



MANAGEMENT PRACTICES & INNOVATION WORKING GROUP

TERMS OF REFERENCE

Improving productivity on the ground must start at the firm level and be led by businesses themselves. Research shows that the adoption of good management practices and workplace innovation are positively linked to productivity. Therefore, there is great potential for firms to increase their productivity by closely examining their management practices and innovation culture.

It is well documented that in the UK ineffective management and poor leadership skills is a key component of the productivity gap, with billions per year lost to this. Human capital in the workforce is a valuable asset and business needs to put people higher up their Board agenda. It is imperative that firms self-diagnose how their management practices stack up, and drive improvements from within.

Research also highlights the role of 'fair work practices' in improving workplace productivity and inclusive growth. Fair treatment in the workplace and good work engages employees, which helps to support improvements in productivity.

Health and wellbeing continues to be a growing priority for employees and their employers. Investing in health and wellbeing in the workplace matters. Research shows that businesses with happier, healthier and more engaged colleagues perform better, lowering absence rates, improving company performance and productivity. CBI research with Bupa and HCA Healthcare has found that while a number of businesses are being proactive in this space, most businesses do not yet know how to realise the full potential of investing in workplace health and wellbeing.

Further, to improve productivity businesses must embrace innovation, take advantage of the digital revolution and adopt new technologies. The Scottish Government has an ambition that Scotland becomes a world-leading entrepreneurial and innovative nation, an ambition that is shared by Scottish businesses.

Innovation and the adoption of technologies drives productivity, however take-up of even readily available technologies in the UK is low. It is key that businesses invest in these areas and ensure that they have the right in-house skills and culture to make the most of innovation opportunities. Not all firms are required to create their own innovation - CBI's research in [From Ostrich to Magpie](#) and [Be More Magpie](#), found that the best performing firms are often proud Magpies, who are willing and able to adopt tried and tested technology and practices to improve productivity – however there is a lack of Magpies in the UK.

The key priorities and objectives for this working group is to:

- Support business to improve their own productivity - looking at what businesses can do themselves to increase productivity, through utilising good management practices, creating an innovation culture and digital adoption, whilst assessing the barriers to implementation and considering the role of 'fair work practices' as drivers of workplace productivity and inclusive growth.



- Assess how workplace practices and workplace culture can improve productivity, with a focus on human capital in the workplace, as well as health and wellbeing, developing practical guides / menu of good practices that can be used by business to unlock the potential of people in their business.
- Identify ways / tools for business to assess and self-diagnose their productivity, and gauge how well their management practices and innovation culture stack up.

The working group will ensure they work with the Enterprise and Skills Strategic Board, as required.

Key Discussion Areas

Working Practices & Workplace Culture:

- How can we better utilise human capital in the workplace?
- What are the greatest barriers to implementation of good management practice and how can these be overcome?
- What actions can be taken to improve people management in Scotland?
- What workplace practices have the greatest impact on productivity and how can we enable adoption of these practices?
- What improvements can be made to improve health and wellbeing in the workplace?

Creating an Innovation Culture:

- What are the benefits of an innovation culture, including impacts on productivity?
- What are the barriers to implementing an innovation culture and how can these be overcome to enable / incentivise business to adopt an innovation culture?

Increasing Digital Adoption:

- What are the benefits of digital / technology, including impacts on productivity?
- How can business identify the best use of digital technology in their businesses?
- What stops businesses from implementing digital / technology, and how can this be overcome to enable / incentivise businesses to digitally adopt?
- How can the gap in skills and capabilities needed to adopt technology be addressed?

Ways / Tools Available to Assess Productivity?

- What tools are available to measure / assess productivity – Be the Business Tools, Digital Readiness Tools?
- What measurements are used in your business – Human ROI, outputs v's inputs etc?

Outputs

The main output will be clear, tangible actions and recommendations for business and government which will be included in a CBI Scotland update report to the 2017 Pursuing Prosperity Report, the first of which is scheduled to be published in January 2019. The focus will be on what businesses can do themselves to increase their productivity through utilising good management practices, improving health and wellbeing in the workplace, and creating an innovation culture, with practical guides / menu of good practices that can be utilised by business.

The Working Group will leverage the CBI Workplace Management research with McKinsey, the CBI [Front of Mind: Prioritising Workplace Health & Wellbeing](#) report, and CBI from [From Ostrich to Magpie](#) and [Be More Magpie](#) reports for the January 2019 report.

Further outputs from the working group will be published as and when required, with a further update report produced in 2020.

Structure

The Working Group will be business-led with a Business Lead identified who will chair and lead the working group. The Working Group will meet at least 6 times over the course of the year and will report quarterly to the CBI Scotland Regional Council.

Timeline 2018/19

