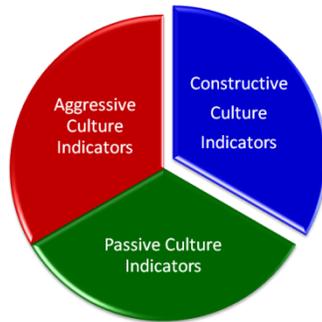


ACHIEVEBLUE Case Study: Manufacturing Plant

Organizational culture provides the underpinnings and foundation for organizational performance. Far beyond policies, procedures and process, organizational culture identifies and measures the attitudes held by employees and the behaviours that are expressed as a result. It is about people. It is about the impact their leaders have on those attitudes and behaviours. It is about the reality that everyone owns culture and contributes to it with every action, every day on the job. It is what allows winning organizations to attract and retain top talent. It is a key enabler of the achievement of strategic objectives, and must be a primary ingredient in strategic planning.



The alignment of culture with strategy is essential for sustained organizational success. To do this, constructive attitudes and behaviours related to achievement, innovation, professional development and collaboration must become embedded in the everyday workings of the organization. In our assessments, these attitudes and behaviours are coded as blue. At the same time, the organization must reduce unhealthy levels of aggressive attitudes and behaviours related to perfectionism, internal competition, power and opposition. These attitudes and behaviours are coded as red. In addition, passive attitudes and behaviours related to unhealthy levels of dependency, avoidance, relying on convention and approval seeking must be addressed. These attitudes and behaviours are coded as green.

The Challenge and Opportunity

A manufacturing facility in New York was facing significant challenges related to cost effectiveness and essential viability. Motherboard production averaged 2,100 units behind schedule. Production of major components took, on the average, 7.5 weeks from start to finish. A unionized environment, the plant was costing the organization \$11M a year in net losses. The threat of plant closure and outsourcing was very real. All of this was occurring despite best efforts and serious investments in process improvement methodologies and techniques. Our objective was to determine if there were correlative and causal links tying performance to the organizational culture of the plant.

The Process: Identifying the Ideal and Current Culture

Championed and led by the senior leadership team, all union and non-union employees took part in the process, working within their intact team configurations.

We began the work by having the senior leadership team define their Ideal organizational culture. Ordinarily, exercises of this type result in executives defining an Ideal culture that focuses on high scores in constructive attitudes and behaviours, with corresponding low scores in aggressive and passive attitudes and behaviours. Significantly and worrisome, this leadership team’s Ideal culture profile included very high scores in the oppositional (aggressive) behaviour style. This indicated that, in their ideal view, people should exhibit a confrontational, even bullying, approach in dealings with others.

Since leaders have the greatest impact on culture, the subsequent Current culture profile, determined by 30% of the employee base, revealed the expected result: an organization typified by both high levels of aggressive behaviour and the corresponding passive responses. Constructive behaviours related to trust, collaboration and mutual respect scored very low in the assessment of the Current culture.

Current Culture Impact on People and Performance

High Current culture scores in aggressive and passive attitudes and behaviours, with corresponding low scores in constructive attitudes and behaviours, result in people believing and acting as if they don’t really matter. They will invariably assess the organization as lacking in the attitudes and behaviours keyed to employee engagement and

teamwork. Since they also feel powerless to change the organizational culture, passive attitudes and behaviours will result. People will constantly seek approval of higher ups for fear of reprisal, treat rules as more important than ideas, follow orders even when those orders are perceived to be wrong, act in very conventional ways that do not rock the boat, and are motivated by a need to be liked and to lie low. No one really cares. The net result is employee disengagement and the unreliable execution of strategy. Indeed, the entire sector assessment for constructive attitudes and behaviours garnered very low scores here.

The Process: Realigning the Ideal and Closing the Gap

One key to success in realigning organizational culture is the transparency of the process. Results that are kept hidden are of no value. The plant senior leadership team understood the importance of communicating all results to employees.

Prior to running team strategy sessions, each leader received an assessment and debriefing regarding their own impact on the current operating culture, with special focus on the impact they were having on the attitudes and behaviours of those reporting to them.

During our team sessions, the Ideal and Current culture profiles, along with their implications, were presented in detail. Each team member had the opportunity to assess their own contribution to the Current culture profile. This allowed each employee to consider how changing their individual attitudes and behaviours could have a positive effect towards the creation of a constructive culture for the plant. Individuals and teams developed detailed action plans that would enhance constructive attitudes and behaviours while minimizing aggressive and passive ones. In turn, these would contribute towards realigning the culture with divisional strategic objectives. People understood that everyone needs to be part of the solution for it to work.

Leaders showed great commitment and follow through during our leadership development program, becoming effective role models of constructive attitudes and behaviours. They worked at supporting each other, providing positive feedback, being more caring and better coaches and mentors and actively soliciting new ideas.

Bottom Line Results

The process of cultural realignment takes time, as does the ability to measure sustainable improvements. Measurable results appeared within the first year, and were tracked for three years. The results:

1. Production backlog was reduced from 2,100 units to 44.
2. Production lead time was reduced from 7.5 weeks to 4.5 weeks.
3. The plant changed from losing \$11M per year to adding \$25M to the top line, a \$36M gain and a 460% improvement in gross profit contribution to the organization.
4. Plant closure and outsourcing plans were cancelled.

The Lessons

We invariably see positive results when an organization exhibits the conviction to take culture assessment results out to the teams, thereby creating an opportunity for people to speak their truth about what is really going on. The courage of the executive is acknowledged by employees, and the response is personal engagement in creating a solution.

When culture and strategy meet, the results are inspirational.