

Case Study

Utility



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The Overview

The new GM Network Operations (responsible for maintenance, new connections and construction) had a business unit productivity and financial performance problem. Her organisation had exceeded costs budget by millions of dollars. Her business unit had injury rates and absenteeism higher than benchmark; low productivity, and above benchmark costs per km (a WASA rating) in the Australian industry. She had six months to reign in expenses and end the financial year within plan and a year to get costs per km back within benchmark.

The Situation

The GM said the reasons for her critical business issue included:

- Our analytics showed below utility benchmark employee engagement score; with the lowest scores in the blue-collar workforce located in the field. 25% of her workforce was actively disengaged. She believed she had low psychological safety reflected in high staff resistance to the high velocity culture and behaviour change that the organisation needed to fulfil its goals;
- Our analytics showed a primary contributing factor to low psychological safety was an absence of motivational front-line leadership. A leadership culture assessment also identified a deeply embedded “command and control” management vs. leadership mindset. Managers focused on planning, budgeting, staffing jobs. This was reflected in a predominantly red Human Synergistics OCI Circumplex;
- Our analytics showed the leadership capability of the Front-line Supervisors varied significantly. Our assessment rated one third of the leadership team in the ‘weakness’ and ‘significant weakness’ ranges. The analytics specifically highlighted the ‘ineffective development of staff/coaching skills,’ ‘ineffective critical conversation framework,’ a culture of ‘avoid responsibility and targets,’ ‘fixed mindsets*,’ ‘emotional immaturity,’ and ‘disconnect from purpose and values’ as common areas of weakness;

The Situation

- A wide range of individual and team performance metrics (more than three standard deviations) indicated inconsistent employment of accountability for performance, standard operating procedures (SOP) and lack of development of appropriate front-line field service skills; and
- The organisation had a number of leadership development programs and leadership assessment tools tailored for the different tiers of management. However, due to the 'stand-alone event' nature of the program elements and the long time between assessment cycles (typically 12 months or more) Managers slipped back into old habits. The organisation had not yet come up with a 'sustainable leadership improvement system' for front-line blue-collar leadership.

The Solution

The capabilities she said they needed included the following:

- When Front-line Leaders were in the field they would use a coaching framework to attend to building psychological safety, physical safety, motivating team members, and developing people capability, with positive conversations about change, performance goals and accountability. The Managers would invest more than half of their time and attention on these leadership vs. their management activities.
- When measuring leadership performance day-to-day support and assessment tools would show her that Managers were demonstrating 'effective development of staff/coaching skills,' 'effective critical conversations,' a culture of 'psychological safety, transparency and accountability,' 'growth mindsets*,' 'emotional intelligence,' and 'connection of day-to-day work with purpose and values' as common areas of strength. This would also be reflected in a strong shift towards the blue in their Human Synergistics OCI Circumplex culture assessment tool;

The Solution

- Leaders would operate within a 'leadership development system' that delivered leadership measurement and a sustainable effective improvement processes. Within the system the Line Managers would be responsible for and accountable for leadership improvement;
- While HR would be responsible for support. The system would provide frequent psychological safety, engagement and leadership performance measurement (within a 90 days cycle to match the rhythm of the operational business). Assessment would be followed by review and development of 90 day improvement plans with immediate Managers (and HR support) to address weakness with behaviour change, coaching or training. The improvement plans and actions would move into a 30 day follow-up cycle;

The Solution

- When learning the leadership and psychological safety frameworks the leaders would have the material presented in a training workshop suitable for a blue collar workforce that may have limited literacy. A workshop with minimal powerPoint and lots of skill practice and coaching so that the attendees would leave the classroom with the competence to make immediate changes in their on the job behaviour and effectiveness; and
- When working in the field front-line staff would consistently employ SOP, or have a means for safe innovation. As a result individual front-line worker and front-line team performance spreads would narrow to three standard deviations (or less).

The Outcome

Onirik provided the GM, L&D Manager and HR Business Partner with these capabilities through our Conductor Psychological Safety Assessment system, BravaTrak Analytics (a leadership & coaching assessment and development system), the Strada7 and Circular Leadership on-line effective leadership training workshops, and the Master Coach training workshop to develop in-house capability to sustain the leadership systems.

The GM reported that after the first month there had been a 62% reduction in overtime. Reduction in overtime costs alone exceeded \$200K per month. Over the next five months the business unit also reported 15% reduction in costs due to increased productivity (e.g. reduced wait time and rework etc.)

The GM said, “The consequences of the psychological safety and leadership program are really starting to show. Costs are dropping. There are substantial improvements in safety, productivity and absenteeism. In addition the flow of customer complaints has dropped to zero and I’m now getting regular letters and e-mails of commendation.”

The Outcome

The Field Service Manager said, “A new culture characterised by effective team dynamics, drive for results, transparency and accountability for performance, and customer centricity is clearly developing. On top of that average cost per job is down and we can see our target to get within budget will be achieved.”

The Results

Improvements in psychological safety, leadership effectiveness, employee engagement, productivity, and organisational culture (e.g. affirmed in a significant shift towards HS OCI blue) continue to this date.

In its first year the project delivered an ROI exceeding 1,100% and a payback in under 1 month.

For more information go to
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