

## ARTICLE

# Your Severed Top Floor/Shop Floor Relationship Is Costing You More than You Think

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## Key Takeaways:

- The lack of direct connection and communications between key leaders and shop floor associates is a primary contributor to lackluster performance and high turnover, especially among new associates.
- Companies cannot successfully tackle performance issues without first addressing the culture crisis created by the pandemic.
- Reintroducing direct top floor to shop floor communications, strengthening leadership communication skills, and implementing performance- and talent management-based KPIs can quickly rebuild a winning culture that drives performance improvement.

**Non-engaged employees are a multi-billion-dollar problem for manufacturers since COVID eliminated face-to-face connections between leaders and factory floor employees. Productivity and performance have plummeted while absenteeism and turnover have soared. It's time for a plan to reconnect the top floor and the shop floors as a critical first step in large-scale performance improvement.**

## Covid Is No Longer an Excuse to Stay Disengaged With Your Front Line

An occasional email from the CEO in no way replaces regular face-to-face meetings between key manufacturing leaders and shop floor workers. But ever since the COVID pandemic sent executives and senior managers home to work, companies have been trying to get by with this approach. And it's not working. Leaders who are successfully managing and sometimes even thriving in remote working situations may not be fully aware of the pain the situation is causing on the factory floor. But it's most definitely there, manifesting itself in lower and lower employee engagement and shop floor productivity and throughput.

The fact that suspended town hall meetings, Gemba walks, and other team get togethers have yet to be reinstated (despite the lifting of many nationally and locally mandated safety precautions) is only making the situation worse. As a recent Haiilo article on [the eight employee engagement statistics every organization needs to know](#) points out, the costs show up in big ways in both top and bottom lines.

The signs are there: High absenteeism. Skyrocketing turnover. Plummeting productivity and performance. But with inflation, supply chain disruption, and hiring challenges continuing to consume executives' attention, nobody's thinking about the ongoing damage being done to culture.

Ironically, none of the operational performance issues can be fixed without addressing the people issues first. Manufacturers must take the steps to reconnect the top floor to the shop floor. And they must bring back the cultural elements that keep employees motivated and focused on the daily, weekly, and monthly goals that drive operational and financial success.

## 3 Steps to Reestablishing a Winning Shop Floor Culture

1. **Reevaluate your communication strategy.**
2. **Reconnect the shop floor to the top floor vision.**
3. **Develop a holistic approach to KPIs**

### 1. Reevaluate your communications strategy

Prior to the pandemic, most shop floor associates enjoyed and benefited from regular interactions with corporate leaders. Monthly town hall meetings, tier one meetings, and the occasional appreciation event all contributed to a culture where employees understood their values and felt informed about the company's performance and their contributions to it.

When the pandemic brought these interactions to a screeching halt, culture took a big hit. Now, coming out of the pandemic, many clients are wondering where their people went. And lack of communication is turning out to be a leading root cause of the turnover, right behind lack of training.

Given the chaos of the last several years, the executive ranks become so far removed from communicating with the factory floor that they didn't notice the increase in employee dissatisfaction. Some of this is due to employee silence on the issues. But such silence is often a warning sign of low morale—morale drops so low that employees don't care to voice their concerns. They simply disengage, start looking for other jobs, and ultimately resign.



Whether your employees are currently speaking up or not, it's worth taking the time to do a side-by-side comparison of the top-down communication structure, cadence, and team activities post-pandemic versus pre-pandemic:

- How often did/do you hold town hall meetings?
- How often did/do supervisors participate or run daily or weekly tier one meetings?
- How many social or recognition events did/do you host in a year?

When you add it up, you'll probably find that face-to-face communication and interaction between key leaders and shop floor employees has diminished significantly, leaving email as the only remaining means of communication. According to a post by Ragan on the [top three factors influencing employee engagement](#), "leadership communication is the top internal communication factor that statistically correlates to employee engagement." Such communication is the most engaging for employees when it is done face-to-face and when it touches on the organization's vision, strategy, and progress.

It is time to reestablish a plan that resembles the pre-pandemic communication strategy. Add in new ways to keep lines of communication open between executives and shop floor associates to help reinvigorate company culture and drive progress toward company goals.

## 2. Reconnect the shop floor to the top floor vision

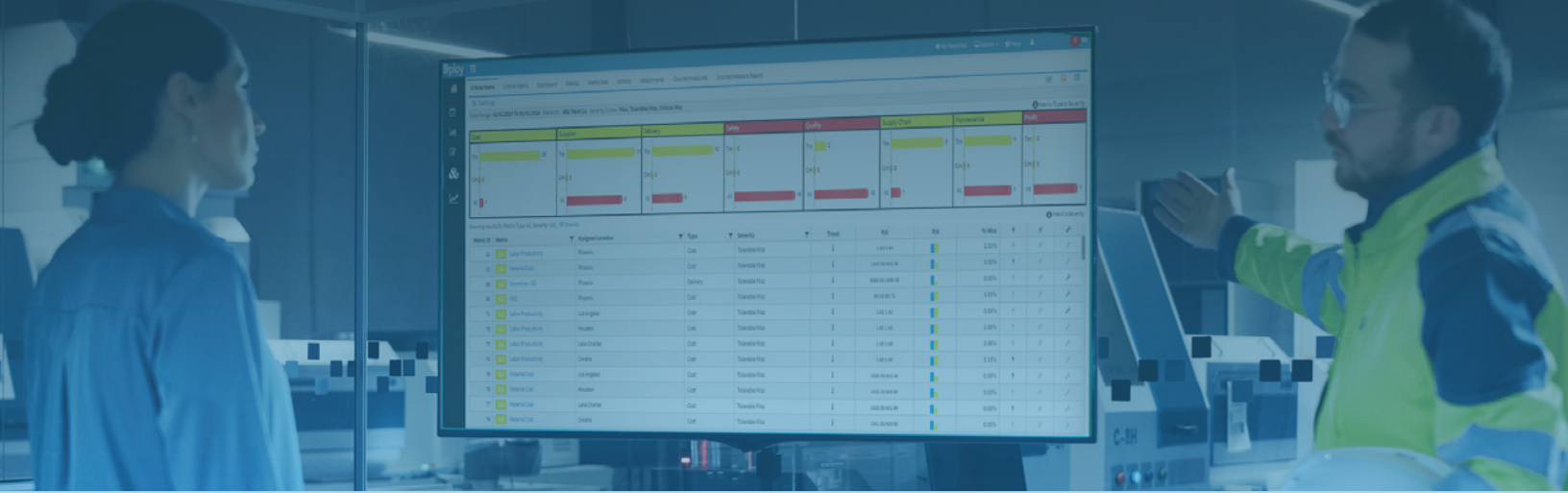
As stated above, a comprehensive communication plan that consists of a steady cadence and mix of email, face-to-face visits, and town halls coming from executives can go a long way. But it is extremely important that these communications highlight the strategic vision of the company and provide updates on results and how teams are contributing to supporting goals. Even better, when the CEO personally thanks the teams for their contributions, employees understand their value. It's a proven fact that associates will put forth greater effort if they know exactly what they are working toward and how their efforts further the goals. To that end, the Haillo article cites this fact from HubSpot: [69% of employees would work harder if they were better appreciated.](#)

However, the pandemic changed the dynamic between the top floor and the shop floor where instead of the CEO delivering the message herself, she now relies on supervisors to spread the word. And, much like the classic kid's game of "Telephone," when there are intermediaries involved in the chain of communication, much can get lost in translation as the message makes its way from the CEO to the executive team, to the plant managers, to the supervisors. The shop floor ultimately ends up receiving an inaccurate, fragmented, and inconsistent message that undermines unity, teamwork, and performance while giving rise to rumors and assumptions that further deteriorate culture. This leaves associates unclear on their team and individual responsibilities as well as their purpose at the company.

To better understand how broken the connection is between the top floor and the shop floor, personally reach out to your shop floor associates and ask if they can articulate the goals for the day, month, and year. If fewer than ten percent of employees can answer with confidence, it's a clear sign that communication has failed, and employee engagement must be proactively addressed. When the heartbeat of your operations is not clearly aligned and engaged with corporate strategy and goals, business performance will plummet. Conversely, businesses with high engagement will thrive: According to Haillo, ["Overall, companies with high employee engagement are 21% more profitable."](#)

Reinstating executive-led companywide meetings and initiating new opportunities for employees to ask questions or share input directly with leaders is a great way to address the gaps and help reestablish the top floor-shop floor connection. We are helping one manufacturer take steps to prioritize employee communication at all levels, including among plant and line leaders. One tactic includes scheduling regular sit downs with key stakeholders. These meetings encourage a bidirectional flow of communication where shop floor associates will better understand the company's vision and goals, and leaders will gain a better appreciation of associates' challenges and concerns.

Along with the breakdown in communication, it's likely that consistency in leader training suffered during the pandemic as well. It's a good idea to provide training for any leader, manager, or supervisor responsible for direct employee communications. Specifically, make sure your leaders understand and use best practices for running effective tier one meetings and conducting Gemba walks. Don't make assumptions on how they are performing and communicating. Check for yourself and provide refreshers as needed.



### 3. Develop a holistic approach to KPIs

It's one thing for an employee to know the daily goals. It's another thing for the employee to know exactly what it takes to achieve those goals and why they matter. That's where good KPIs come into play.

Establishing KPI metrics around critical business targets that align factory floor work with corporate strategy accomplishes two critical objectives: First, the KPIs show employees how their performance is being measured and what specific actions matter the most. Second, they create a connection between daily actions and the overall success of the company.

This knowledge, coupled with real-time performance tracking, is the key to empowering team members to meet goals, identify problems, and proactively resolve performance issues.

We worked with an international packaging manufacturer struggling with more than 100% turnover across departments, lack of accountability, and high absenteeism that consistently interfered with meeting daily goals. By creating point of impact KPIs, effectively communicating them during daily meetings, and using visual performance/accountability boards to keep goals front and center during every shift, we helped employees and management quickly see what good looks like. They began to know at a glance what was working, and what needed improvement. And they began working together to create and implement performance improvement solutions and corrective actions to win each day.

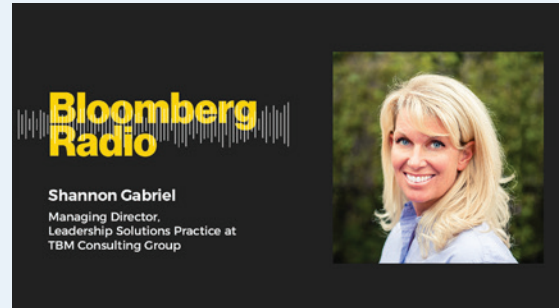
At the same time, we set KPIs specifically related to talent management, including turnover by role and by staffing agency. By actively tracking and measuring these numbers, the company gained new understanding into the root causes of its attrition problems and learned where it would need to implement better hiring practices. We then established employee retention programs with built-in tactics to demonstrate gratitude and support for specific milestones and achievements including incentives for tenured and high performers. Team lunches for plants and shifts making their weekly numbers and employee-of-the-week parking spots became just a few of the easy-to-implement strategies that generated significant improvements for the business.

Without KPI knowledge and visibility around critical business targets, employees merely go through the motions of their job without accountability, leading to frustrating situations where a few dedicated employees have to overcompensate for team members who either don't know or don't care about the performance goals. And without KPIs tied to employee retention, training, and professional development, HR and management teams lack insight into what drives a high performing, engaged, and motivated culture. But with the right KPIs in both areas, manufacturers can significantly improve culture and performance at the same time.

Adding a coaching program to the mix, with periodic team and individual check-ins, can further accelerate the results and ensure all team members realize their value and are keeping up with their training and performance improvement efforts.

## It's Time to Remove the COVID Curtain And Reestablish Your Winning Culture

The past several years ushered in profound changes for manufacturers, and many of these changes have slowly, sometimes silently, but very surely eroded culture. Manufacturers are finding that they can unwind the damage by bringing back face-to-face communications wherever possible and finding new ways to strengthen the connection between the top floor and the shop floor. Proactively addressing communication and culture gaps can drive immediate performance gains. And it will set the stage for an employee-centric change management strategy designed to sustainably improve recruiting, onboarding, and retention. Stay tuned for our next blog with more details on change readiness and how to revamp your talent management practices.



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