

CASE STUDY #1

Title: A Culture of Engagement, or Not?

The Client: A large, service-based company with over 50,000 employees. The company had a long history of making money and meeting its goals through a half-hazard disbursed management approach in which people worked long, hard hours and were expected to meet the numbers no matter how they got the job done. The most important rule was, get the job done from mid-level management down to the front line workers. The employees were very used to being dictated to and told what to do and if the job was done, the employees were paid very well. This fostered an environment of very loyal and hard-working “subjects” who blindly did what they were told. The dictates came through the efficiency numbers that increasingly pressed the employees to do more and more with less and less. This led to many employees being placed in positions that were not an effective fit for their talents/strengths and many who were overworked and stressed to the max. The oft quoted statement from the mid-level and front-line was, “Corporate hasn’t a clue what goes on down here on a daily basis.”

The Business Need: Due to the increase in turnover, safety violations, absenteeism, disability cases, etc., one particular region asked for help in better understanding how they could improve and meet numbers more effectively. After a thorough analysis and assessments were made, it was determined that morale was extremely low, works were not effectively trained, the selection process for appropriate job fit was ineffective, and employees felt that they were not valued.

The Solution: A new hiring process was instituted to improve upon the selection and placement of people based upon job fit and talents/strengths. Three other new practices were put into place that also had a very positive impact. First, employee discussion meetings were started where employees could voice opinions and offer ideas for improvement. Second, the managers were trained on coaching and a more participative style of leadership. Third, a process to implement employee suggestions and improvements was started. Due to the exceptional results; almost nonexistent turnover, greatly reduced safety incidences, more employee engagement, and much higher morale, the organization decided to duplicate the changes made in this region to the entire organization. A consulting firm was hired to design a repeatable process that could be duplicated and implemented organization wide over a three year period. The initial roll-out included seven pilot regions.

The Intervention and Implementation: Over a two-year period the organizational change initiative to become a more engaged employee-driven, continuous improvement focused culture was deployed throughout the organization in four different waves. Resources in doing this were reduced after each wave to the point that by the end of third wave, managers were almost on their own to implement the process and programs however their

existing roles and demands never were adjusted. Although the process had some very sound evidence-based practices, programs, and solutions to it, it was a “one-size fits all” approach.

At the end of the second year of the initiative, a large company restructuring took place and the organization downsized its regional management ranks drastically. The initiative was abruptly halted and the executives declared the initiative as a success to Wall Street.

The Outcome: After the reorganization, very little change was seen as a result of the change initiative. A few regions who were ahead of the curve and had already implemented some of the key changes prior to the intervention were able to continue with the participative, engaged environment, however the majority who had not been ready or struggled to implement the changes reverted back to their original, reactive ways.

Although the executive level had believed they were prepared and ready for the issues and challenges that would emerge from undertaking such a huge organizational change initiative, the need to please Wall Street and make the numbers still took precedence over the need to make adjustments so that the initiative had the time, resources, authority, and space to be successful. When dealing with human change, the laws of human behavior simply cannot be denied.

The Reflections: Attempting a huge organizational change that is rooted in changing human behavior and emotions as well as changing an organizational culture from a task-focused, reactive, problem-centered environment to an open, proactive, engaged, improvement-focused environment must be undertaken with great care and readiness, especially from the executive levels. Employee engagement processes should not be used when management is not prepared or committed to employee involvement or when management is not capable or permitted to use participatory management that focuses from a positive psychology and strengths based philosophy, this was the case in this organization. The executive leadership was also only supporting the process in their talk and not their actions. If deadlines and numbers weren't met, consequences were harsh and more task initiatives and mandates would be enforced. These actions and lack of foundational support stifled and derailed the efforts that were made by the consultants, managers, and employees. In addition, the organization, with its shoot-then-aim approach of leadership and management style, tried to add six sigma as an overall, organizational fix to problem solving and continuous improvement, only creating more frustration and reactivity by focusing on deficits and past failures versus future potential.

Had the organization started with shifting the top leadership to a Theory U approach based in positive psychology and emerging future potential, AI would have been a much better approach to starting a culture change within this organization. By starting with the top leadership then, with them in the lead, move it to other key leaders and beyond throughout the organization this would have created an ultimate force that spread its philosophies, values, and methods throughout the organization touching every level, department, employee, and stakeholder.

The Opportunity Cost: The financial cost alone from this initiative could be seen as a major issue however, the human cost is even greater. An organization has few opportunities to truly change its culture and succeed. With each attempt that is failed, especially due to lack of executive awareness, preparedness, and fortitude, the people who make up the organization become hardened and distrustful to future efforts. Reverting back to the old saying, “Corporate hasn’t a clue what goes on down here on a daily basis.”

The Recovery: One of the newest reality TV series to create a stir is the Sunday night show of “Undercover Boss” where a major company executive goes “undercover” and actually works in different areas of the business, primarily in the frontline positions in order to get a reality check on what it is actually like on a daily basis and how his/her decisions from “the top” impact those at the frontline. Had this organization gone through a process of the executive(s) truly understanding the “day in the life” of the various roles in the organization and how his/her decisions impact everyone of those people, initiatives such as the one discussed in the case study could succeed and at a much lessor cost with much greater results.