Managing change in Manufacturing Industry

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Ranging from IoT, 3D printing, virtual reality, and data analytics, Manufacturing industry is going through a series of technology-driven changes to achieve automation and innovation. These changes are imperative for organizations to remain competitive in the market and become more customer focused. However, these changes come with their own set of challenges for the organizations to deal with, primarily from people change perspective.

Managing change in the manufacturing industry can get much complex than expected, when compared with other industries, particularly when it comes to handling change for people working on the shop-floor. They have a highly focused thought process, a way of working and any change that transforms their day-to-day work is dealt with strong resistance. It gets complicated further due to strong unions that push the change back.

The change is perceived differently by different stakeholders. While shop-floor workers will be worried about potential job losses due to automation and a steep learning curve for latest technology adoption, the management faces a challenge of huge manufacturing skill gap and how to up-skill relatively older generation employees who are not tech savvy. Increasing regulatory and compliance measures associated with technology changes, is another critical aspect organization deal with.

Top 5 focus areas for managing change in these challenging situations:

Effective Sponsorship

Unified Communication

Change Sustenance

Training

Coaching
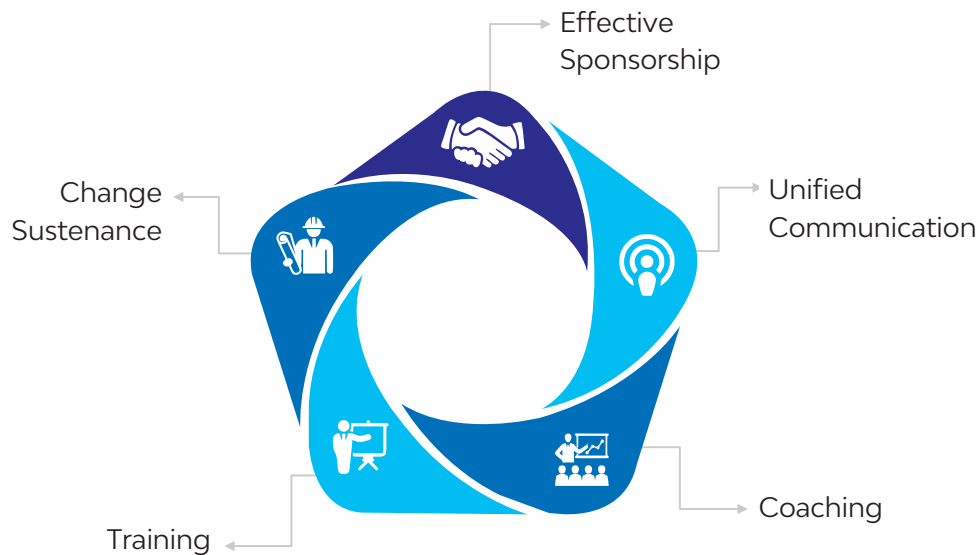
Effective Sponsorship

Establishing a strong sponsorship network by leveraging influential stakeholders in various departments, is a key success parameter. In a manufacturing set-up, the people connect is usually very strong. The key influencers from labor unions should be taken into confidence and should be involved in all communication planning to the workforce. Their buy-in during decision-making process will ensure their support through the change journey.

Unified Communication

In manufacturing, various departments are often reliant on one another to get the job done. Hence, the necessity of frequent and timely communication to other teams when an action has been performed, is highly imperative. For shop-floor workers, the topmost fear about change is a potential cut down of the work force. This fear needs to be allayed through early

communications in order to mitigate it and making them comfortable with the change.

A fit-for-purpose communication strategy needs to be designed and executed. The level of communication has to be different from what is required for shop-floor workers, than for people in other departments.

Coaching

Time-to-time coaching is essential for managing any resistance coming through strong unions' demands. There needs to be focused discussions and workshops planned to communicate about the change. Roaming around the shop-floor, the change management team can get face time with the workers and receive feedback and comments about the change perception and concerns arising out of change. This can be looped back for revisiting communication strategy to ensure right messaging to the impacted workforce.

Training

With fast evolving technology changes in the manufacturing sector, there is a need to prepare the next-generation of workforce, which is skilled and more adaptive to changes. Organizations need to build the change competency of middle managers and employees by educating them on change management and coaching them regularly what are they expected to do.

Change Sustenance

In order to sustain the change, there should be constant feedback loop and on-the-go course correction by key stakeholders. From the stakeholder perspective, there has to be representation from all the key functions, including HR teams when it comes to change in any work-related policies or behavior. The change agenda is perceived as HR-driven initiative and employees look at communication and involvement from HR point of view. So, the HR function plays a vital role in driving and sustenance of the change initiatives. The leaders from other functions need to liaise with HR team for any communication and stakeholder reach out.

Conclusion:

In order to successfully drive change in the manufacturing industry, there is a need to create an environment that encourages a healthier relationship between different teams ranging from manufacturing to engineering, through smooth communication and transparent culture. This entire process is challenging and time-consuming, but will bring desired outcome.

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Shirish has extensive experience in Organization Change management, Technology Consulting, Program/Project Management, Strategic initiatives and delivering cutting edge business solutions to multiple clients across diverse sectors. He is PROSCI-certified Change Management Practitioner, with extensive experience in executing Organizational Change management engagements for large scale ERP implementation and Global ERP/template rollouts.

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