



How good is your business really?

Taking employees through change: Amphenol Invotec

Amphenol Invotec is a leading European player in the production of complex PCBs, operating from facilities in Tamworth and Telford. 200 skilled staff are employed in the Tamworth operation and a further 50 in Telford.

The company has been through a succession of different owners in recent years, from originally being privately owned, a takeover by a US company in 1998, a management buyout in 2001, a secondary MBO in 2007, followed by control by a private equity group in 2012, with finally with Amphenol acquiring the company in February 2015. Throughout this period the company has operated in a highly competitive environment, with customers' demands for cost reductions having a major impact.

The uncertainty associated with these changes in ownership and in the cultural styles associated with the different senior teams is recognised to have had a major impact on the company and its workforce. For example, according to Managing Director Tim Tatton, the private equity owners inevitably did not have the same long term perspective with regards to training and investment as the current owners, so that although LEAN and continuous improvement techniques were introduced, they failed at the time to embed. "For a long time survival dominated our world" he noted.

However, the acquisition by Amphenol has bought stability, and a renewed emphasis on long term planning and investment. Amphenol, while placing major financial



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parameters on the Tamworth operation has nevertheless encouraged a more independent, devolved culture with local decision making.

The company has been working with the Sharing in Growth (SIG) programme since September 2014, to improve both organisation and performance across the company. As Tim Tatton explained: "It will provide us with ongoing tailor-made training and development support based on world class standards of performance in all areas of our business, from strategy through to implementation."

A four year continuous sustainable improvement programme aims to further enhance service levels and competitive ability, using world class standards of performance as the benchmark to develop lean operations, manufacturing processes, purchasing, cost modelling and leadership. The SIG aims, objectives and approach have been briefed out to staff.

There is a strong desire to raise levels of employee engagement and involvement to provide the cultural underpinning of the new approach – and a recognition of the work that needs to be done. Results from the employee survey carried out in December 2014 (which secured a 72 per cent response) indicated that employees felt increasingly that their views were listened to (60 per cent), the same proportion agreeing or strongly agreeing that they felt involved in future plans that affected them, and 69 per cent believed that communication between senior leaders and employees was good. 70 per cent of employees agreed they had the opportunity to discuss their development with their immediate manager, and a smaller number felt that their appraisal assisted them with their future development.



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Reflecting the recent uncertainty, the December 2015 results indicated some ongoing engagement challenges, including communications with the workforce, and improving line manager/front relations beyond pockets of excellence to make behaviours more consistent, and to ensure line managers have the people skills to treat people appropriately and develop them as individuals.

Working with SIG, the company launched a new vision and values statement in summer 2015, which highlighted the mission critical need to 'develop and empower our people to drive our mission and values.' The values and behaviours needed have been identified as:

- Passionate about our business, our product and our service
- Act with honesty, professionalism and integrity
- Accountable: 'if it's to be, it's up to me'
- Trust by open and transparent communication
- Committed to innovation and change
- Set challenging goals, achieve results, and celebrate what we do
- Continually improve irrespective of prior achievements
- We are a proud team

The company has recognised that key to delivering this culture change has been a leadership development programme, focussing on improving communication, and finding the right balance between trust and control. Working together, including offsite sessions, the leadership has agreed a set of Teamship Rules to lead behaviour change from the top, and a commitment to communicate and embed these changes in the business.



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Teamship rules include:

- A professional image and presentable at all times; be an Invotec ambassador
- Respect, for your place of work, your colleagues and other departments and their contributions; be on time, prepared and considerate
- Ownership and commitment: own your role and responsibilities, commit to success in what we do, who are and the people we work with
- Unity and teamwork across the organisation: one team striving for the same results; when results are not achieved address in private and constructively
- Delight: spend more waking hours at work than outside; enjoy it
- Tell: communicate to your team, tell them what is happening and feedback key messages
- Encourage across all levels: celebrate successes, praise on positives and be supportive and inclusive
- Active participant: be present, don't just turn up, get involved and say your piece
- Make it happen: complete actions committed to, and don't commit if unachievable.

The leadership have committed to modelling these behaviours and to being visible within the plant.

In order to make these behaviours real, the team have identified strengths and weaknesses of existing behaviours on the 'control, order, protect' versus the 'align,



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create enable/encourage' scale (COP to ACE), and is developing strategies to move towards an ACE approach.

It is recognised that this represents a cultural change which will have to be visible at all levels and consistently carried through. As Tim Tatton said: "We will have to show that we really mean this change, that we're not just saying it. That is going to be a challenge, because it will mean changes in behaviour all-round, and we will all have to hold each other to account." Tim believes that a 'blame culture' can easily take hold when leaders and managers are under pressure, which leads to a lack of collegiate behaviour and undermines trust across the organisation. Additionally, as with many organisations, there is a legacy of initiatives being started and then 'fizzling out' and 'our people have to know we mean it and we will follow through.'

The leadership also believes that the workforce represents a repository of knowledge and information which is an untapped resource that can play a vital role in improving quality and performance, dealing with production bottlenecks, and satisfying customer demands, providing a tradition of risk aversion can be overcome and more cross functional working secured.

To support this cultural change, a fundamental review of internal communications is underway, looking at the benefits of different strategies, including the best use of team meetings and kick-off events, catch-ups with individuals and with teams. Mechanisms for listening to the workforce are also being considered, including revamping the works council.



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Tim is confident that taken together, these cultural changes will build on the strengths of the company and its workforce, securing the future for future generations.

Learnings

- Understanding the current cultural DNA is the critical first step in instituting change
- Clarity around the values and behaviours that will deliver the mission – and plans to make these real
- The importance of a strong leadership driven narrative, particularly in times of significant change – i.e. changes in company ownership – to inform staff and keep them on board
- Leadership development and training to ensure the top team understands and buys into the new behaviours.
- Support for line managers in developing people skills
- Effective cascading of information.

About Sharing in Growth

SIG is a government backed programme designed to enhance the competitive capabilities of companies within the UK aerospace supply chain, helping them to tackle barriers to growth, boost exports and create jobs within the UK's high value manufacturing sector.

SIG is backed by £50 million from the Government Regional Growth Fund and £10 million of in-kind support from Rolls Royce. The programme, for which there is a rigorous approval process, is aimed primarily at companies with a turnover of more



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than £10 million, which have the financial and managerial resources necessary for a long term commitment. Currently around 40 aerospace supplies have been approved on to the programme.