturing productivity are inextricably linked. When people love where they work and who they work with, they will perform better in virtually every aspect.**

Evidence proves that [productivity increases by as much as 31%](#) when employees are happy. If culture deteriorates, productivity, performance and the quality of work output immediately follow.

It's astonishing then, that manufacturers so often ignore culture as part of their operational due diligence. When productivity issues arise, they look everywhere— machines, processes, systems, supply chain — while ignoring the elephant in the room: their workplace culture.

At a time when [63% of manufacturing employees report negative employee satisfaction](#) in their organization, this poor culture negatively impacts productivity and financial performance. Compounded by rising labor costs, raw materials and supplies and increased competitive pressure, no manufacturer can afford to have their workforce anything but fully invested in driving performance improvement.

Instead of ignoring bad culture and hoping it'll magically get better on its own. Here are four ways to [increase productivity by improving workplace culture.](#)

1. Prioritize leadership development
2. Don't tolerate bad bosses
3. Recognize employees for a job well done
4. Prioritize communication

## Prioritize Leadership Development

One of the biggest mistakes manufacturers make is promoting top-performing operators without giving them proper training. This sets them up for failure as leaders and creates a challenging work environment for their team. Not everyone is naturally cut out to be a supervisor, and without training in communication, motivation, coaching and how to support their teams, it's a recipe for productivity disaster, especially as 85% of employees say having a good manager is important for their workplace happiness.

One former client was struggling with high turnover in a specific department. Most considered the department manager to be the best leader in the organization, but deeper analysis showed lackluster leadership on the front lines and zero training for new employees. By implementing additional leads on two production lines, each focused on training new employees, turnover went from 86% to 0% in just two weeks.

## Don't Tolerate Bad Bosses

Overbearing bosses drive absenteeism and turnover. Employees will do anything they can to avoid coming to work or they'll simply find another, less stressful opportunity. In fact, 50% of workers have left their jobs because of a bad manager. But toxic bosses are also detrimental to employees' health and wellbeing, and particularly increase stress and anxiety, with one study finding 41% of employees have gone to therapy because of a bad boss.

Not to mention, toxic leadership can lead to workplace accidents caused by stress, sometimes because employees are afraid to speak up and report unsafe conditions for fear of being punished. Instead, insist on—and train supervisors on—progressive leadership and create an environment where their team feels encouraged, supported and treated with value and respect. If supervisors don't conform to these expectations, take swift action to reassign or dismiss them if necessary before they do significant damage to your team's morale, performance and/or health and safety.

## Recognize Employees for A Job Well Done

You'd be surprised how many companies do little to nothing to recognize employees for their contributions to company success. They buy them some pizza at the end of the year and move on. Some leaders say they don't have time for recognition (in reality, they don't make time), and others don't believe in it, assuming if they reward employees, that will mark the peak of their performance—they'll see that as good enough and never improve.

Research shows 92% of workers are more likely to repeat behaviors they've been recognized for and more than 40% say they'd put more energy into their work if they were recognized more often. Recognition doesn't have to be costly or elaborate—a simple, authentic, and meaningful "thank you" is often all that's needed and can go a long way toward encouraging improved performance and loyalty.

## Prioritize Communication

Nearly half of employees say ineffective communication impacts their productivity. Despite frequent communication being the easiest form of employee engagement and enhanced productivity, many companies still aren't doing so effectively.

Make sure you're prioritizing frequent communication and transparency regarding performance on a monthly or quarterly basis. This not only keeps employees in the loop, but having an open dialogue also gives them an opportunity to suggest solutions to performance deficits as they arise.

## Remember: Culture Isn't Policies

Many organizations confuse their culture with their policies. For example, they might have a generous paid time off policy, but then discourage their team from actually taking vacation time. They claim to have a family-first policy, but then force overtime or decline employees' requests to use accrued flex time to attend their kids' school and sporting events. They might state safety is their top priority, but they don't actually address safety issues unless there's an OSHA violation.

While culture can be a set of rules (spoken or unspoken) in how you treat one another, it's not a playbook for controlling, manipulating and keeping employees under your thumb. If that's how you approach it, that's a guaranteed culture—and productivity—killer.

## Conduct a Culture Audit

Often cultural issues aren't black and white, and therefore, they're almost always left as a last resort after exhausting every other option to resolve productivity declines. But that's a huge, missed opportunity to course-correct much earlier in the process.

Even if you don't think you have a culture problem, conducting a culture review or audit as a part of your operational due diligence is extremely valuable. It can not only help uncover issues, but also confirm your personnel are happy and feel supported. That makes them much more willing and invested in helping to correct any productivity issues once they're identified.

**Learn more about TBM's Leadership Solutions Practice** →

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## Meet the Expert

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