

# Cultural Change Management to Support Lean Implementation



## *Manufacturing*

### **The Client**

The threat of outsourcing and off-shoring is prevalent in almost every industry in today's world. It's clearly a looming reality in aerospace manufacturing. To stave off the threat of sending more manufacturing jobs off shore, a leading aerospace firm realized that their best chance of staying competitive and keeping their customers satisfied was to implement Lean manufacturing concepts modeled by the Toyota Production System. To accomplish this, the client company turned to TBD Consulting, Inc., to couple continuous process improvement in the manufacturing process with a significant culture change.

### **The Issues**

There were several issues inherent in this transformation effort.

- First, the well-established factory had a deeply entrenched blue-collar (non-union) workforce. With this level of entrenchment, employees were resistant to change and preferred to “wait it out” rather than endorse the transformation effort.
- Second, leadership was inexperienced in leading change efforts. In this case, the leadership did not know how to effectively communicate the burning platform that mandated the change transformation. In addition, the client had competing production goals which resulted in diffused efforts.
- And third, there were limited resources to assist with the culture change process. With limited human resource personnel, there was no way to effectively and efficiently enact new policies and procedures.

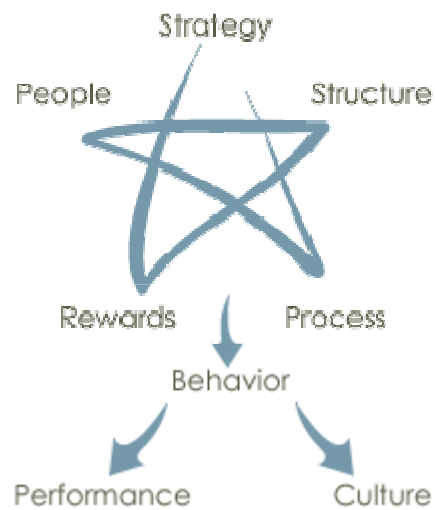
### **The Solutions**

TBD Consulting's organizational development consultants began the process of assessing the organization's readiness for change by developing a snapshot of the current state. In particular, TBD looked at the client's policies and procedures regarding performance management, progressive discipline, rewards and recognition, goal alignment, goal communication as well as involvement in goal setting. Moreover, TBD examined overall practices of effective communication, effective use of meetings, individual opportunities for growth and development, previous employee satisfaction survey results, and finally the perception of fun in the factory. To gauge the understanding of the organization and predict its readiness for change, TBD interviewed leaders and conducted focus groups with employees at diverse levels.

TBD then facilitated a 2-day session with selected operational and functional leaders and employees to create a vision of the “factory of the future.” With this vision of the future as a framework, TBD conducted a gap analysis to identify the variance between the current organizational structure and the configuration that needed to be in place to create and sustain the factory of the future.

With a better understanding of what needed to be accomplished to move the organization forward into the future, TBD used Galbraith's STAR model to drive the development of the organizational structure. STAR-point teams were chartered to close an identified performance gap.

Each team developed a specific plan to drive the current organization into the desired future state. TBD's consultants provided coaching and mentoring to the STAR-point leader and teams to help them develop a comprehensive model, a communication plan and a training path to fully implement the change initiative.



Galbraith's Star Model™

### The Business Impact

The overall goal of this process was to help the organization develop an organizational structure that required accountability, consistency from leaders, and increased productivity. Through facilitated sessions and ongoing coaching, TBD's consultants were able to engage employees via future-state visioning and STAR-point team participation. As active members of the design teams, the employees began to embrace the changes and to become champions on the factory floor. Additionally, coaching and mentoring of middle management fostered an understanding for the need to change and a visible energy toward driving change.

Although human capital resource limitations still beleaguered the organization, TBD's consultants demonstrated and encouraged a cooperative distribution of tasks within the various STAR-point meetings. Although this organization undertook the task of creating a vision of the factory of the future and committed time and resources to designing a new organizational structure, the real test comes with implementation and the determination to sustain the future state.

With TBD's guidance, this factory is well on its way to creating a sustainable future and competitive advantage to ward off the threat of outsourcing. Since this case study was written, the aerospace firm has institutionalized this process throughout its extensive factory system.

For details on TBD Consulting's complete range of services, call our corporate office to speak to a performance consultant or visit us at [www.tbdconsulting.com](http://www.tbdconsulting.com).