

HIGH ROAD TO WORK ORGANISATION

CASE STUDY

HONEYWELL-MEASUREX



IRISH PRODUCTIVITY CENTRE

1998

Abstract

A company which had experienced downsizing and which had a fairly rigid internal culture embarked on a change process facilitated initially by their participation in a national 'New Work Organisation' (NWO) Programme. The key engine to change was an internal partnership approach co-ordinated by a representative Steering Group. The programme of change activity was agreed by the Group and based to a large degree of an external diagnostic exercise carried out as part of the company's involvement in the NWO project. A degree of success has been achieved and a process created for further change. Within its activities to-date the Steering Group undertook a number of benchmarking exercises and networking visits to other sites both within and external to the Honeywell-Measurex Group.

Changes in the external economic/social environment and the demands of the parent Honeywell-Measurex Group will determine the extent to which the framework and processes now in place at the Irish plant will further evolve. The trust and relationship improvement created so far and the more transparent working environment generated augur well for further progress.

HI-RES Case Study: Honeywell-Measurex

Sector

Manufacturing

Key Words

Partnership; Benchmarking; Training; Steering Groups; Networking; Trust; Flexibility; Culture.

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Abstract

'Good Practice' Case Study: Honeywell - Measurex

Sector

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1. Background Information

Honeywell-Measurex is a leading supplier of measurement and industrial automation systems that unify business and control information throughout a plant or mill. The company head office is in California, U.S. and it employs some 3,000 people worldwide.

In March 1997 the then Honeywell Inc. and Measurex merged to give rise to the present company. Measurex (Irl) Ltd had been established in 1973 and in the early '90s the Irish Honeywell-Measurex plant experienced some downsizing but retained a core experienced workforce with an average length of service of some sixteen years. There were two trade unions representing workers in the plant but there are also a number of non-unionised employees. The nature of the business brings about fluctuating demand for products and re-allocation and re-concentration of resources is a feature of the operation.

2. Drivers for Change

The downsizing that enforced changes over a wide area of operations and work practices led to a lack of trust between management and employees. This lack of trust was perhaps exacerbated by entrenched attitudes brought about by long service and the prevailing company culture. At the same time the external business environment was very demanding and it was obvious that a greater commitment to change and to flexibility was going to be a continuing requirement. The opportunity in 1997 to become part of a national change programme - the New Work Organisation (NWO) initiative fostered by the Irish Productivity Centre (IPC) was a further catalyst since its objectives clearly reflected the company's position and as a result the following objectives were agreed both for the company itself and for its involvement in the overall initiative:

- To assist in the growth and expansion of Honeywell Measurex by gaining new business opportunities
- To increase value-added input to the product
- To establish a team culture and to improve morale
- To improve customer satisfaction and quality of service
- To enhance job security
- To improve productivity
- To develop a climate of trust and communication
- To establish a proactive skills development programme
- To develop a partnership approach

3. Characteristics and Process of Change

With input from all parties a NWO Steering Group was formed to co-ordinate efforts; this Group comprised eight persons representative of all interests. The company agreed to provide support for the Group's activities and time, finance, administrative support and training facilities were made available as required. The Group operated on the basis of consensus. Where initially it was not always possible to operate on a consensual basis the services of an independent external chair was provided. The Group concentrated early on improving communication since it was realised that the existence of a Steering Group alone irrespective of its success could not guarantee long-term progress and in any event initial suspicions continued to exist.

The following activities, among others, were undertaken to develop the change process:

- A statement from management was elicited emphasising their commitment to the process
- A change plan was produced and agreed
- A communication policy was formulated
- A series of briefings and Question/Answer sessions were undertaken by members of the Steering Group
- While a concept of gain sharing was agreed, monetary reward was to be on the basis of improvements attained

With the help of IPC a detailed diagnostic exercise was undertaken in 1997 to identify key areas for improvement and the results of this diagnostic formed an ongoing programme of activity. Among other areas (to those above) identified were: Plant Layout, Overhead Cost Management, Grading Systems and Product Innovation.

Participation in the overall NWO Programme allowed a degree of external benchmarking and networking to take place and this was an important learning resource for the Steering Group. In benchmarking a simple direct approach was adopted:

'Find an organisation that is the best at doing what our own organisation does, study how it achieves its results, compare with ourselves, make necessary improvements, implement and monitor results'

Internal comparators within Honeywell-Measurex worldwide were also sought and studied.

A series of task teams were created for particular projects as required and a member of the Steering Group was present on each task team. One task team, for example, concentrated on the area of Key Performance Indicators (KPIs) and a series of direct and indirect indicators were produced. The related area of customer satisfaction was examined in this context and the concept of regarding the customer as another partner was developed.

4. Obstacles to Change

The main obstacles encountered were reasonably predictable and included:

- Suspicion from those used to an adversarial method of relationships at work rooted solely in collective bargaining
- Fear of individual or collective loss of power, reward or status
- The early requirement whereby a focal point -Steering Group - was created thus for a period leaving others outside the initial activity
- Lack of initial appreciation of what partnership meant or involved
- The relatively long length of service of many employees linked to their earlier experience of downsizing made for a high resistance level to innovation particularly where the end result was not immediately clear

5. Risk Analysis

There was a constant concern that the whole initiative might be seen as simply an involvement in an externally generated project and that as a result all momentum could be lost at the end of the NWO phase. It was necessary therefore to emphasise the unique Honeywell-Measurex dimensions at all stages and to generate a clear body of activity that was not project dependent.

The NWO Project has its own methodology that included concentration on key elements such as - 'partnership', 'KPIs', 'benchmarking' and 'training/development'. While such an approach was well founded its relevance to the ongoing Honeywell-Measurex operation has to be assessed at all times.

The project took place during a period when the external business environment in Ireland and the business cycle generally were favourable and the prevailing disposition was towards partnership activity. A changed environment could call into question the suitability or otherwise of the methodology adopted but the approach was a robust one and the challenges of less favourable economic/social circumstances could well be absorbed once the overall change process is in motion.

6. Benefits of Change

One of the main improvements achieved was better working relationships between Union/Non-Union and Management personnel. Relationships, trust and morale were enhanced although much remains to be achieved. There was a clear improvement in communications and information sharing. Other areas of improvement were:

- Enhanced team working
- Flexibility adaptation
- An enhanced capacity towards innovation
- Progress was made on the establishment of a more coherent internal grading system
- A series of KPIs were produced
- Structured training/development was introduced which included the use of Information Technology (I.T.)

* The framework of a fair Appraisal Scheme was laid down

* Capacity Planning was introduced

Conclusions

A base has been created such as to allow a continuous programme of improvement through partnership to function. Participation in the NWO Initiative facilitated the change process and gave an initial degree of support which allowed the process to attain momentum. The overall process however is only beginning and the degree of progress possible in the future has yet to be explored. There is a need to involve as many employees as possible in ongoing change lest the Steering Group and its associated task teams be seen as in any way 'separate' to the rest of the organisation.

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