



# AMERICA'S MOST PRODUCTIVE COMPANIES

★ 2009 ★

WHAT MAKES THE  
2009 WINNERS GREAT

America's Most Productive Companies from Profiles International. Copyright 2009 by Profiles International. Printed and bound in the United States of America. All rights reserved. No part of the report may be reproduced in any form or by any electronic or mechanical means including information storage and retrieval systems without written permission from the publisher.

Publisher  
Profiles Research Institute  
Dario Priolo, Managing Director  
5205 Lake Shore Drive  
Waco, Texas 76710-1732  
Profiles International  
(800) 960-9612  
[www.profilesinternational.com](http://www.profilesinternational.com)  
[www.americasmostproductive.com](http://www.americasmostproductive.com)

#### Acknowledgements

CEO, Co-founder, Profiles International: Jim Sirbasku  
President, Co-founder, Profiles International: Bud Haney  
Editor-in-Chief: Dario Priolo  
Managing Editor: Carrie D. Martinez  
Assistant Editor: AshleyDawn Sheppard  
Creative Director: Kelley Taylor  
Creative Assistants: Kevin Mutai, Ruben Vera  
Webmaster: David Hanas  
Research Director: Marlana Thurman  
Research Manager: Rayleen Evans  
Consultant: Adrienne Wiggins

*“We identified the companies that ranked highest in each category and took a closer look at the practices that enable them to out-produce their peers.”*

## Introduction to this report

We initiated this study to help us better understand the factors that drive employee productivity within an organization.

In economics, “productivity” is a measure of output per unit of input. For purposes of this study, we defined labor productivity in terms of revenue produced per full-time employee. Calculating this required us to analyze financial data from over 1,600 publicly traded companies that we then organized into over 175 sub-industry groups.

We then identified the companies that ranked highest in each category and took a closer look at the practices that enable them to out-produce their peers. By understanding these practices, we hope to educate ourselves and our clients about the practices that can help them run more efficiently and become more competitive in the marketplace.

**This report presents our findings. It is divided into 2 parts:**

1. A synthesis and discussion of the top ten factors that drive productivity.
2. Lists of companies in each of more than 175 sub-industry groups, ranked by labor productivity Comprehensive lists of companies in over 175 sub-industry groups, ranked by labor productivity.

## The Scope

**1,666 Companies**  
**13,646,207 People**  
**17 Industries**  
**175 Sub-Industries**

## The Formula

**Labor Productivity**  
**=**  
**Adjusted Revenue**  
**per**  
**Full Time Employee**

## How we measure productivity

In economics, “productivity” is a measure of output per unit of input. This study focuses specifically on labor productivity, defined as revenue produced per full-time employee or full-time employee equivalent in 2008. This study covers only US-based companies.

In order to calculate productivity, we analyzed financial data from over 1,666 publicly traded companies in order to determine a company’s revenue and number of employees. Once we had these two numbers, it was fairly simple to calculate a company’s labor productivity.

### Some Expected Challenges

As expected, we did encounter some challenges that required us to make corrections and assumptions along the way. For example, when necessary, we adjusted revenue to minimize the impact of special events such as one-time sales of assets.

Additionally, the revenue reported in the financial statements is recognized revenue resulting from accrual accounting. Recognized revenue is slightly different from sales.

### Comparing Apples to Apples

We grouped companies into 175 sub-industry groups to produce a more meaningful analysis. Our assumption is that companies competing in the same industry generally go about their business and recognize revenue in a similar manner, while different industries have differing degrees of labor intensity. It is therefore difficult to draw meaningful conclusions by comparing labor productivity across different industries such as retail and financial services.

**This means that the most meaningful measures included in the study are the rank orderings and comparisons within each sub-industry group.**

## America's Most Productive Companies: Industry Groupings



Automotive



Business Services



Chemicals



Construction & Real Estate



Consumer Products



Electronics Manufacturing



Financial Services



Healthcare Services



Industrial Manufacturing



Insurance



Media



Medical & Pharmaceuticals



Natural Resources



Software



Telecommunication Services



Transportation



Utilities





## The Winning Most Productive Companies

## Overview of Findings: Attributes of America's Most Productive Companies



Once we finished gathering and analyzing the data that allowed us to rank America's Most Productive Companies, we completed some follow-up research on a number of the most productive companies. This consisted of an online literature review and interviews with select executives. Our follow-up research helped us identify a number of best practices that we believe explain outstanding productivity. These ten key attributes can be further categorized into 5 "People Attributes" and 5 "Strategic and Operational Attributes." We list these below:

### People Attributes

1. Performance-driven culture
2. Effective managers
3. High employee utilization
4. High employee effectiveness
5. Encouragement of innovation

### Strategic and Operational Attributes

6. Technological sophistication
7. Financial sophistication
8. Operational sophistication
9. Effective distribution channels
10. Marketing and Brand Sophistication

We will further explore each of the people attributes in the next several pages of this report.

# America's Most Productive Companies: People Attributes

## 1. Performance-driven Culture

### Talking the talk and walking the walk

Organizational culture is defined by the attitudes, beliefs and values of an organization. It is an important driver of employee behavior, particularly when employees are required to act on their own initiative in a way that is consistent with a company's objectives, culture and values.

Although a strong organizational culture is generally considered a positive attribute, it is not sufficient to enhance productivity on its own.

A large number of America's Most Productive Companies have built true **performance-driven cultures** in which the entire workforce focuses its effort on achieving the results most important to the organization. In such environments, a strong culture helps the firm operate like a well-oiled machine, cruising along with outstanding execution and only occasionally requiring minor adjustments.

### Define the model and select people who fit

The leaders of America's Most Productive Companies tend to have a consistent, shared understanding of both the company's current culture and its future culture. These leaders tend to promote individual initiative and high levels of teamwork, both of which are essential ingredients for achieving results.

Additionally, these leaders are likely to have defined the types of people who fit the company culture. **This helps them identify precisely the people for whom they are looking and then present their culture and values to potential hires in order to evaluate fit.** They are more likely to say "no" to a highly qualified candidate who does not fit into the company culture.





# America's Most Productive Companies: People Attributes

## 2. Effective Managers

### Effective managers = Success manager

An “effective” manager is more than a supervisor. He or she takes responsibility for ensuring that an individual succeeds and that the team, department or business unit achieves its expected results. This is similar to the way successful coaches develop players in order to win games and championships.

Similar to successful athletes, successful managers require both talent and skill. Managerial skills can be developed through training, mentoring and experience. But if a manager is void of natural talent, then the odds that he will be successful diminish significantly.

The Most Productive Companies are typically more proactive than their peers when it comes to identifying and developing effective managers. Common managerial success traits include:

**Communication:** Listens to others; Processes information; Communicates effectively

**Leadership:** Instills trust; Provides direction; Delegates responsibility

**Adaptability:** Adjusts to circumstances; Thinks creatively

**Relationships:** Builds personal relationships; Facilitates team success

**Task Management:** Works efficiently; Works competently

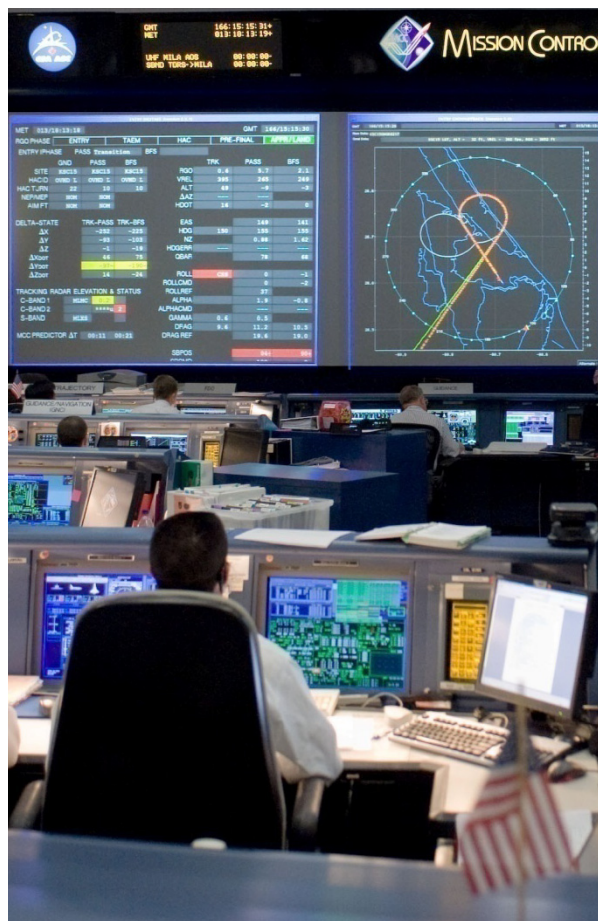
**Production:** Takes action; Achieves results

**Development of Others:** Cultivates individual talents; Motivates successfully

**Personal Development:** Displays commitment; Seeks improvement

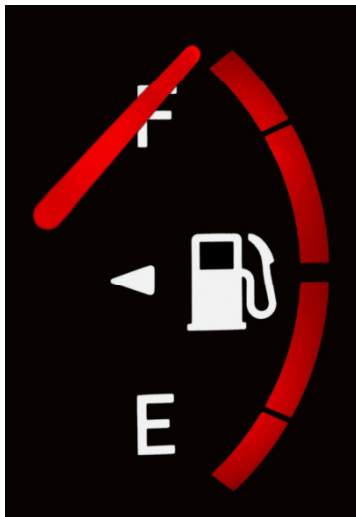
### Insight to enable coaching and success

The Most Productive Companies also give their managers the information and tools they need to understand the capabilities and styles of their teams. This gives managers a solid foundation for more effective coaching relationships.



## America's Most Productive Companies: People Attributes

### 3. Employee Utilization



#### Establish clarity to run lean

Simply put, America's Most Productive Companies do more with fewer people.

It starts at the top with a clear strategy that cascades into a properly designed organization with jobs that execute the strategy efficiently. All jobs have clear descriptions and goals so that everyone knows exactly what needs to get done and how. This ensures, for example, that three people are never doing the work of two.

America's Most Productive Companies closely monitor and benchmark personnel expenses. They review requests to create new jobs with intense scrutiny and a healthy level of skepticism. They expect people to arrive at work a little earlier and leave a little later, and they reassess priorities to determine what work is most important and what activities can be streamlined because they don't add sufficient value.

In a traditional sense, they are more open to investing in technology and training if it reduces and/or slows the growth of headcount.

#### Flexibility to adapt

Since many of these organizations run so lean, they are usually more flexible than their peers in handling special circumstances such as special projects, peak demand periods and unplanned employee absences. Full-time employees are cross-trained to cover for one another in times of short-term need. The Most Productive Companies cultivate good sources of contract and temporary labor and have good practices to ensure they deliver on what is expected.

Overall, these companies use superior talent management practices so that they can easily identify a potential need for additional people. And they have efficient selection and on-boarding practices so that new people become productive in a short amount of time.

## America's Most Productive Companies: People Attributes

### 4. Employee Effectiveness

#### Set clear goals + inspect what you expect

Running lean is not the only thing a company must do in order to run well. Goals must be achieved at the employee level so that results are observed at the organizational level. In the Most Productive Companies, strategic objectives and goals are clearly defined at all levels of the company and performance measures are closely aligned with strategy.

As a result, employees focus on the aspects of their jobs that matter most to the organization.

#### Right people in the right jobs...

Additionally, the Most Productive Companies keep always before them a clear picture of the type of employee who has the best chance of succeeding in the role. They consider an employee's fit with the job, the team and even the manager. And they use the characteristics displayed by high-performing employees in each role as a model for prospective hires.

#### ...with the experience, skills and equipment to deliver

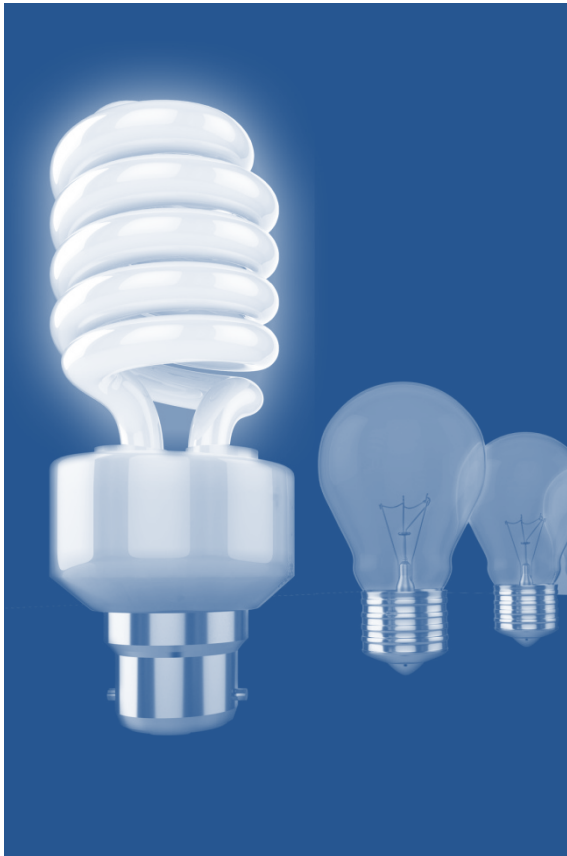
Although critically important, "fit" alone is not sufficient to ensure that an employee will be effective in a job—experience and skills also factor largely into the formula. The Most Productive Companies are more likely than their peers to identify the particular experience and skills needed for success and then provide specific training to help employees close the ability gap.

The fact is these companies are more likely to employ techniques that involve ergonomic design and worker comfort. This often reduces workplace injury and improves employee satisfaction, all of which enhance effectiveness and productivity.



## America's Most Productive Companies: People Attributes

### 5. Innovation



#### **A series of singles or a home run?**

The word “innovation” often evokes images of secret laboratories, major breakthroughs and home-run products. Most productivity gains, however, are the result of incremental improvements to—and fine tuning of—existing business processes. Although the home runs grab the headlines, the singles, doubles and walks can add up to significant gains over time with much lower investment.

The Most Productive Companies are likely to encourage an exchange of ideas among employees, managers and leaders to make the business more competitive. When employees and managers have open lines of communication, employees become more invested in the organization’s wellbeing.

#### **Actions speak louder than words**

Open communication and a spirit of teamwork are essential to identifying innovation opportunities. Engagement and productivity actually suffer, however, when the organization sets expectations and then fails to deliver on recommendations.

The Most Productive Companies typically do a better job of putting ideas into action than their peers. This is possible because they run with fewer employees and continually innovate. As we mentioned before, they typically add employees only when absolutely necessary.

Management is attuned to improvement opportunities and leadership makes investment decisions quickly when a compelling case can be made for investing in new opportunities.

In short, innovation is everyone’s business, not just that of the R&D department.





## Summary of Lessons Learned:

### People Attributes of America's Most Productive Companies

1. Performance-driven cultures where actions and results speak louder than words.
2. Clearly defined attributes of people who fit their culture, which they use to support hiring decisions.
3. Proactively identify and develop effective front-line managers.
4. Invest in information and tools to help front-line managers better understand their people and succeed.
5. Clearly align roles and responsibilities with the goals and organization necessary to execute strategy.
6. View requests to add headcount with healthy skepticism, and only after exhausting good alternatives.
7. Employees have clear goals to help them focus on the outcomes that matter most to the organization.
8. Employees have the right “fit” for their jobs, as well as proper experience, skills and equipment to perform.
9. Innovation results from incremental improvements to and fine tuning of existing strategy and process.
10. Failure is not discouraged, and open communication, team work and risk taking help drive innovation leaps.

imagine great people<sup>TM</sup>

## Contact Us

**Profiles International**

**(800) 960-9612**

**(254) 751-1644**

## Profiles International – Who We Are

Profiles International is the world leader in selecting and developing high-performance workforces through innovative human resource management solutions and a comprehensive suite of employment assessments that help companies gain a competitive advantage by selecting, hiring, retaining and developing great talent.

Continually validating and updating its assessment products, Profiles serves many of the largest companies in 118 countries around the globe.

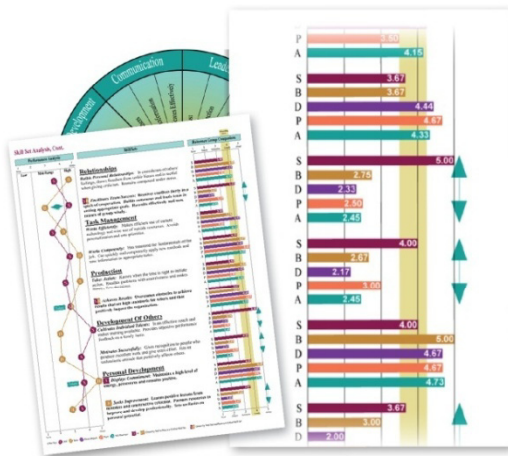
## About Profiles International

### Products of Interest



### ProfileXT®

PXT – The ProfileXT® is a 'total person' assessment that has a myriad of uses. It measures job-related qualities that make a person productive – thinking and reasoning style, behavioral traits, and occupational interests. These qualities in an individual directly affect their productivity and the productivity of their entire team. An added benefit? The ProfileXT provides 10 reports from one fifty-minute assessment: individual report, placement report, succession planning report, candidate matching report, coaching report, job analysis report, sales placement report, sales management report, summary reports and graph reports.



### CheckPoint 360°™

**CheckPoint Management System** combines direct feedback by direct reports, peers, supervisors as well as customers, with a personalized program for developing specific leadership skills based on that feedback. This assessment process highlights a manager's job performance in 8 skill clusters: leadership, communication, personal development, development of others, production task management, relationships, and adaptability. **The CheckPoint 360° uncovers the following productivity killers:** ineffective management practices, poor communication, inadequate leaderships, distrust of management, inability to delegate, low motivation, lack of commitment, stagnation of ideas and status quo, low performance standards, workplace conflicts.

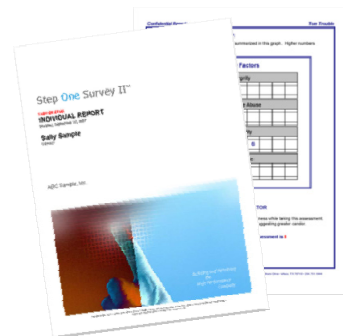
## About Profiles International

### Products of Interest



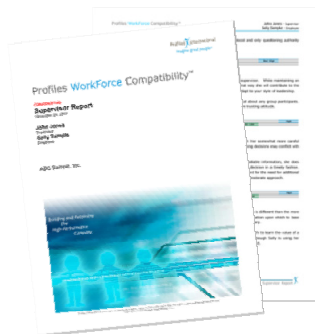
### Customer Service Profile™

Another key to driving performance is having a consistent company message. *CSP – Customer Service Profile* measures key characteristics of exceptional customer service. How much easier is it to drive performance when the people touching our clients on a daily basis are all on the same page? The *CSP* looks at what our current and future employees believe is a high level of customer service, while at the same time showing us where they align (or not) with our company's perspective.



### Step One Survey II®

The use of superior talent management practices that can easily identify a potential need for additional people or better use of existing resources. With efficient selection and on-boarding practices, both new people and incumbents become more productive in a short amount of time. **SOSII – Step One Survey II® can help give new employees the head start they need from day one.** By making sure prospective applicants are a 'fit' for our corporate culture before joining the team, we can know in advance how a person can assimilate into a work environment in the optimum amount of time. Looking at an applicant's work ethic, honesty, integrity, propensity for substance abuse and their attitudes on theft (including property, data and the most expensive commodity; time), can give a much-needed preview into how well this person will mesh with a company's current culture climate.



### Profiles WorkForce Compatibility™

**Profiles WorkForce Compatibility** is a powerful tool which measures critical workplace compatibility information between a manager (executive, director, supervisor, team leader) and their employees. **PWC is used to increase productivity, identify and close compatibility gaps between manager and employee, improve communications between manager and employee, raise the level of engagement and reduce employee turnover.**



imagine great people<sup>TM</sup>

## Profiles International – Contact Us

[www.profilesinternational.com](http://www.profilesinternational.com)

[www.americasmostproductive.com](http://www.americasmostproductive.com)

(800) 960-9612

(254) 751-1644