How to Build a High-Performance Culture in Manufacturing

Discover expert insights, tips and key strategies to accelerate your business performance.
Imagine if every employee could match the performance of your top talent.

High-performance cultures help this happen by engaging and nurturing your employees, aligning their values to those of your organization, and establishing trustworthy, focused leaders.

The outcome? A motivated workforce that consistently performs to a high standard, and an organization that can navigate change and thrive in the long term.

This eBook can help you achieve the high-performance culture your organization vitally needs. Expect comprehensive guidance, key strategies, as well as questions, and actions leaders in manufacturing should consider to take their organizational culture to the next level.

Read on to learn how to:

- Overcome key obstacles to establishing a high-performance culture in manufacturing.
- Implement practical changes to drive your people’s performance.
- Assess how effective your existing company culture really is.
A high-performance culture in manufacturing can be easily blockaded by mis-aligned systems and processes for managing and developing talent.

Disconnected Leaders Sever Progress

High-performance cultures are those where employees of all levels are aligned to the overall business goals and values. Therefore, poor performance is often a symptom of organizational disconnect.

In 69% of organizations, employees simply don’t know which behaviors align most to their organizational strategy.

Knowledge gaps and misaligned incentives contribute to an astounding 90% of organizations neither engaging in, nor developing, the key strategic behaviors needed to improve performance.

To fully harness the potential of a talented workforce, leaders must first make their organizational goals transparent, before establishing a clear strategy to help employees both engage with and develop the necessary high-performance behaviors.

Partial Data Leads to Poor Outcomes

Our work with manufacturing organizations has revealed that data-gathering on company culture is rare or episodic at best – Further research from Gartner shows that the 85% of organizations that do assess culture do so annually, or less.

This irregular system generates a limited snapshot of the prevailing culture, that quickly loses its relevance, and yet shapes the company’s approach for the next year.

Without any regular insight into ongoing levels of employee engagement, performance, or motivation, leaders can easily misinterpret the efficacy of a company culture that inadvertently curbs performance.
Mis-Managed Soft Skills Limit Potential

Effective soft-skills management relies on being able to measure, identify, and develop the key skills that make a difference to your employee and organizational performance.

However, manufacturing leaders seldom have access to this information.

Two thirds of executives find soft skills difficult to measure and manage, and struggle to know where and how to find information on “what needs to be done to strengthen the company’s health for the longer term.”

It isn’t surprising then to learn that 70% of cultural change programs collapse not due to inadequate resources or talent pools, nor even chance events, but because of negative employee attitudes and unproductive manager behaviors.

Without data that permits us to make accurate assessments of leaders, we can’t make meaningful improvements in how they are developed. And until leaders are measured by what they actually have or haven’t accomplished - and are held accountable for improving both their own behavior and workplace conditions - nothing is likely to change.

Jeremy Pfeffer,
Professor of Organizational Behavior at Stanford University.
So far, we’ve learnt that manufacturing organizations that fail to align cultural transformation goals with employee values and behaviors face consequences that can range from a slow adoption of the new culture, to loss of market competitiveness, to ultimate failure of the initiative and lost productivity and revenue.

But there is hope ...

The good news is that manufacturing organizations can prevent strategic misalignment and stymied growth by proactively designing and activating cultural changes across the business that support their strategy, environment, and people.

Establish a Transparent Talent Strategy

In our work with manufacturing organizations, we find that having transparent talent strategies can help retain talented employees and preserve a high-performance culture.

Your employees are your greatest assets.

With this in mind, it is no surprise that Gallup found that organizations investing in their employee development report 11% more profitability and are twice as likely to achieve employee retention.

After recruitment and induction has taken place, the focus on addressing gaps in employee’s soft and people skills stops – unless they reach leadership and management level later in their careers. We need to move away from this fragmented approach to a much more strategic way of addressing soft skills gaps and development needs for all employees at all stages of the career lifecycle.

Lizzie Crowley, Senior Skills Policy Advisor at CIPD

Practical Tips

3.0

10x Psychology
How to Build a High-Performance Culture
Retention is a key issue faced by many across the manufacturing industry, with events across 2020 exacerbating an already depleted workforce, the U.S manufacturing industry alone is predicted to have **2.1 million unfilled jobs by 2030**.

Having a plan for hiring, retaining, and developing your current and future employees means your people know how to work towards their ideal role in your company – not someone else’s.

Research from The Word Economic Forum estimates that by 2022, **54% of employees** in manufacturing will require significant training to match the demands of the fourth industrial revolution. However, merely 16% of global manufacturing CEOs cite that they are making enough progress to improve their workers’ and leaders’ skillset.

Meanwhile, **77% of employees** report a willingness to upskill that is currently largely unmet.

Being proactive in your talent strategy instead of reactive will ensure greater productivity, ROI and growth even across times of economic disruption and change.

Those that neglect to align future talent strategy with present and future issues face becoming uncompetitive alongside serious financial costs.

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Leaders need to be true to what the situation demands, and what the people around them want and need.

*Jeremy Pfeffer*, Professor of Organizational Behavior at Stanford University

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**Improve and Develop your Leaders to Drive Cultural Change**

Whilst **83% of leaders** openly say that culture is important within their organization, merely **19% of leaders** actively manage their business processes based on the company culture.

**Leaders Aren’t Driving the Culture: What does Good Role Modelling Look Like?**

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<thead>
<tr>
<th>“Say”</th>
<th>“Behave”</th>
<th>“Operate”</th>
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<td>Leaders communicate the importance of culture</td>
<td>Leaders’ personal behavior is consistent with the culture</td>
<td>Leaders manage business processes based on the culture (e.g., budgets, staffing, structure, policies).</td>
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<tr>
<th>Percentage of Organizations Where Leaders Consistently Do Each Activity</th>
<th>Impact on Workforce-Culture Alignment</th>
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<tbody>
<tr>
<td>83%</td>
<td>1%</td>
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<td>29%</td>
<td>5%</td>
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n= 7,202 employees; 190 HR Leaders. Source: CEB 207 Culture Workforce Survey. CEB 2017 Culture benchmark Survey.

This divide between leaders that know how to actively lead cultural change, and those that don’t is mirrored in *Gartner’s 2021 report*, where 37% of HR leaders expressed that they feel senior management are ineffectively leading change today.

In our work, we have found that improving current leaders, and proactively identifying and developing potential leaders provides manufacturing organizations with a key opportunity to align and optimize the implementation of cultural transition and secure its success.
Recruit to the role: don’t just hire the best candidate that presents. If they don’t ‘fit’ the role you want you’ll have a mismatch and you won’t see the performance gains you expect.

Oliver Anderson, CEO, 10x Psychology

Recognize Soft Skills at Hiring

Without skills-matching, the wrong person can easily be misdirected into the wrong role, stifling production line performance, and damaging both employee engagement and company profits.

And yet, an astonishing 74% of organizations regularly mishire employees; that’s almost two-thirds of employers suffering negative effects including high levels of stress, low engagement, and an increased likelihood of employee turnover.

For manufacturing leaders looking to limit risks and make robust hiring decisions, data analytics and psychometric assessments can provide an invaluable source of insight to improve the accuracy of hiring decisions.

Cielo’s research with talent leaders across Europe found a correlation between investing in a thorough, measurable talent acquisition strategy and increased organizational profits by up to 20%.

77% of manufacturers in the U.S alone believe talent attraction and retention in manufacturing will be an ongoing challenge.

According to Deloitte’s industry research, finding the right talent for a manufacturing workforce is 36% more difficult in 2021 than it was in 2018 - despite the fact that the unemployment rate has almost doubled since.

Around 8 in 10 manufacturing executives indicate that the effects of not filling jobs has a strong impact on several critical areas including:

- The ability to maintain production levels to satisfy growing customer demand
- Response to new market opportunities
- New production development and innovation
- Ability to implement new technologies

Using psychometric assessments to help improve hiring accuracy can help optimize retention, leading to both reduced disruption of the workforce, and less uncertainty and preparation for production shortfalls caused by turnover – helping you establish a stable high-performance culture.

Gain Organizational Oversight to Exponentially Grow Talent

To build a high-performance culture, manufacturing leaders must be able to move beyond knowing what an ideal culture looks like, to being able to actively evaluate their own.

Achieving this means identifying where, and how the culture needs to change - this is something an overwhelming 90% of leaders fail to do.

Leadership today is at its most dispersed, and managing employees in a hybrid world of work has exacerbated managerial capacity to keep track of and optimize talent. Turning to technology today, can help you achieve a consistent view of organizational talent and preserve your organization’s ability to make better decisions.

Advances in technology now enable leaders to take full advantage of the power of data-analytics and instantly evaluate and understand the position of their current culture, the talent within that culture, and map future direction.

This technology presents manufacturing organizations with the opportunity to retain organizational efficiency across times of change, and comprehensively enhance the employee experience.
At 10x Psychology we equip organizations in manufacturing with the tools, actionable insights, and support from our expert psychologists to help them create and sustain an authentic high performance culture.

Predict and Hire

When it comes to expanding your organization, 10x Predict empowers your leaders with the predictive insights they need to improve performance and enhance company culture by comparing every candidate against the teams they’ll be working in.

Meanwhile using 10x Hire, leaders can make focused hiring decisions based on the key competencies that drive performance in their organization. Equipped with the visual dashboard, your leaders can effortlessly compare how prospective new hires meet the requirements needed to sustain and drive performance in your business.

Our accessible psychometric assessments have been built to enable diverse groups across the hiring process, helping you amplify diversity whilst securing the culture fit you need to drive hiring success without compromising on inclusivity.

Optimize your Culture

With 10x Optimize, employees can effortlessly showcase not only their abilities but divulge their expectations and values, creating invaluable data on what your organization and leaders can do to better enable their performance.

Meanwhile, leaders can explore all results in real-time via our interactive visual dashboard. From here, leaders can identify latent talent, and fuel focused company initiatives that both drive performance and enhance the employee experience.

On top of helping your leaders identify the need or opportunity for employee development, 10x Optimize equips your workforce with tailored coaching boosts that help both leaders and employees grow.
Rely on Scientific Rigour

We believe that only scientifically rigorous assessments should be used to make decisions in the workplace.

Our industry leading psychometric assessments have been expertly developed by our in-house psychologists to comprehensively explore workplace behavior in the most valid way possible.

I propose a quantum shift from the old model of test and forget, to one of transparency, active use of data and embedded validation.

Professor Peter Saville,
Founder & Chair, 10x Psychology

Prepare your organization with Solutions engineered to holistically improve your culture from every angle. Book a demo today
Begin identifying the key behaviors that you need to meet your business goals, and that suit the environment of the manufacturing industry.

Map and measure the behaviors of employees to understand how far you are from the culture you need, and identify the performance drivers with the most impact for your employees.

Align leadership, and implement structural changes that accommodate more of the behaviors your organization needs.

Track motivation and performance and evolve your culture as the ever-changing needs of your organization and people advance.

Questions to Discuss

1. What key strategic behaviors do you need your teams to reflect?
2. What development opportunities can you offer current employees to develop those behaviors?
3. How can you improve knowledge sharing between managers, and employees?
4. Have you made succession opportunities transparent to your employees?
5. How can you support employees to develop the behaviors needed for succession?
6. What development opportunities do you currently offer your leaders?
7. How can you strengthen manager and employee feedback?
8. How can you encourage your leaders to create proactive, rather than reactive talent strategies?
9. How can you support your leaders to make fairer, more objective decisions around succession planning and hiring?
10. How easily can you currently assess which behaviors drive performance in your organization?

For support in building a high-performance culture, contact the experts at 10x Psychology: info@10xpsychology.com