

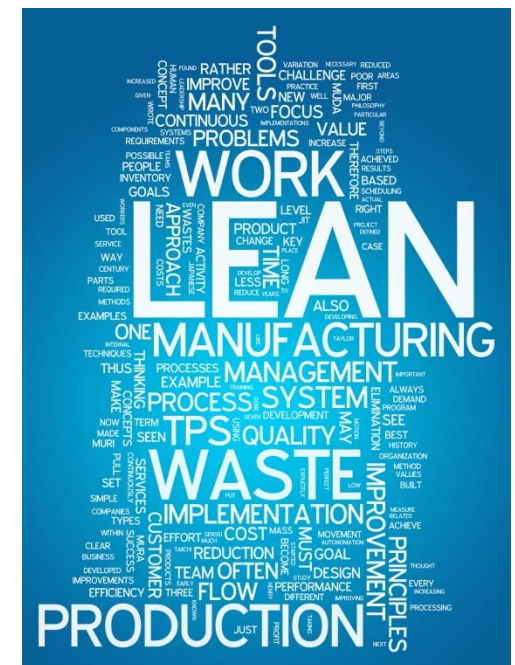
# ADOT's Lean/Continuous Improvement Transformation: HR Perspective & Layoff Fears



AASHTO Subcommittee on Personnel and Human Resources  
Presentation by Wendy Brazier, Arizona DOT Chief HR Officer  
May 8, 2017

# Overview

- ▶ **AZ Lean Transformation**
- ▶ **ADOT's Journey**
- ▶ **HR Perspective – People Systems**
- ▶ **Addressing Fears**



# Why Lean?

---

- ▶ To reduce or eliminate waste, thereby making more efficient processes
- ▶ Formula 1 Pitstop – Then and Now (1950/2013)
- ▶ [https://www.youtube.com/watch?v=RRy\\_73ivcms](https://www.youtube.com/watch?v=RRy_73ivcms)

# AZ Lean Transformation

---

- ▶ **2012 – Governor Brewer – Executive Order to create Government Transformation Office (GTO)**
- ▶ **2013-2014 – Project-based Lean work only:**
  - 8 agencies (included ADOT)
  - 4 Lean coaches statewide
- ▶ **2015 – Governor Ducey kicked off Lean Management System (LMS) work in GTO:**
  - Executive Mission Measure workshops
  - Permit Project Blitz
  - 2 waves of Permits projects
  - 23 agencies, 120 EEs trained, 40 processes improved by 40%

# AZ Lean Transformation

---

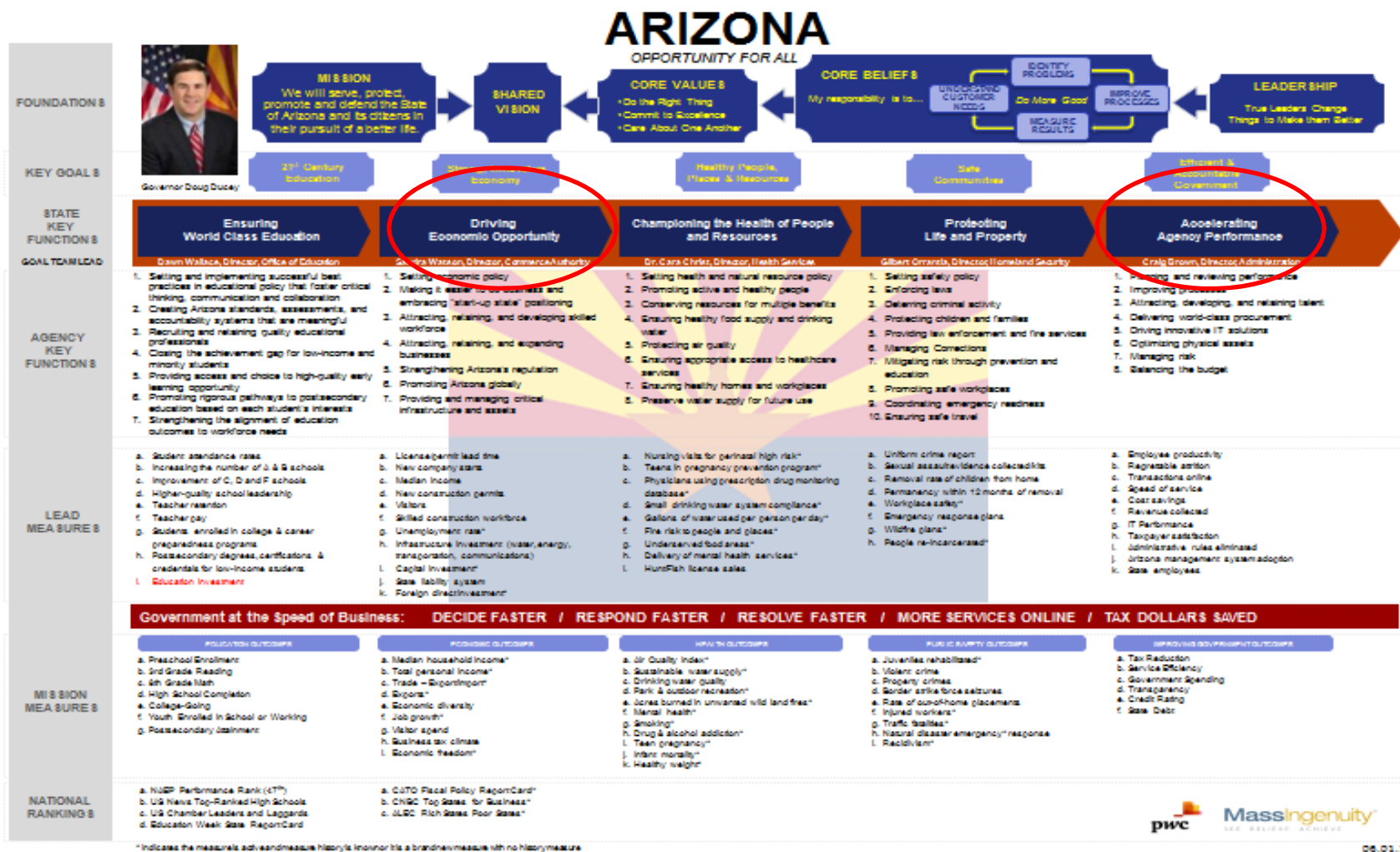
- ▶ **Arizona Management System (AMS) adopted**
- ▶ **Mid 2015 – 8 key agencies selected to receive focused consulting support (included ADOT)**
- ▶ **Four consulting firms selected for the State**
- ▶ **Dec 2015 – Set transformation standards:**
  - **Performance Management**
  - **Problem Solving**
  - **Leader behaviors**

# AZ Lean Transformation

---

- ▶ Jan 2016 – transformation of 8 agencies began
  - Monthly business reviews
  - Quarterly participation with Governor Ducey
  - Performance measurements, agency scorecards, huddle boards, gemba walks implemented
  - **Cultural transformation** led by leadership teams:
    - ~ Training & Coaching
    - ~ Cascading down through agencies
  - Key value streams transformed through PDCA
  - Developed Governor's Fundamentals Map and State Vision
    - *"Arizona will be the number one state to live, work, play, visit, recreate, and get an education"* -- Governor Doug Ducey

# AZ Lean Transformation



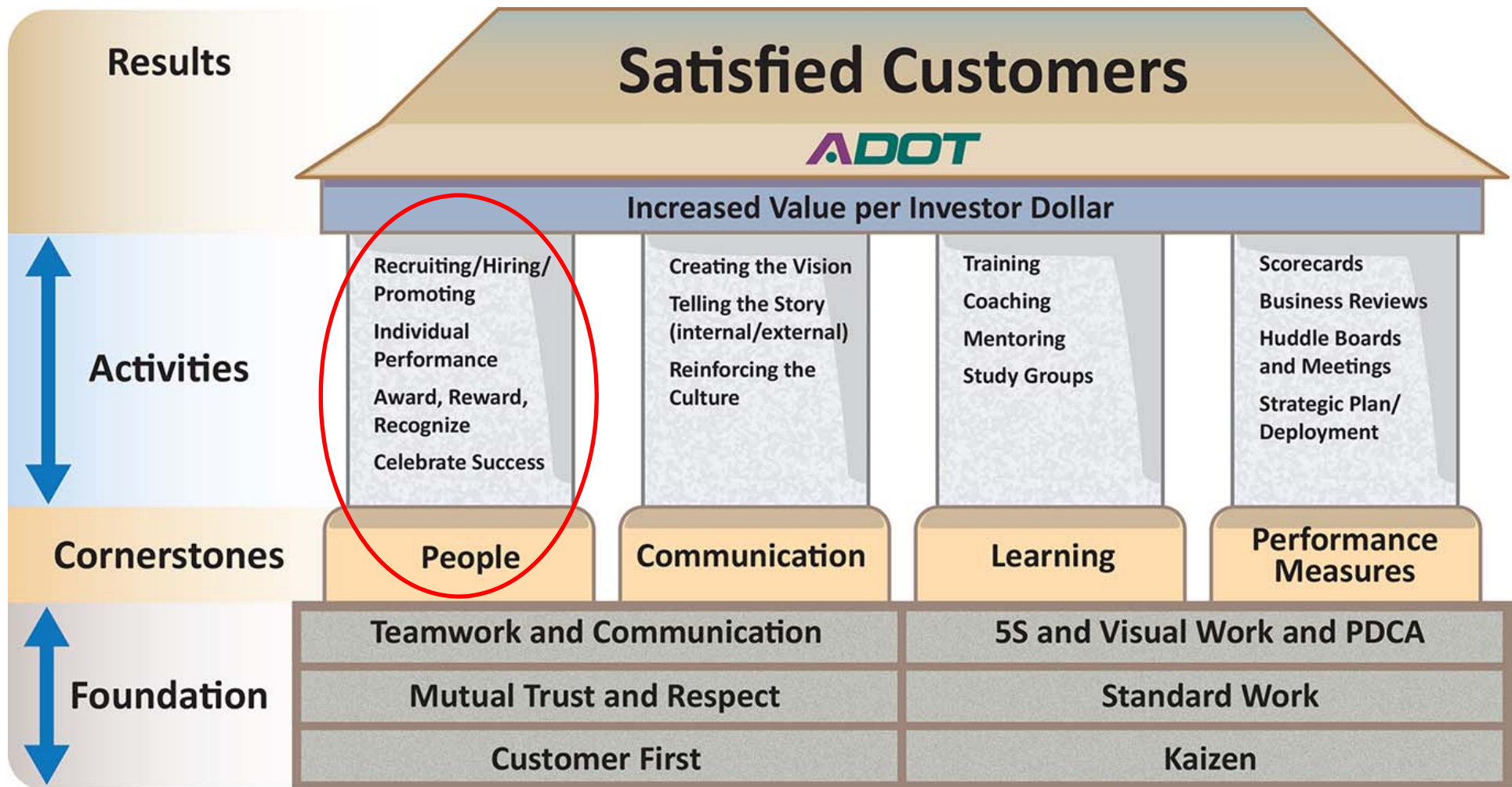
# ADOT's Journey

---

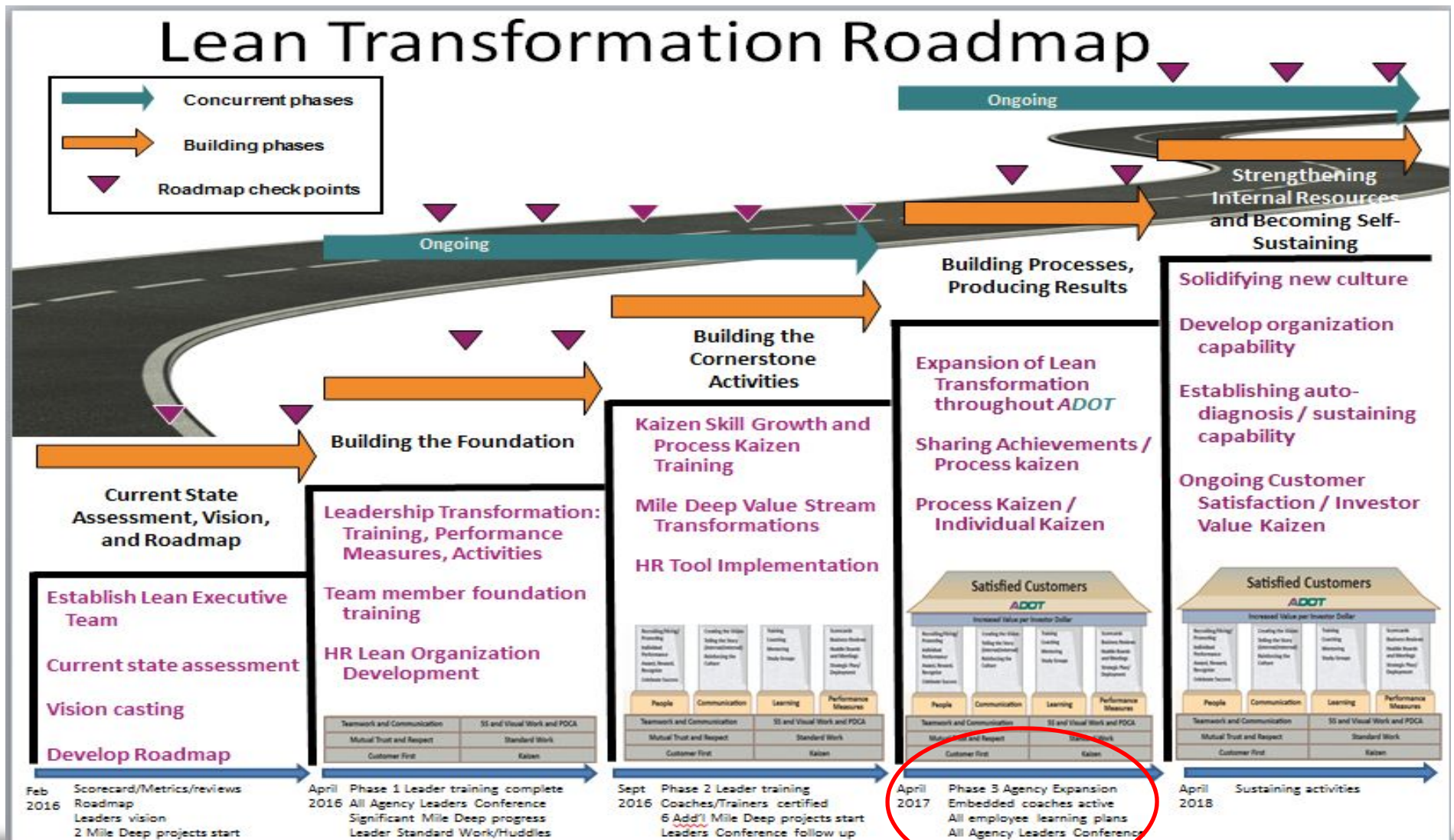
- ▶ **Sep 2015 – Hired Office of Continuous Improvement Administrator; embedded with GTO**  
Homework: weekly book clubs with Exec Leadership:
  - *Government That Works* (ADOT & ADOA)
  - *The Lean Management System* (ADOT only)
  - *Zapp! The Lightning of Empowerment* (ADOT only)
  - *Five Dysfunctions of a Team* (ADOA only)
- ▶ **Created “Core” Team (OCI, HR, Training, Communications, and Performance Measures)**
  - Meet weekly
  - Work closely with consultant partner Honsha to align agency with Lean transformation (House of Lean)



# ADOT's House of Lean



# ADOT's Roadmap



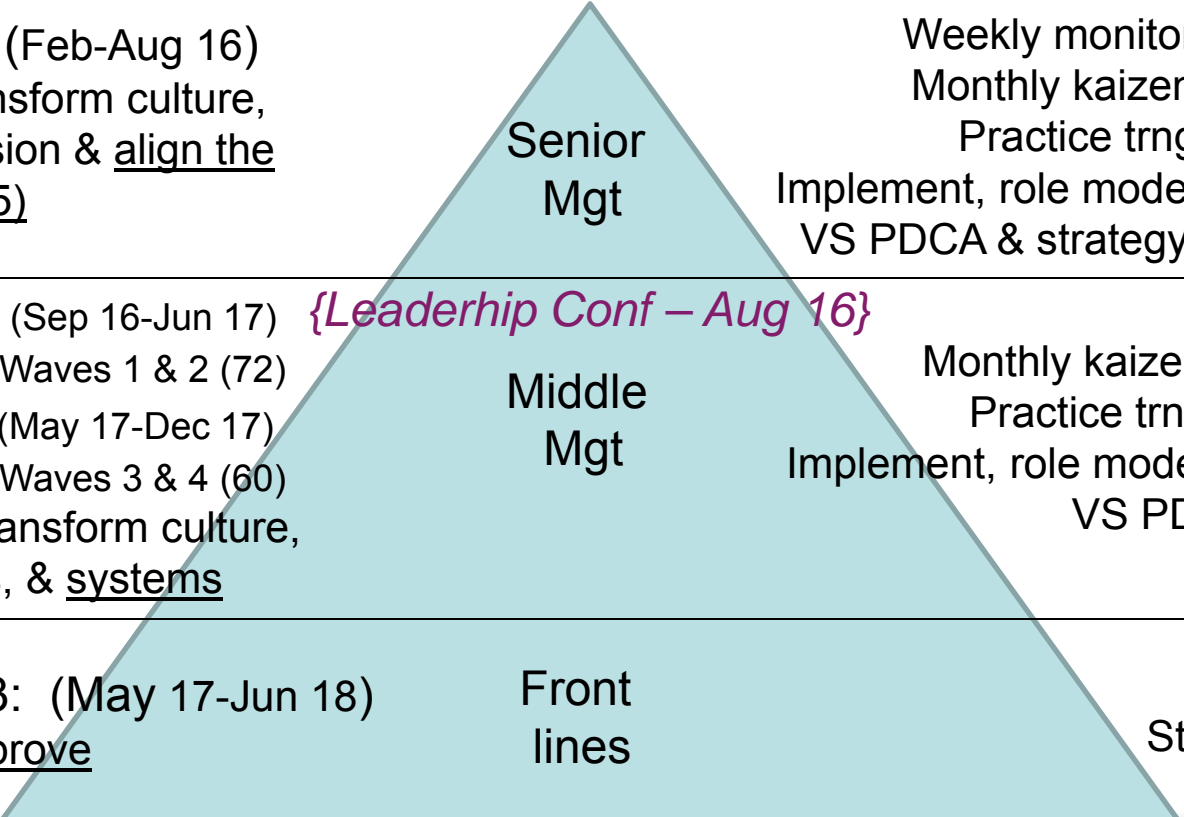
# ADOT's Journey

---

- ▶ **Supportive, Engaged, & Teachable Exec Leadership**
- ▶ **Multi-dimensional Transformation Strategy**
  - *Mile-Wide: Cultural Transformation*
  - *Mile-Wide: Skill Acquisition and Practice*
  - *Mile-Deep: Value Stream Transformation (PDCA projects)*
- ▶ **Build Internal Resource Capability**
- ▶ **Multi-model, frequent communication**
- ▶ **Creating a Kaizen culture**
- ▶ **Phased Implementation – Learn, Do, See**

# ADOT's Journey

## ► Phased Implementation – Learn, Do, Sustain

Phase	Level	Activities
Phase 1: (Feb-Aug 16) Learn, transform culture, provide vision & <u>align the agency (25)</u>	 Senior Mgt	Weekly monitoring & comm Monthly kaizen culture trng Practice trng & coaching Implement, role model, & cascade VS PDCA & strategy deployment
Phase 2: (Sep 16-Jun 17) <i>{Leadership Conf – Aug 16}</i> Waves 1 & 2 (72)	Middle Mgt	Monthly kaizen culture trng Practice trng & coaching Implement, role model, & cascade VS PDCA & kaizen
Phase 3 (May 17-Dec 17) Waves 3 & 4 (60) Learn & transform culture, processes, & <u>systems</u>	Front lines	Kaizen & Standard Work

# HR Perspective – Employee Life Cycle



# HR Perspective – People Systems

---

## ► How do we align our workforce to the Arizona Management System?

- Recruiting & Promoting
- OnBoarding/New Employee Orientation
- Performance Management
- Talent Mobility
- Learning/Training
- Communication





# HR Perspective – People Systems

---

## ► How to align performance management with CI

- **Recruit & Promote**

- **Nov 16 - Kicked off project (Leadership Team)**

- **Started with headcount**

- **Average losses per mo = 44; Average hires per mo = 22**

- **Starting headcount: 3594; cap: 3763 (Gap = 169)**

- **Stop the bleeding - mass hiring between Nov-Mar**

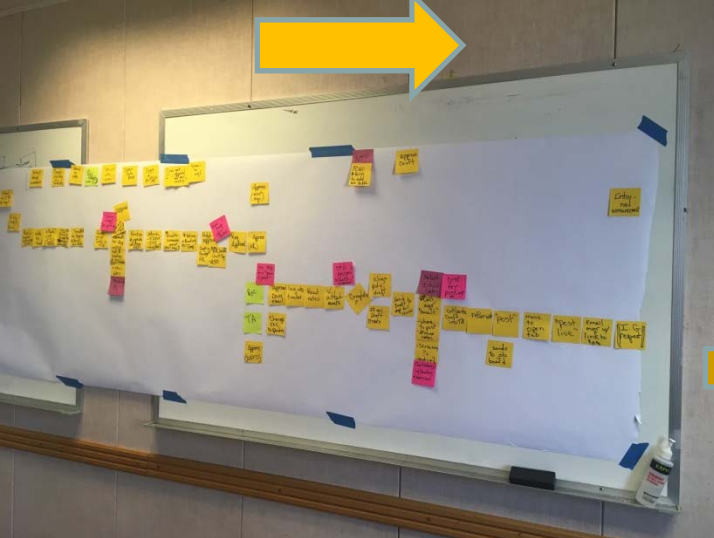
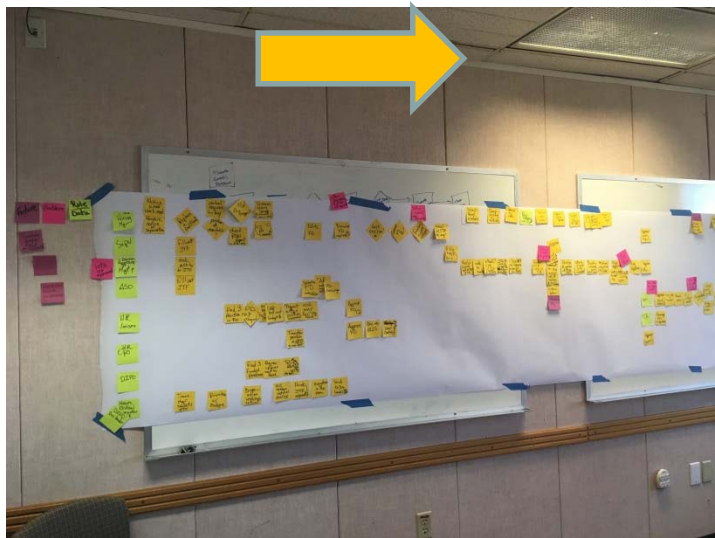
- **To date: closed gap = 122**

- **Recognized need to improve recruitment process**

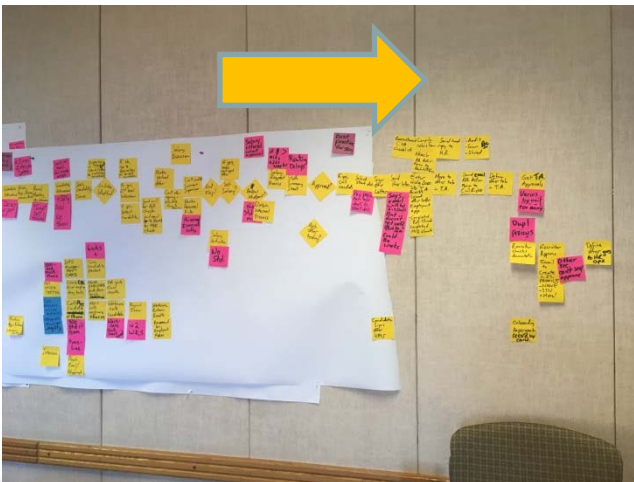
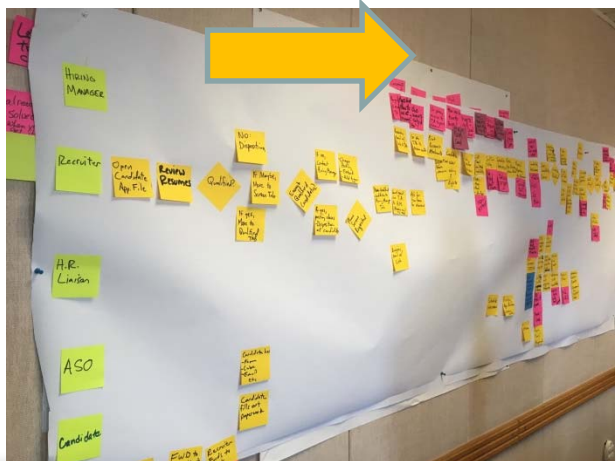
- **Team mapped out current recruiting process**

# Recruitment Value Stream Map

Start



End





# HR Perspective – People Systems

- ▶ **How to align performance management with CI**
  - **Onboarding and New Employee Orientation**
    - Onboarding – automated/manual process (both administrative and cultural, i.e., = first impression)
    - New Employee Orientation – single event w/i 1<sup>st</sup> month
    - New Hire Surveys – 30 days after arrival
    - Not just an HR process



# HR Perspective – People Systems

## ► How to align performance management with CI

### Old MAP Competencies:

#### Statewide:

Customer Service  
Accountability  
Teamwork & Cooperation  
Leadership & Supervision (supv only)

#### Supervisors:

Communication  
~~Project Management~~  
~~Negotiation & Influence~~

#### Non-Supervisors:

~~Initiative~~  
~~Safety Awareness~~  
Technical & Functional Expertise



### New MAP Competencies:

#### Statewide:

Customer Service  
Accountability  
Teamwork & Cooperation  
Leadership & Supervision (supv only)

#### Supervisors & Non-Supervisors:

Communication  
Problem Solving  
Transformers of Government

#### Non-Supervisors:

Communication  
Problem Solving  
Transformers of Government  
Technical & Functional Expertise

# HR Perspective – People Systems

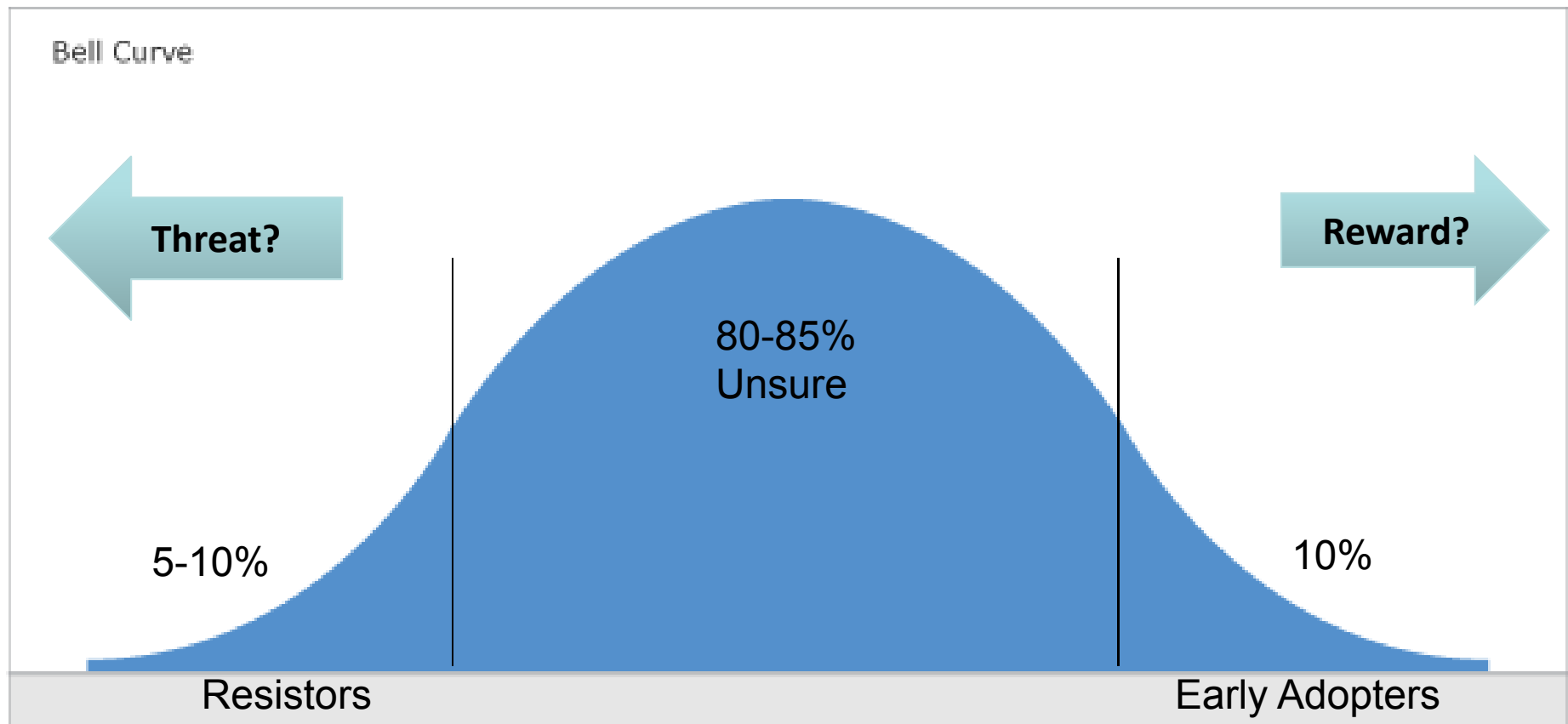
---

## ► How to align talent with CI

- **Talent Mobility**
  - **State of AZ guidelines / ADOT guidelines**
  - **RIF/Layoff = last resort**
  - **Incentive for high performers**
  - **Management expectations**
    - **Be proactive/engage early**
  - **Employee expectations**
    - **Be proactive**
    - **Complete ADOT's "Be An Interview All-Star" and "Get Set with Interview Prep" classes**



# Addressing Fear – Fear of Change



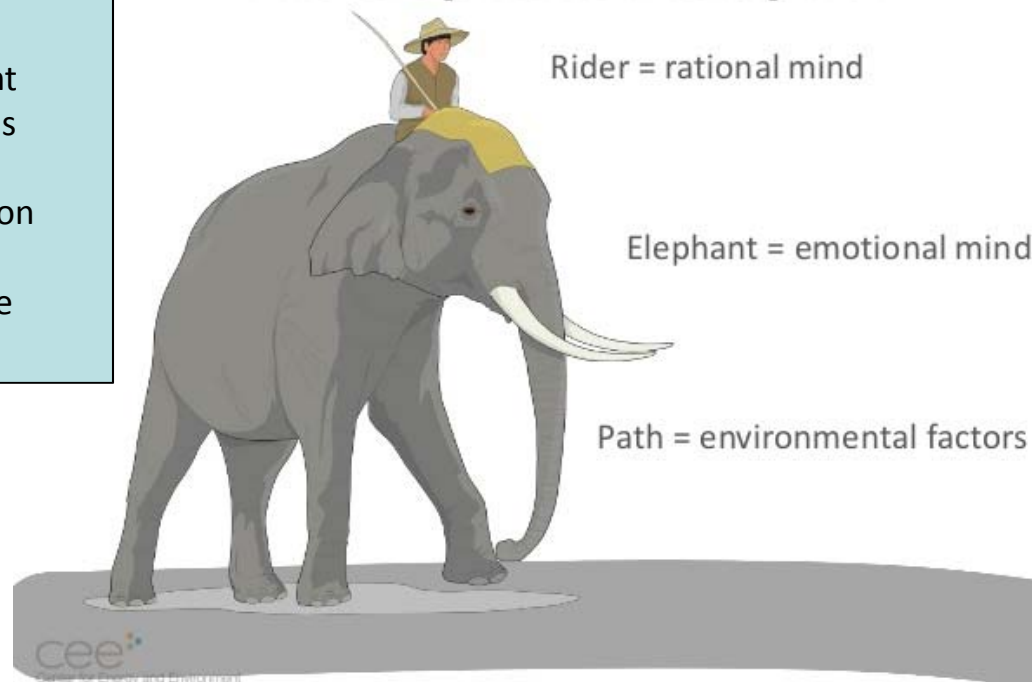
# Addressing Fear

## Rider

Logical  
Acts on thought  
Acts on analysis

Requires direction  
Clarity is key  
Gets stuff done  
Weak

## The elephant metaphor



## Elephant

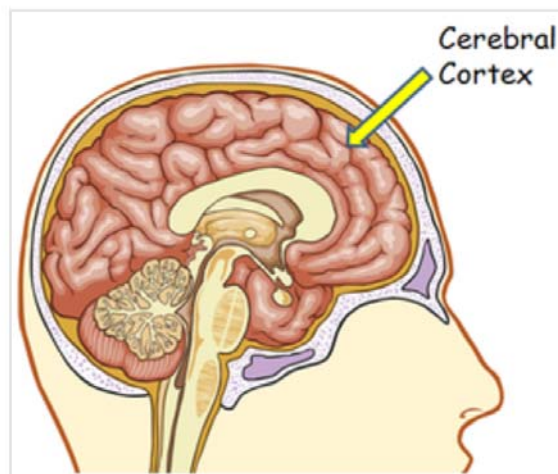
Emotional  
Acts on passion  
Acts on impulse

Requires moral purpose  
Stories are key  
Over thinker  
Strong

# Addressing Fear

- ▶ Cerebral Cortex – made up of tightly packed neurons and is the wrinkly, outermost layer that surrounds the brain
  - We use our Cerebral Cortex for higher thought processes including decision making and speech

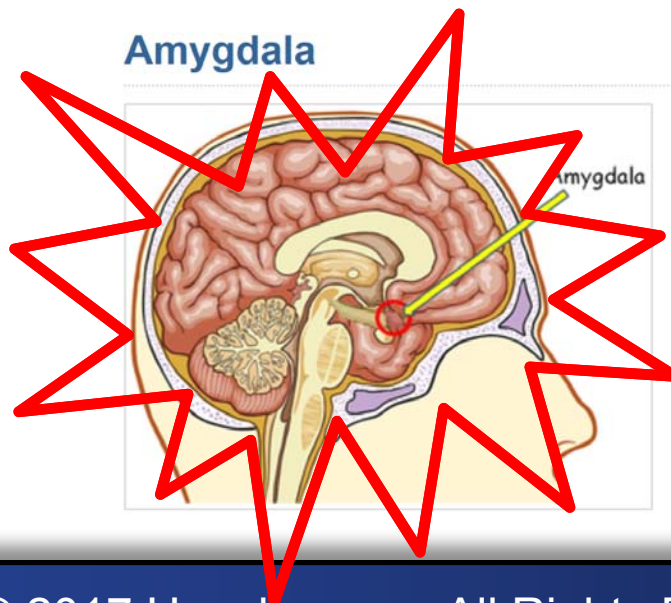
## Cerebral Cortex





# Addressing Fear

- ▶ Amygdala – a roughly almond-shaped mass of gray matter inside each cerebral hemisphere
  - Center for emotions, emotional behavior, and motivation
  - Controls the way we react to an event that causes an emotion, particularly an event that we see as potentially threatening or dangerous

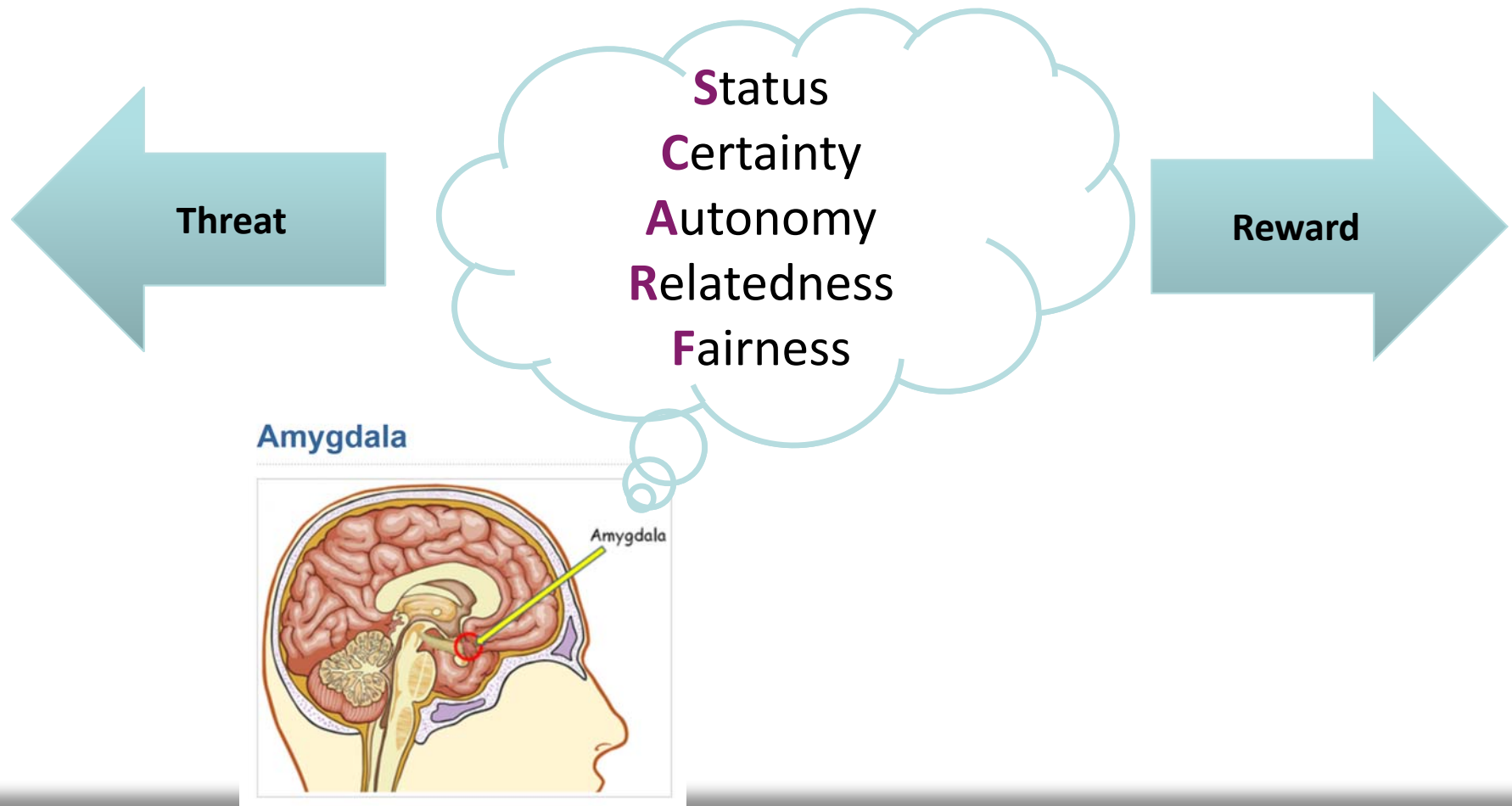


Result:  
Emotion overcomes and  
hinders rational thoughts



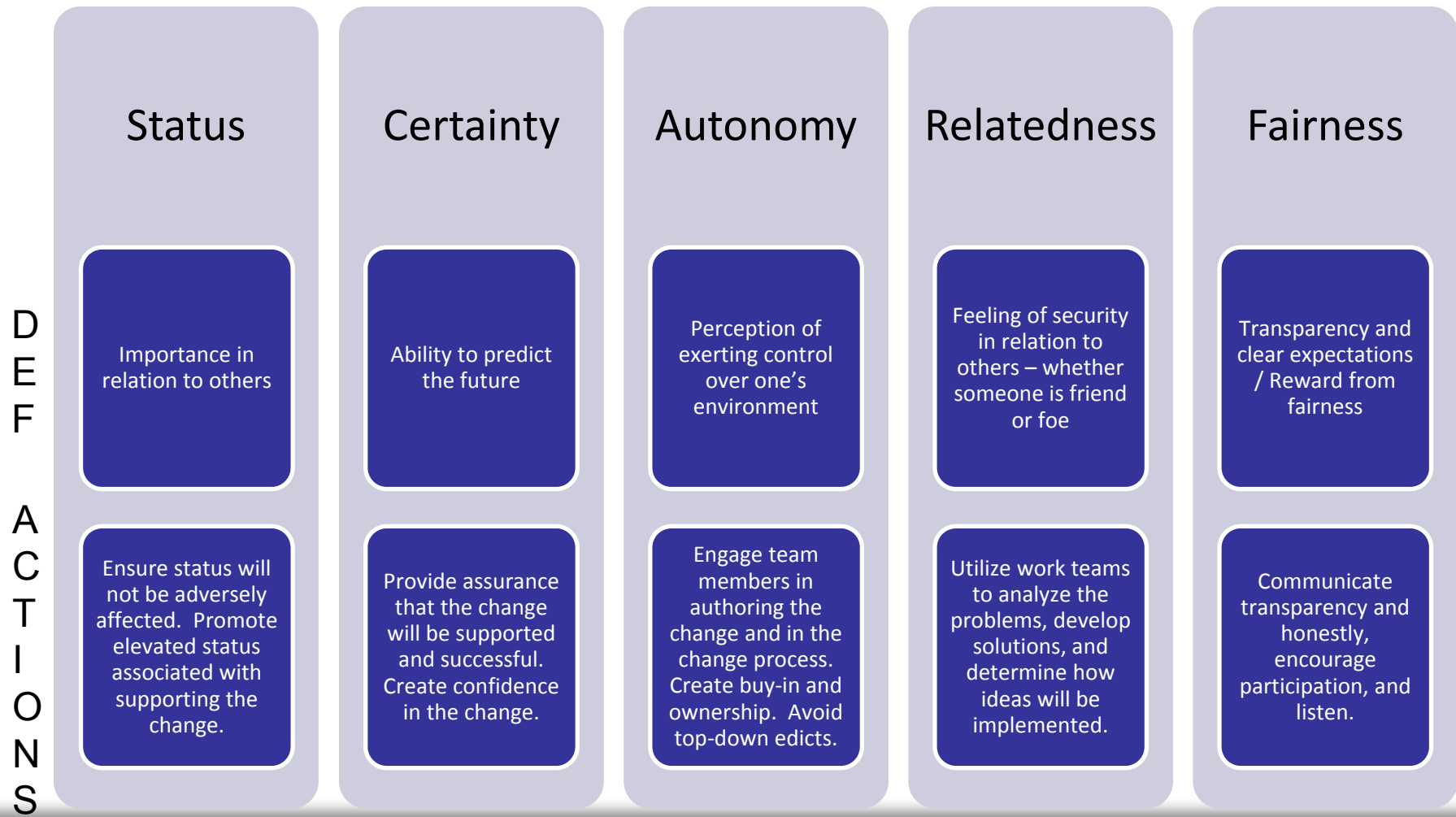
# Addressing Fear

## Recognize Conflicts That Produce Fear/SCARF



# Addressing Fear

## SCARF – A Model for Collaborating With & Influencing Others



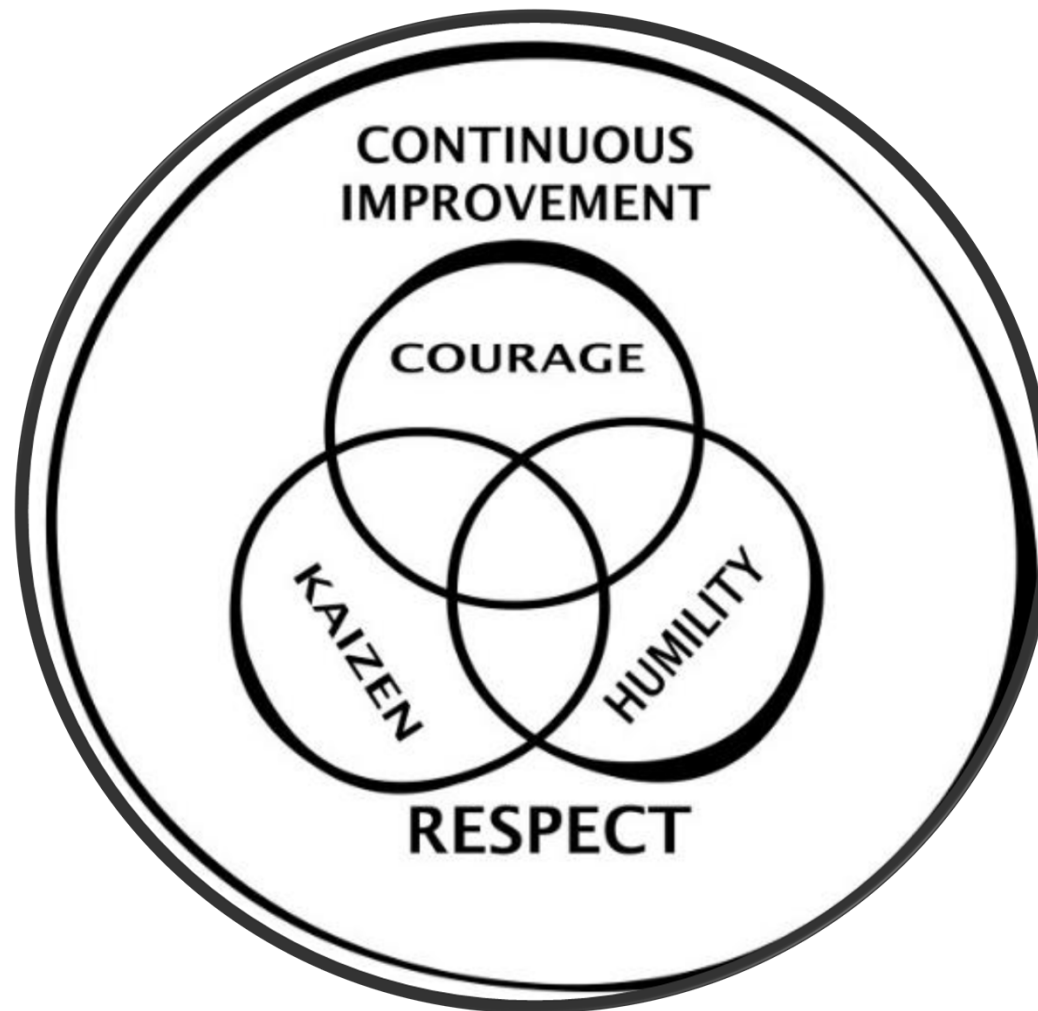
# Addressing Fear

SCARF Model	Threat	Reward
Status	Giving advice or instructions, offering feedback, performance reviews	Beating one's own best time at a task or activity, receiving positive feedback
Certainty	Not knowing boss' expectations, someone acting incongruently	Stating clear objectives at start of discussion, breaking tasks into to small steps
Autonomy	Being micromanaged	Allowing to organize their own workflow, hours, etc.
Relatedness	Meeting someone unknown, from a different culture	Setting up coaching or mentoring systems at work, having a friend at work
Fairness	Lack of ground rules, expectations, or objections	Transparency

*\* Adapted from David Rock's work on the neuroscience of leadership*

# Addressing Fear

---



# Countermeasures to addressing fear

---

## ▶ MVD Customer Service Wait Time Project:

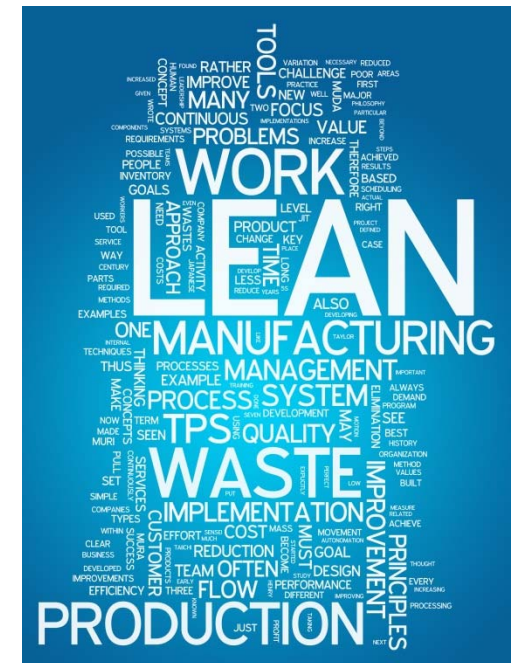
- Mar 16: Launched PDCA at urban MVD office
- Goal: Reduce customer service experience time (door-to-door) from 63 mins to 28 mins (50% reduction)
- Able to do without any loss of jobs
  - Normal attrition; more efficient processes; using Disney line
  - Created new positions (greeter, floater); some EEs sent to other offices to implement; some EEs promoted
- Reduced OT, stress, frustration (EEs and customers)

## ▶ Talent Mobility (Redeployment) Plan

## ▶ Recognition, Rewards and Incentives

# Summary

- ▶ AZ Lean Transformation
- ▶ ADOT's Journey
- ▶ HR Perspective – People Systems
- ▶ Addressing Fears



# Questions?

[WBrazier@azdot.gov](mailto:WBrazier@azdot.gov)

# Thank you!