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Case Study

SUBJECT:

LEADERSHIP

EXAMPLE:

NORTHERN TELECOM INC

“TRUST BETWEEN EMPLOYEES AND LEADERSHIP”

SUMMARY:

Debra Boggan of Northern Telecom Inc achieved amazing results and revenue growth from employee training and empowerment. The cultural change started with self-analysis and personal awareness. This ‘change from the top’ technique and pragmatic approach to developing business skills of each individual contributor enabled greater adaptability and responsiveness. She eliminated process and decision delays by passing this authority to the individuals, and trained the employees on the relationship between their decisions and activities in relation to company financial and customer satisfaction gains.

With the careful coaching of excellent management, the power of the multitude of employees was unleashed. This change improved enthusiasm and efficiency. By placing the responsibility with the Subject Matter Expert (person in the role), decisions became quicker and more accurate, as demonstrated by the results.

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Leadership – Northern Telecom Inc

“Two years ago, if you looked in the dictionary under the word ‘dictator’, you would have seen my name,” said Debra Boggan, plant manager for Northern Telecom Inc. “I had been trained in dictatorship by some of the best. However, this approach to supervision was not getting us where we wanted to be.”

The Northern Telecom Customer Service Center provides emergency service to customers who use the company’s digital switching equipment. The center receives approximately 4,000 calls per month. Company representatives take calls, process orders, ship replacement parts and repair damaged parts returned from customers. “We have 420 employees who work three shifts a day, seven days a week,” says Boggan. “We are actually set up as a profit center, with Marketing, Human Resources, Operations, Materials and Customer Service.”

The company culture focused on improving process and the core business. While this had successfully maintained the require level of productivity and profitability, Boggan realized that they had not realized the full potential return on investment from the human capital. “We spent a great deal of time improving workflow, layout, capital equipment, and just-in-time process development. Now we wanted to invest time in people development.”

The first place to initiate a cultural change for developing human capital was at the management level. “I knew that the key was to develop trust between the employees and the leadership. I knew that I had to make the transition from dictator to leader.”

“The most difficult thing is to change your philosophy and style of management.” Boggan selected two business objectives to begin the transformation.

1. Empower employees and give them responsibility for themselves
2. Empower employees and give them responsibility for customers

With empowerment and authority comes responsibility. To be effective with responsibility, the employee must have authority and be empowered to make quick decisions and direct change. Boggan trained herself to encourage employees to take initiative, accept limited risks by analyzing options, and develop solutions.

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(1) First, Boggan conducted a self-analysis.

- What responsibility and authority has the company entrusted to me, and which ones do I share with the employees?
- Am I responsible to sign or approve documents or credits memos, and do I understand the supporting details related to these items as well as the employees that bring them to me?
- Am I responsible for approving scrap and purchases, when the employees are responsible for analyzing scrap and identifying requirements for purchases?
- Who should ultimately be responsible for daily decisions? Would it be more efficient to place decision authority with the responsible employee, and use regular audit rather than approval processes?

(2) Next, Boggan implemented a new training strategy. The company already had training courses for technical and administrative skills, but Boggan recognized the importance to develop business skills at all levels of the organization.

- Dealing with conflict – address the issue, accept the other person
- Teamwork – Treat coworkers as customers with dignity and respect
- Standards of Performance – define how individual roles and responsibilities contribute to the overall organization
- SWOT Analysis – Understand the competition and the market

(3) The Boggan surveyed the employees to discover their strengths. She asked each person how they felt about their job, and how they could improve things for the future. She encouraged each person to identify personal strengths, and determined how to make the most of these talents in the current role or elsewhere in the organization.

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(4) Finally, Boggan implemented the transition of transferring responsibility and empowering the employees.

- Employees designed and documented their own processes
- All levels of management trained to conduct professional interviews, and were responsible for the selection and hiring of new employees
- Boggan implemented a process for conducting peer evaluations
- Employees were required to measure and report on budget controls associated with their roles and responsibilities

In the years following this transformation –

- Earnings contributions per employee increased 93%
- Overall revenues increased 83%
- Customer Service Satisfaction improved 65%
- Quality improved 51%
- Inventory was reduced 32%
- Production hours per employee rose 26%

While any combination of these amazing results could be partially attributed to the economy, market or competition; it is a tribute to the change in management and the empowerment of trained and disciplined employees to achieve all of these results. By proving the employees with the authority and the responsibility to manage their own activities, enact change and report on results, Boggan surpassed the limitations of her own capabilities as an individual manager.



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