Introducing Change in a Diverse Manufacturing Environment

The State of the State: Equity, Opportunity & Diversity in Ohio
March 20, 2014

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Level of Change Involvement

- How many have recently gone through a pretty significant organizational change?
- How many have played a key role in leading a change initiative?
- How many looked back afterwards and wished they could go back and make some changes in the way that the change was implemented?

Although Corrie and I are OD professionals we don’t have all the answers and each change and each organization is different... a one size approach will not work
Conscious Capitalism
Leading Change
John P. Kotter

“The rate of change is not going to slow
Down anytime soon. If anything, competition
In most industries will probably speed up
Even more in the next few decades.”
John Kotter’s 8 Step Change Model

1. Establish a sense of urgency
2. Create a guiding coalition
3. Develop a clear shared vision
4. Communicate the vision
5. Empower people to act on the vision
6. Create short term wins
7. Consolidate & build on the gains
8. Institutionalise the change
An Integrated Approach To Organizational Change

ORGANIZATION DEVELOPMENT STRATEGIES

BEHAVIORAL STRATEGY

- Align Employee Attitudes & Values
  - New Behaviors

STRUCTURAL STRATEGY

- Align Structure And Design
  - New Relationships

TECHNICAL STRATEGY

- Align Processes And Technologies
  - New Processes

IMPROVED QUALITY & PERFORMANCE

Source: “Organization Development: An Integrated Approach,”
Office of State Personnel, North Carolina, March 5, 2008,
Examples of Change Strategies

- Please take a Post-It Note and write down a time when you experienced a successful and a less than successful change initiative.

- In the successful change initiative:
  ◦ What happened went well?

- In the unsuccessful change initiative:
  ◦ What didn’t go so well?
  ◦ What would have improved the initiative’s chances of success?

- Group Share
Why does change fail?

- Leadership
- Implementation
- Resource deployment
- Culture
  - Diversity of thought, people, and backgrounds can **MAKE** a change strategy.
  - Diversity of thought, people, and backgrounds can **BREAK** a change strategy.
Diversity Considerations

Waterline of Visibility

Source: Brook Graham
Awareness
- What is and isn't working in my organisation
- What are my options
- Communicate that there is a problem
- Focus attention on the most important reasons to change

Desire
- Communicate benefits for adoption of Scrum
- Identify risks involved
- Build momentum
- Address fears

Knowledge
- Learn new technical skills
- Learn to think as a team
- Learn how to timebox
- Share Information
- Set reasonable targets

Action
- Employ a suitable governance framework
- Training the basics
- Start small
- Don’t do it by stealth
- Adjust processes that touch the Scrum teams

Reinforcement
- Engage a Scrum Coach
- Identify champions
- Share Scrum experiences
- Learn from early mistakes
High Performance Organizations (HPOs)

Principle 1:
- Engagement and involvement of employees in the decision-making processes

Principle 2:
- Alignment of employee behavior and values with those of the company

Principle 3:
- Culture of:
  - Openness, transparency, and trust
  - Collaboration and relationship building
  - Encouragement of experimentation and risk-taking

How did we create urgency?

100 Best Companies Voluntary Turnover by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>100 Best (%)</th>
<th>Industry Average (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>5.9%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Manufacturing &amp; Production</td>
<td>6.2%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>6.9%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>7.1%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>9.4%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>11.3%</td>
<td>24.7%</td>
</tr>
</tbody>
</table>

Source: “100 Best” data provided by Great Place to Work Institute, Inc. Comparative data provided by BLS. “100 Best” data includes FT & PT turnover; BLS data includes the same in addition to turnover for temp/contract workers.

Best Companies experience as much as 50% less turnover.
Anticipated Organizational and Employee Strengths

<table>
<thead>
<tr>
<th>Skill</th>
<th>Pride</th>
<th>Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Highly skilled in multiple jobs/roles and departments</td>
<td>• In individual &amp; team contribution</td>
<td>• Friendly, welcoming atmosphere</td>
</tr>
<tr>
<td>• Avg. tenure 25+ yrs</td>
<td>• Organization’s products and standing in the community</td>
<td>• Respect, shows appreciation for contribution</td>
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<tr>
<td></td>
<td></td>
<td>• Supports professional development</td>
</tr>
</tbody>
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Anticipated Organizational and Employee Challenges/Obstacles

- Former Traditional, Authoritarian Leadership Model
- Communication, Not Open and Accessible
- Lack of Experimentation and Risk-Taking
- Lack of Collaboration and Involvement in Decision-Making & Problem-Solving
- Historically Infrequent Need for Change
- Gaps in Openness, Transparency, and Trust
Who Moved My Cheese?
By Spencer Johnson
&
Who Moved My Cheese? For Kids
By Spencer Johnson, MD and Christian Johnson
Illustrations by Steve Pileggi
Purpose & Outcomes

- Develop a common language around change
- Understand our own and others natural reactions to change
- Help prepare us to better facilitate change as it related to our transformational HPO journey
- Learn something and Have Fun!
Process

- Share what may seem like a silly story with silly characters and graphics.....

        Or are they really?

- Included employee activities, small group discussions, and feedback and reactions throughout.
Diverse Responses to Change

1. Pilot Projects
   - strong encouragement
   - basic training
   - freedom!

2. General Roll-out
   - constant communication
   - strong support
   - in-depth training and coaching
   - budget, structure

3. Enculturation
   - “do-or-die”
   - strong extrinsic motivators
   - may have to fire some people

Incremental Adoption

Innovators
Early Adopters
Early Majority
Late Majority
Laggards
A story of 4 characters who lived in a maze and loved their “cheese”!

2 mice named Sniff & Scurry
2 beings named Hem & Haw who were as small as mice but who acted much like you and me!

Pull out your worksheets and we will learn about the characters and how they react to change.
Reactions to Change

- I can predict when there is a change coming.
- I learned that I can adapt to change if I decide not to be afraid.
- When change happens, I am the first to take action!
I’m Hem

Given what you know about the other characters, how might I react to change?
The "Maze"
After finding ALL THAT CHEESE........
Hem and Haw reacted quite differently!

We’ll always have enough cheese!
This “Cheese” will last forever…..

We’ll move closer and will never have to venture out into the Maze again……..

Our friends will be so impressed..
Sniff and Scurry were paying attention – what’s happening?
How do you think Haw reacted when he finally realized that there was no cheese left in Cheese Station C?
WHO MOVED MY CHEESE?!!!!

Why did THEY do this to me?

We’re entitled to our cheese. I’m going to get to the bottom of this!

What’s really going on here?
We've looked for cheese before. We can do it again.

We could fail....... Maybe we should wait awhile.

I'm getting too old for that. I'm not interested in getting lost and making a fool of myself. Let's just stay here and see what happens.
Hem, look at us! We keep doing the same things over and over again and wonder why things don’t get better!
Haw faces his fear.
After searching corridor after corridor, Haw finally…….
I don’t think I would like new cheese. It’s not what I’m used to. I want my own cheese back and I’m not going to change until I get what I want.
Not everyone buys into the strategy
As you work through your mazes of change:

Sometimes you may act like SNIFF who sniffs out change early,

Or SCURRY who scurries into action,

Or HEM who denies and resists change as he fears it will lead to something worse,

Or HAW who learns to adapt in time when he sees change can lead to something better!
How can we apply what we learned in Who Moved my Cheese to a current or future change initiative you’re rolling out?
Move To The New Cheese And Enjoy It!

Thank You!