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The Productivity Paradox: How Sony Pictures Gets More Out of People by Demanding Less

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Companies are experiencing a crisis in employee engagement. One of the problems is all the pressure companies are putting on employees to produce. Workers are trying to get more done in less time--and are burning out. But while time is finite, energy is not; people can increase their reserves of personal energy. The key is to establish rituals--such as shutting down your e-mail for a couple of hours a day so you can focus on priorities, or taking a daily 3 p.m. walk to get a breather-that renew your physical, emotional, mental, and spiritual energy. These behavioral changes are sustainable, though, only if leaders at the most senior levels of an organization are willing to set a context for them, both by creating their own rituals and by setting a tone where people feel safe taking time out of the day on a regular basis. This is just what the leaders of Sony Pictures Entertainment did. Working with Tony Schwartz of the Energy Project, they implemented energy management training that has reached nearly half the company so far. To date, the reaction to the program has been overwhelmingly positive. Eighty-eight percent of participants say it has made them more focused and productive. More than 90% say it has helped them bring more energy to work every day. Eighty-four percent say they feel better able to manage their jobs' demands and are more engaged at work. Sony's leaders believe that these changes have helped boost the company's performance. Despite the recession, Sony Pictures had its most profitable year ever in 2008 and one of its highest revenue years in 2009.

The new normal means constant change. Companies must reinvent themselves if they want to survive. This HBR Spotlight section looks at organizational change through two very different lenses—the first examining the connection between restructuring and improved performance, the second making the case for reorganization as a means of keeping a company's structure in tune with the human dynamics that drive creativity and innovation. A third article suggests new ways to keep overworked employees engaged and productive in an economy struggling to recover from global recession.