

## CASE 4

# The Champion of Change

Global pharmaceutical company

After investing 130 million Euro into a new plant, the Hungarian site of a leading global pharmaceutical company was in bad shape – serious production problems, high fluctuation, lots of deviations. Then a new production manager with a brand new leadership approach was hired.

by László Szalay

The new production manager believed in participative management, which was totally the reverse of the previous manager's autocratic management style. In the midst of all those production challenges, like a modern Don Quixote, he was fully dedicated to build up a Participative Production Organization (PPO). Within three years, the plant has become one of the benchmark sites within the global company, mainly thanks to the fundamental change in leadership culture.

## Enormous efforts

How could this huge change happen so fast and so successfully? In addition to the enormous efforts of the site to identify root causes behind deviations, fix the problems, develop structures and procedures for increasing robustness, a set of interconnected organization and management development actions took place in order to call all employees on board to make the necessary changes happen. We supported this change processes and used two main concepts (see illustration):

### Vision driven »waterfall process«

When the new manager arrived on site, it was not only a »crisis« situation, but a cultural shock for him as well.

As a leader, he felt alone, he was in a vacuum. He tried to delegate tasks and involve people in managing the challenges but they were reluctant to do so. Rather they expected him to tell them what to do, how to solve the problems, just as they had been used to for many years before. At this stage, we started to work on a vision driven »waterfall process« in order to engage people to create a participative production organization together. We planned three main steps:

1. Have the production management team build a cohesive, committed and congruent guiding coalition.
2. Gain the commitment of the supervisors and line-managers for the vision, and train them to become participative managers in order to build up an extended guiding coalition.
3. Involve all employees into finalizing the PPO vision and planning how to make it happen.

For three years we have followed this structure and used different programs to mobilize the human potential of the organization through creating and regularly monitoring the vision together, developing managers' participative competencies and empowering all employees. We used the Large Group Intervention technique for all employee programs, that included 90 people for one or two days. In a very interactive, par-

ticipative way they could analyze the actual production operation, they listened to actual strategic overviews, understood the concept of participative management and empowerment through »structured experience« exercises and could contribute also to the common vision with their own ideas.

### Vision driven breakthrough process

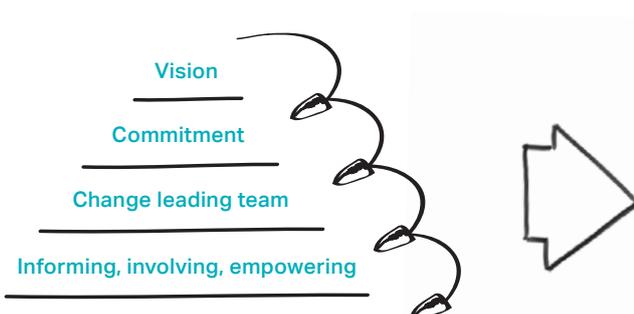
The second concept had two main focuses: help the organization achieve challenging, business related goals within a short time period; use this intensive period to learn about innovative ways on how the organization can operate better. Afterwards, these new learnings can be adapted into the everyday operation.

In our case, the focus was on enabling operators to manage deviations themselves. At the beginning, the process involved workshops for understanding the concept, planning the process and setting challenging goals. In the second phase the focus was on supporting innovative initiatives and sharing experiences within the so-called »peer learning« workshops. In the final phase, first of all the results were evaluated – 85 percent of the goals were reached. As a last step, the learning was drawn out of this experience. Later, some of those learnings, like »SAP manual or topic experts needed insights«, were introduced into the regular operation. In addition, the success of this process – »We can do it!« – created a lot of positive energy within the whole organization and put a highlight on this very site within the global organization. ●

### The production manager's key learning

- Common vision: Draw a picture together with your managers of the company they want to work in. This vision (values) has to touch the heart.
- Involvement, critical mass: You need to engage people and ask their contribution. To create the critical mass is important for change to happen.
- Openness, trust: The two most important things: trust and confidence. Be open, otherwise your people won't believe you.
- Inspiration: You need to be open and inspiring (examples, images) and show energy.
- Understand and build on reflections: You need to listen to your people and understand their motivations. You really need to build on their comments and do not argue them.
- Calm concentration: You need to create peace, calmness in your team and have a dialog, even if there are a lot of problems around. You need a level of serenity.
- Involve key people: Involve and build on accepted and recognized people.

### Vision driven »waterfall process«



### Vision driven breakthrough process

