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A Legitimate Leadership Case Study

In conjunction with Johnson Matthey USA Smithfield
2012 — 2016

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CREATING A CULTURE TO ENABLE CONTINUOUS GROWTH IN PEOPLE AND PERFORMANCE

In August 2009 Johnson Matthey Emission Control Technologies (ECT) opened a new emissions control and catalyst plant in Smithfield, south-west Pennsylvania, USA, to manufacture large, complex, heavy-duty diesel catalysts. Management of the new facility believed that its culture would be critical to its success. Also, that great cultures don't happen but rather evolve over time through conscious and dedicated leadership commitment and action. Legitimate Leadership played an important role in "the Smithfield Roadmap".

LEGITIMATE LEADERSHIP

THE SMITHFIELD ROADMAP

1. DEFINING THE CULTURE

The starting point was to define the desired culture for the site through a process which called for input from both supervisors and employees about what they would like to see. The results were:

An environment that fosters…

- Open doors/freedom to openly discuss issues.
- Accountability.
- Finding root causes, not "who messed up".
- Low walls between departments.
- Respect and trust.
- Managing people on an individual basis.
- Balance between work and personal life.

A workforce which is…

- Team-orientated – look out for and help others in addition to themselves.
- Actively engaged or willing – know what to do and want to do it. Display a positive attitude.
- Empowered – have confidence in their abilities and take action within appropriate boundaries.
- Take responsibility for good and bad results.
- Challenging – suggest ways that might improve the current situation.
- Adaptable, flexible and open to change.
- Handle problems maturely and effectively. Don't "rally the troops" to support their cause.

The Smithfield leadership then developed a set of values; this original original set was later modified to better align with Johnson Matthey's global values.

2. RE-ESTABLISH VALUE SYSTEM

The Smithfield Site Values as Aligned to Johnson Matthey's Global Values:

Health and Safety is Our Priority – "Making Safety 100% Of What We Do". Safety is the top priority and everyone has a responsibility for their own safety and those in their care and others around them. By working together, we can improve our health and safety performance.

Integrity – "Doing The Right Thing". Confidentiality, honesty, trustworthiness and respect are the cornerstones to our operation. We openly admit mistakes, accept responsibility for outcomes and honor our commitments.

To Care and Grow Our Employees – Our leaders have a genuine concern for those in their charge; they willingly give people their time and the means and ability to effectively do their jobs. There is appropriate accountability for what people do and what they contribute.

Ability & Innovation – "Engagement". We seek and value people who are actively engaged and who will fuel our growth through innovation. We work as a team to deliver results. We encourage people to challenge "the way it's always been done".

Recognition & Development – Doing a good job and delivering results with a commitment to the company values are recognized and rewarded. Career development is the responsibility of both the employee and the company. We provide opportunities for personal growth and career/leadership development.

The Best of Big and Small – We keep it straightforward and personal, but have the stability and support that comes with being a global organization. We treat our customers as people and they find us easy to work with.

The values were communicated, displayed on monitors in the plant, and incorporated into the orientation programme for new employees. They became a component of performance evaluation. Management rated themselves against the values in 2011 and again three years later. They assessed themselves as having notably improved against each value, but with scope to improve further.

3. ESTABLISHING LEADERSHIP FORUMS.

Leadership Forums made up of managers and supervisors on a shift meet for an hour each month. The intention is to ensure that "soft" issues also receive attention. In practice, managers and supervisors often have not found it easy to talk about people as opposed to tasks and results. Leadership Forums are now part of the fabric of the organisation.

4. IMPLEMENTING LEGITIMATE LEADERSHIP

The Smithfield Plant Manager (Corbin Kearns) and HR Manager (Tammy Hays) attended a 2-day Legitimate Leadership introductory workshop in Savannah, Georgia (at another Johnson Matthey division) in 2012. They believed that the Legitimate Leadership Model, with its associated Care and Growth criteria, was aligned to the desired culture. They also saw the framework as an enabler of empowered people who could contribute their talents to the business.

In December 2012 all managers and supervisors were introduced to the Legitimate Leadership framework. Thereafter, a baseline measure of the degree to which leaders, both individually and collectively, were aligned to the Legitimate Leadership criteria was done. Each individual received feedback on his/her strengths and development areas as a leader and was encouraged to share his/her profile with his/her manager and/or his/ her direct reports. One comment was: "I have done many of these kinds of assessments. None has been as specific, concrete and useful in terms of what I need to change to become a better leader."

The leadership audit was used as a basis for determining which of Legitimate Leadership's portfolio of Application Modules would be most helpful in building leadership capability on the site. Each one-day Application Module deals with a specific aspect of the model. To date six modules have been run (Holding People Appropriately Accountable; Enabling Excellence in Ability; Empowerment – Growth by Handing over Control; Development Discussions which Motivate and Empower; and Growing by Growing Others; and Coaching the "Why").

At the end of the fourth module, leaders were asked: How has my leadership changed? How have the results in my area of responsibility changed?

Change in Leadership (Me)

- I have connected with my people as individuals – the person behind the job.
- I have trusted them to find the solutions since they are closest to the problem.
- I have focused on giving them what they need to succeed.
- I first find out "why" before holding people accountable.

Change in my People (Others)

- They are much more committed.
- They are taking initiative/finding new and better ways to do things.
- They are prepared to help colleagues more, even outside their area.
- They trust and are trusted more.

Change in Results

The plant added a fourth shift and transitioned to a 24/7 schedule, at the same time achieving better results in:

- Efficiency
- Reject rates
- Productivity.

It was clear that the chain of causation was: transformation of leadership – enhanced employee contribution – improved results.

A second leadership audit was carried out showing a demonstrable shift, particularly for the Growth element.

This time the one-on-one feedback was crystallised into a leadership improvement plan for each leader, and agreed shifts were integrated into the performance management system (MATS).

5. SELECTING AND RETAINING PEOPLE

As far as possible new employees have been selected for culture fi t and then trained for skill – particularly when new people were employed to move the site to 24/7 operation.

Once employees have been given the means and ability, they are held accountable for their contribution and for living the culture and values.

Personnel issues are tested against the Legitimate Leadership principles. The question is asked: "What should we do here if we are consistent with the Legitimate Leadership Model?"

Performance management issues are dealt with using the language of means, ability and accountability. The pushing of accountability down the line, applying the principle of "the incremental suspension of control", has been emphasized and driven.

6. DEVELOPING MEANINGFUL RECOGNITION PROGRAMMES

Management has set up various recognition programmes which they believe are about gratitude for contribution made as opposed to incentivising people to give more.

Each quarter, anyone can nominate anyone else for making a difference. Categories for nomination include Safety; Collaboration; Creating Value; Customer Service; Other.

Nominees receive a gift card at a recognition lunch with the management team. Annually, awards are given for the top four quarterly contributors. The top reward includes $500 cash plus two paid days off. Spot recognition is also encouraged with the HR Department giving $10 Subway cards to employees as a "thank you" for their contribution.

7. INVERTING MEANS AND ENDS

All initiatives (5S, BBS, Lean Manufacturing Excellence, 3C's as well as Legitimate Leadership), have been deliberately viewed as vehicles to grow people rather than people being seen as the means to do the initiatives.

The Behavior Based Safety (BBS) programme for example was facilitated by an HR generalist and CI lead, amongst others, as a developmental task. Similarly, the recently-introduced Talent Management Matrix is seen as primarily a vehicle to accelerate the progress of those with potential.

The "why" behind each change initiative is solicited up front and remains at the core.

8. GETTING INVOLVED IN THE COMMUNITY

Smithfield gets involved in and makes a contribution to the community in which it is located. There has, however, been a shift in focus from giving money to worthwhile causes to giving of time. Smithfi eld employees are now given up to two paid days a year to contribute to the community

9. ENABLING A SHIFT FROM "TAKING" TO "GIVING" IN NON-MANAGERS

Over 60% of non-managers have now gone through the Grow to Care workshop. It offers employees an understanding of Legitimate Leadership principles – particularly what ''being here to give" means and its impact on the individual, the team/workgroup and the organisation. There has been a definite change in mindset from "what can I get from the job/company?" to "what contribution can I make to whom today?"

Success factors for creating a culture which enables continuous growth in people and performance; at Smithfield, the key factors were:

- Having absolute clarity on the "why" behind not only Legitimate Leadership, but all change endeavours on the site.
- Demonstrated commitment to the Legitimate Leadership principles by the whole management team, with the Plant Manager leading the way.
- An HR Manager with a focus on driving, leading and communicating the culture and values, rather than only dealing with transactions, compliance, rules and policies.
- Regular assessment/measurement not only of plant performance but also of the "soft" issues – leadership performance and alignment to the values.
- Perseverance with the principles at an appropriate pace, which led to most leaders getting better at putting the principles into practice. Legitimate Leadership has become "how we do things" rather than a project with a start and an end.
- A demonstration of courage and generosity across the accountability spectrum (discipline/censure/praise/reward).
- Actively finding ways to apply the principles, from empowering those on the production line to incrementally reducing controls or checks in processes. Also, not waiting for a visit from a Legitimate Leadership consultant to apply the model.

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