

Compare and
contrast the methods
london fancy box
uses to increase
productivity e...

[Business](#)



My aim is to compare and contrast the methods London Fancy Box uses to increase productivity. I will first focus on the main ways that are more obvious and the advantages and disadvantages of them. Then I will go into more detail and look at the smaller things. Finally, I may suggest new ways in which the company could use to increase productivity. This may help them meet their targets of increasing it by 20% and dramatically reduce waste.

“ Productivity is output per person employed. It can also be output per machine”. (Source 1.) Therefore, productivity is how much work a person or machine has to do. Amount of productivity is very important because it affects the profit of the company.

In order to do some market research to get more information and data, I took a trip to the factory to make observations that will help me with my studies. I also used the Internet to obtain useful facts that I can refer to and comment on. I also spoke to a member of staff at LFB-Simon Gretton, the Management Accountant.

London Fancy Box has been doing business for over a hundred years and started in 1894. Their main activity is manufacturing boxes and employs over 200 employees. They're hoping to expand into packaging, keeping a better relationship with their suppliers e. g. Procter and Gamble. Turnover per annum is 10m. “ The LFB are winners of a multitude of packaging awards in both Europe and the USA. They are one of the largest production capacities available in Europe, with the ability to produce over 150000 boxes per day”. (Source 2.)

This year one of their objectives are to: -

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1. Increase productivity by 20% (as mentioned earlier)
2. Dramatically reduce waste
3. Develop Contents Packaging
4. Refine Leadership and Management Methodology

(Source 3.)

For LFB to increase productivity, a great deal depends on the performance of their staff. Therefore they have to keep them motivated and eager to work, “involving, training and developing their employees so they recognise and enjoy, as individuals and teams, the challenge of continuous improvement.”

(Source 4.) If they are motivated well they will put effort and commitment into their jobs, increasing the value they add.

Money is also an important factor for most people because many like their standard of living to be high. That is why LFB offers fringe benefits to their staff like an annual bonus, depending on the profits, of which they receive 2 weeks holiday and extra pay towards the end of the year. Occasionally, when they need to meet deadlines, the employees work overtime. They get rewarded for that, by receiving their normal hourly rate plus half of the amount on top of however many hours worked overtime.

One way that I think may motivate people is with performance-related pay. “

Performance-related pay involves paying people more if they produce more or do their job better”. (Source 1.) The company does give a pay increase

when they see someone with unique skills but sometimes those people are

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not always noticed. Another more accurate approach to this would be to record the amount of productivity each production line produces. This may also be a good way to consider which of them are not being as productive and therefore will need to be made redundant. However, " skills also include the expertise needed to do the job well and personal qualities such as honesty or friendliness". (Source 1.) At LFB an employer tries to assess these skills and likely motivation at an interview using a technique called psychological profiling. On our trip, each one of us was given an assessment. Having referred to the score sheet afterwards we were astonished at how accurate the descriptions were about us all. So I think that the method is very effective, which means that the performance of employees at LFB is very important and will definitely affect their productivity.

Besides money, there are other things that can help to motivate people to work efficiently. Around the Christmas period, a dinner/dance is also organised for the staff to bring their family along and enjoy themselves, which allows open culture-everyone to communicate freely. This also gives them a chance to socialise and get to know each other more together which would bring them closer as friends rather than just colleagues in the factory. However, this can also de-motivate them as some may get used to being in the mood to chat about their social lives rather than focus on work and be productive. This also goes for the social committee as well when the company funds for ideas for social activities. As well as the social activities, people may feel that that the job is worthwhile or that it brings them personal fulfilment.

This leads me on to my next point: the job should give the employee a sense of identity. LFB does this by communicating more with their staff and keeping them informed on the company's performance. To do this they often have meetings: the finance department holds a meeting every 2 weeks and the directors and Management Executive Group (MEG) hold a meeting every afternoon. However I do not think that this is sufficient. The factory staff needs to be more involved in creating a compelling and shared vision of the future. A simple way to do this would be to create a small magazine or newsletter showing personal excitement, enthusiasm and optimism about the vision expressing encouragement and support.