

RESPECT FOR PEOPLE AT DAKTRONICS

Lean Summit 2019



RESPECT FOR PEOPLE REVIEW

Ask employees what the problem is with their work

Engage in dialog about the real problem

Ask what should be done

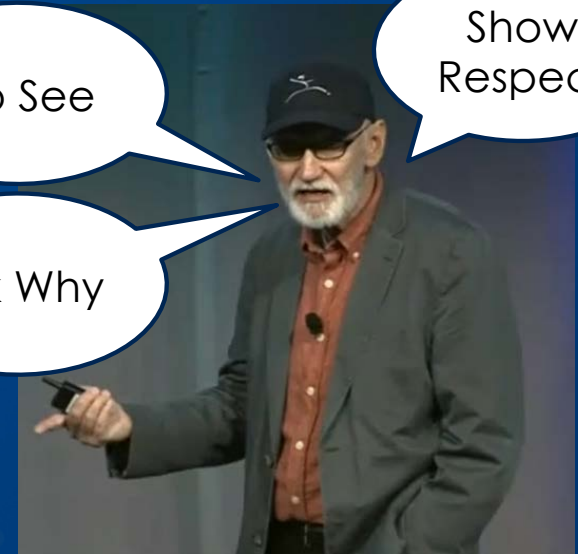
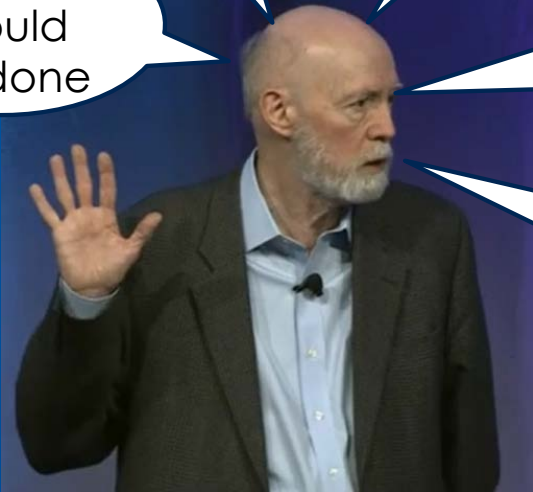
Ask how they will know when the problem has been solved

Empower the employees to implement the solution

Go See

Ask Why

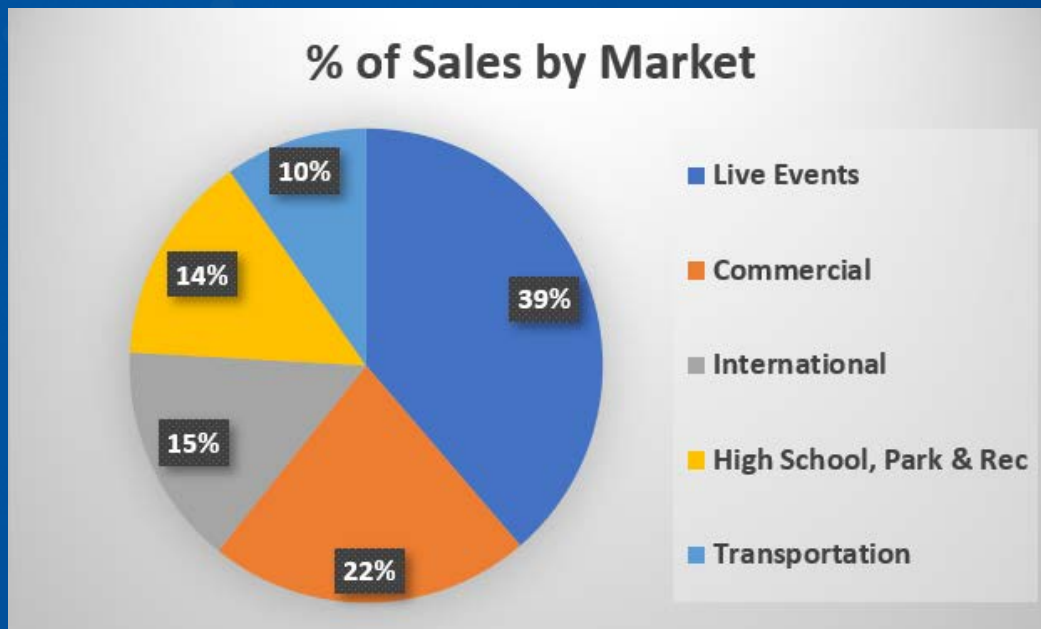
Show Respect



WHO IS DAKTRONICS?

Video #1

WHAT DO WE DO?



Live Events



Commercial



International



Transportation



High School
Park & Rec

WHAT DO WE DO?



Mercedes-Benz Stadium - Atlanta



Piccadilly Circus - London

LOCAL SITUATION



Brookings, SD:

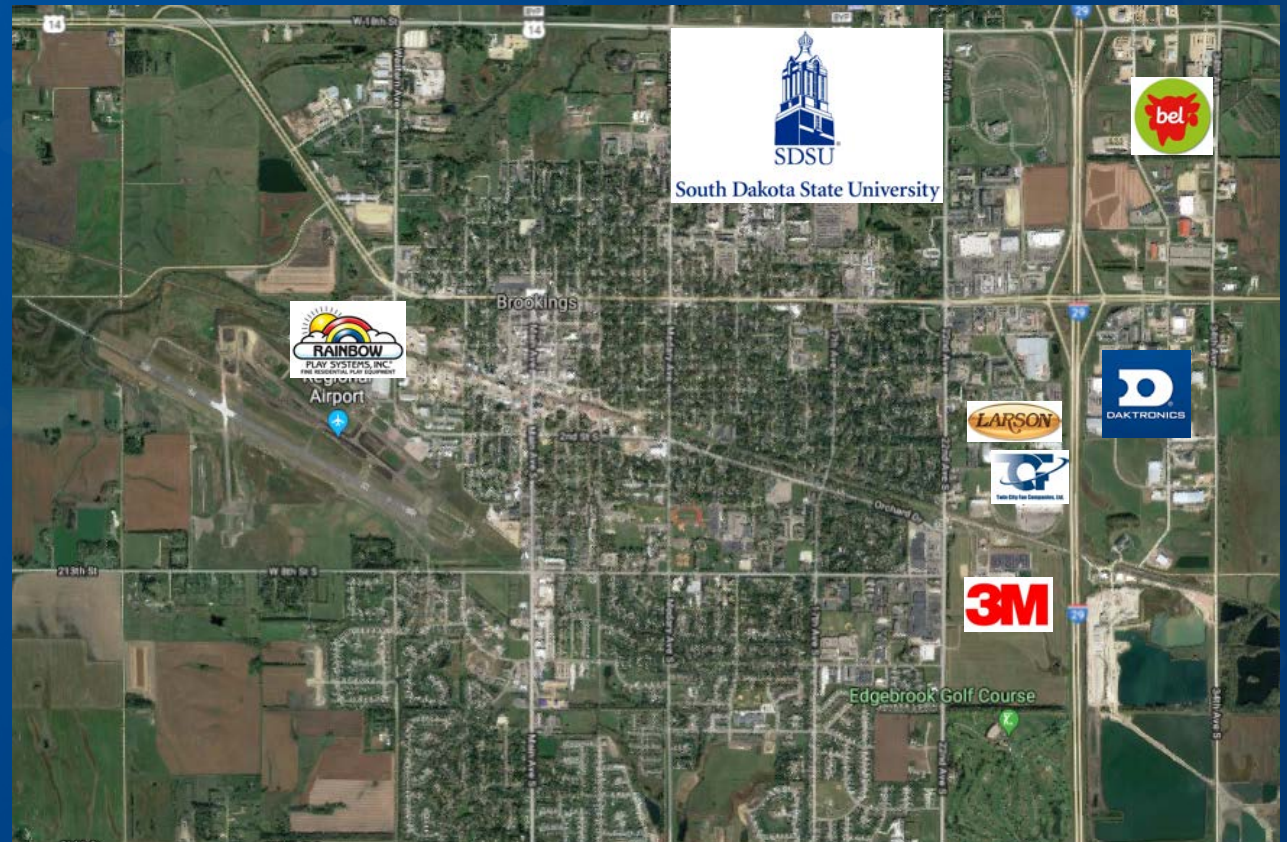
- Population: 25,000
- Unemployment: < 3%
- < 1 hr. to Sioux Falls
- 3 hr. drive to Twin Cities or Omaha

College Town:

- Home to SDSU
- Enrollment: 12,500

Mfg. Town:

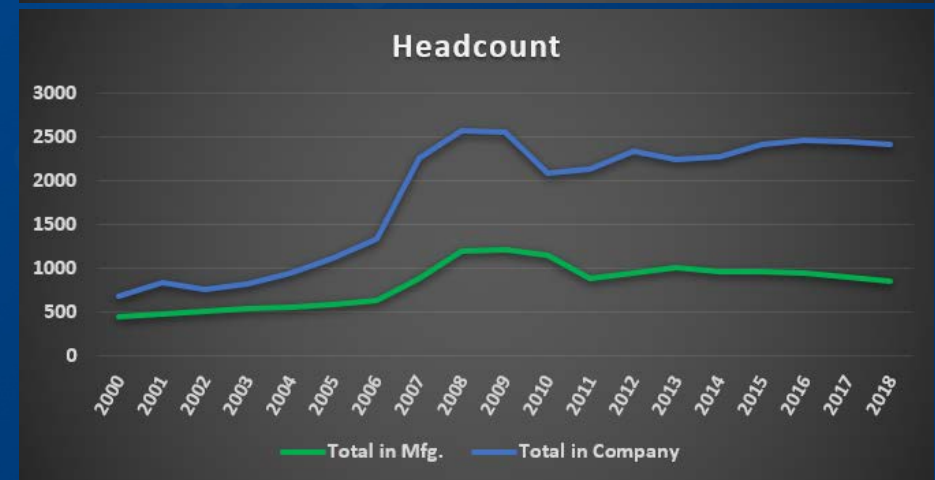
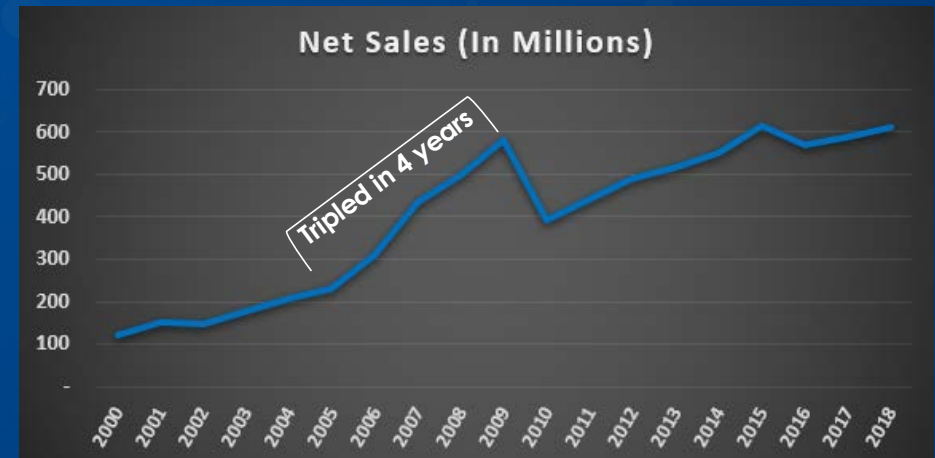
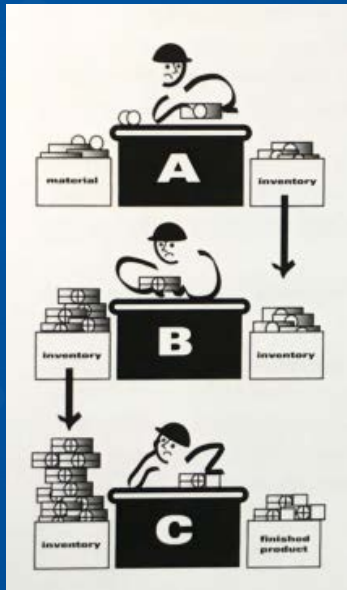
- I-29 Corridor
- Skilled labor needed



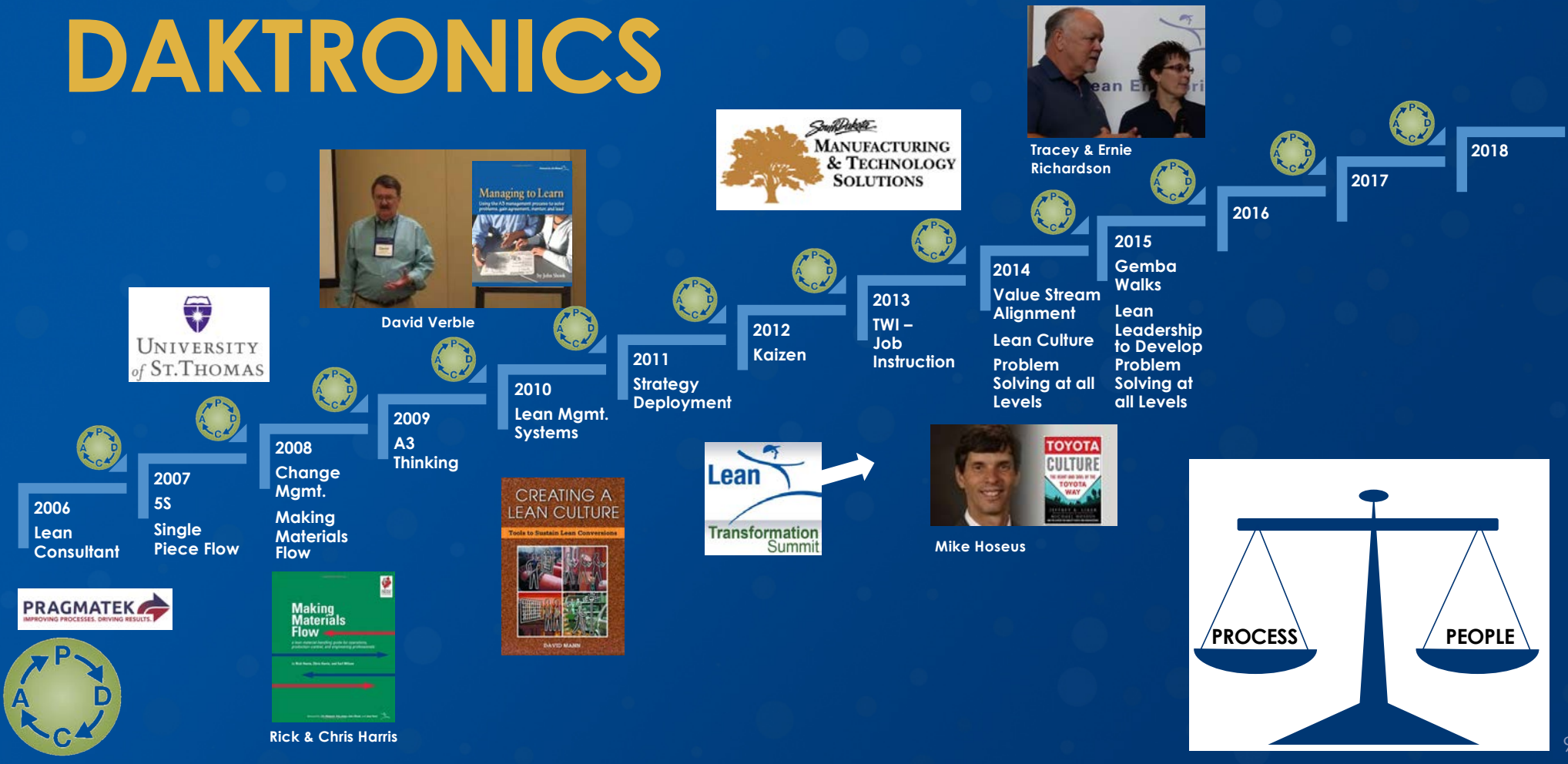
WHY LEAN AT DAKTRONICS?

Opportunity we were faced with in 2006

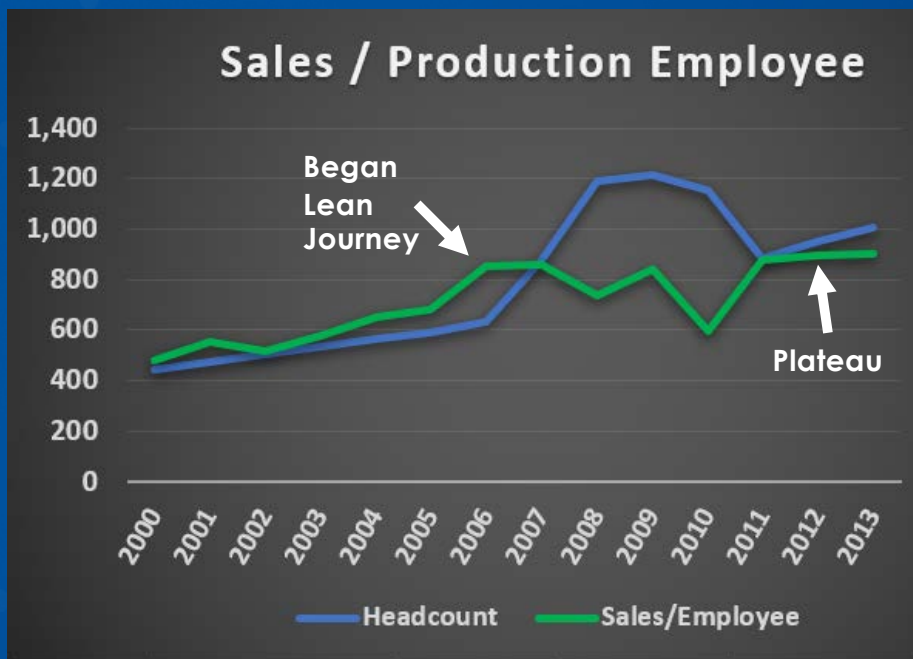
- Rapidly growing
- Hundreds of openings
- Traditional job shop



LEAN TIMELINE AT DAKTRONICS



IMPACT OF PROCESS FOCUS



- We were working on the most obvious opportunities – the low hanging fruit
- After 2011, productivity increased, but only slightly
- We didn't know what we were doing would lead to a plateau – We thought it would be more incremental
- We needed to dive deeper – Harness the horsepower of all our people

2014-2015

Asked Mike Hoseus for help

- Lean Culture
- Problem Solving

**Create an army of
problem solvers**

Purpose, People,
Process, Problem
Solving

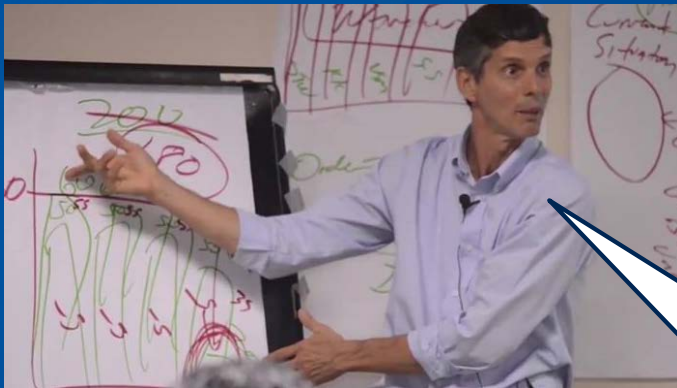
Need to invest in
training for
problem solving

Learn and teach
at the same time;
organizational
development



2014-2015 CNTD.

Sounds good
Mike! Let's get our
army of problem
solvers going.



Engaged factory leadership

- Mike led us through 8-Step Problem Solving
- In-house Problem Solving with Managers & Supervisors

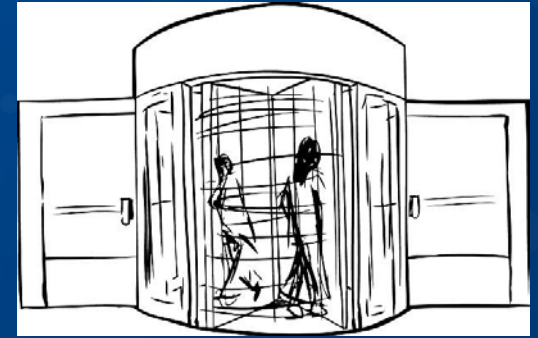
Now pick a
problem, let's start
talking about it



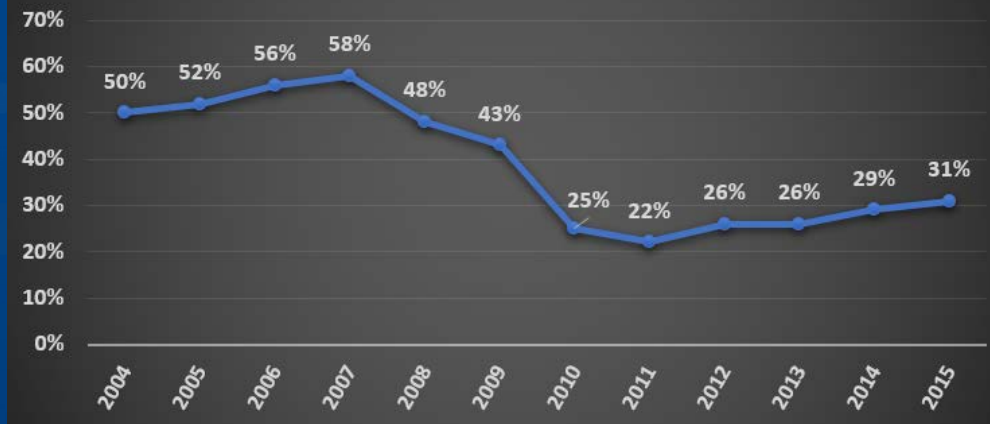
WE HAVE A PROBLEM?

We can't grow our army. Turnover is too high. Too unstable.

We need to solve this problem first



Production Role Family Turnover



RESPECT FOR PEOPLE REVIEW

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Engage in dialog about the real problem

Ask what should be done

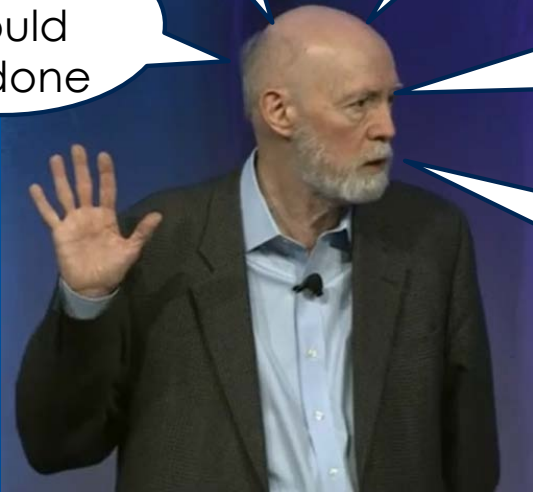
Ask how they will know when the problem has been solved

Empower the employees to implement the solution

Go See

Ask Why

Show Respect



ASK WHY?

We talked to our **Front Line**

The 1st layer



- Exit Interviews
- Stay Interviews



What is the problem with your work?



GO SEE

Grasp the Situation

- Gathered information about other community employers
- We found we were not as competitive with wages as other manufacturing companies in the area
- We are not market competitors, but we compete for the same workforce



ASK WHY?

We talked to the **Supervisors**

The next layer



What is the problem with your work?

Our revolving door of people

I have new people every day. No Stability!

I spend all of my time training new people



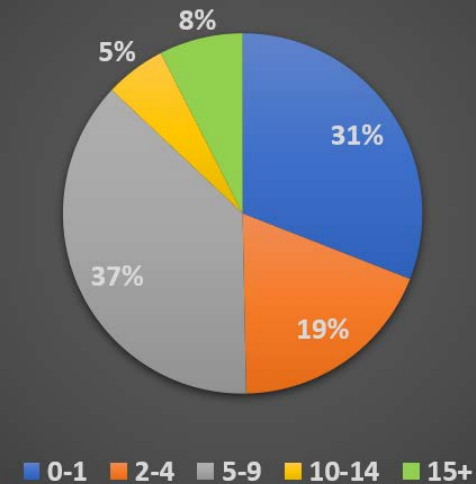
GO SEE

Grasp the Situation

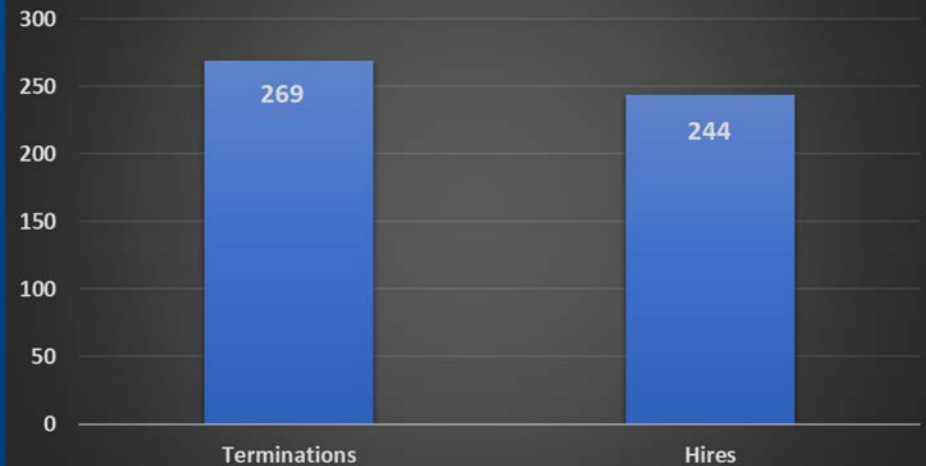
- Dove deeper into our turnover
- 50% of our workforce had < 5yrs experience
- Almost 1/3 < 2yrs
- 1 new person to on-board every day



Years of Experience 2015



Terms vs. Hires 2015



ENGAGE IN DIALOG

Our **Managers** peeled more layers



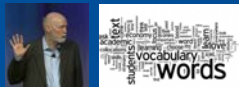
What should be done?

Increase Pay

That may help in the short term

But what will the quality of our workforce be?

How will we pay for it?



WORKFORCE ASSESSMENT

Increasing pay is a 7 figure decision.



If we lock in our current workforce, can we deliver the productivity improvements?

How do we evaluate the performance of our workforce?

He is the best worker we have...when he's here

She works fast, but makes mistakes...



This person does quality work, but they are too slow...

...and that guy works hard, but can be difficult to get along with

GRASP THE SITUATION



WHAT IS THE CURRENT STATE?



Each factory has set their own employee performance expectations

This means we have many different ways to evaluate performance

We need a common performance standard across all our factories

PLAN



WHAT SHOULD BE DONE?



Solve 1 problem at a time or you won't solve any

What's your standard?

If you don't have a standard, you can't improve



We will increase pay, but we need a performance standard first.

Performance Standards

Increase Pay

TO



Stabilize Workforce

Improve Performance

TO



Increase Productivity



TRANSITION TO JIM



WHAT → HOW

Performance
Standards

7 Performance Dimensions

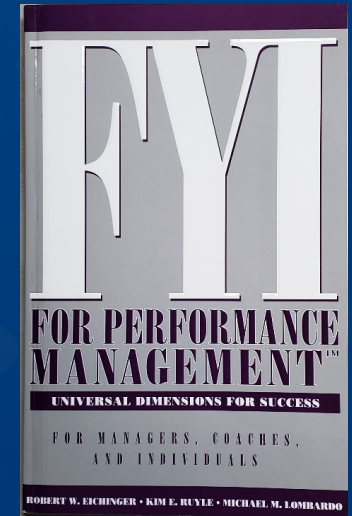
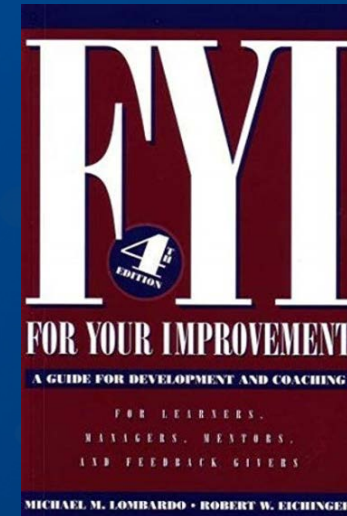
Improve
Performance

Tap into discretionary effort
through positive reinforcement
from supervisors



PERFORMANCE DIMENSIONS

- FYI - For Your Improvement
Authors studied and documented 10 common performance evaluation measures used throughout the business world
- Adapted to our situation
- Foundation of our **Performance Standards**



TIMELINE

Aug – Dec

Created and reached consensus on 7 Daktronics Performance Dimensions

Jan – Feb

Evaluated our workforce against the Performance Dimensions

Mar – Apr

Met with each employee to describe our expectations and tell them how they are performing in each of the 7 Performance Dimensions



7 PERFORMANCE DIMENSIONS



Performance

3 mos.

6 mos.

9 mos.

12 mos.

18 mos.

2 yrs.

3 yrs.



ATTENDANCE

- Provide proper notification of absences and maintain sufficient PTO balance to maintain scheduled hours.
- For absences that are unplanned (illnesses), we expect notification to your supervisor prior to the start of your scheduled shift. Notification method is phone or text.
- To fulfill your scheduled hours, you must use a combination of work hours and PTO.



SAFETY

- Tell your supervisor when you are injured.
- Wear safety equipment when necessary.
- Attend annual safety training.



EVALUATED OUR WORKFORCE

Employee Name	Attendance	Safety	Team Player	Quality	Work Pace	Developing Skills & Capabilities	Problem Solving
Employee A	Green	Green	Green	Green	Green	Green	Green
Employee B	Green	Green	Green	Green	Green	Green	Yellow
Employee C	Green	Green	Green	Yellow	Green	Yellow	Yellow
Employee D	Green	Green	Yellow	Green	Green	Green	Green
Employee E	Green	Green	Green	Green	Red	Green	Yellow
Employee F	Green	Green	Green	Green	Yellow	Yellow	Yellow
Employee G	Green	Yellow	Green	Yellow	Green	Green	Red
Employee H	Yellow	Green	Yellow	Green	Yellow	Green	Red
Employee I	Yellow	Green	Red	Green	Green	Yellow	Red
Employee J	Red	Green	Green	Green	Green	Green	Green
Employee K	Red	Green	Green	Yellow	Yellow	Green	Red

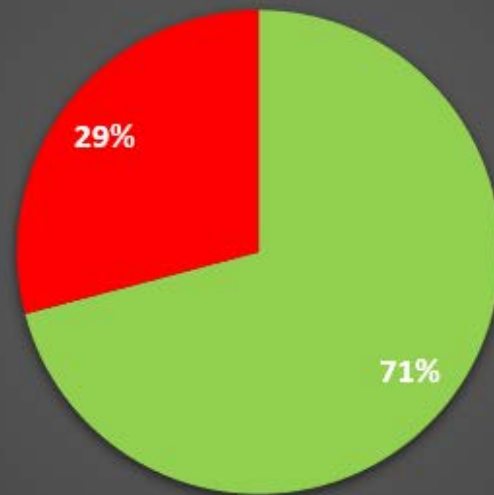
- Supervisors evaluate all of their team members bi-annually

Green	Meeting our High Standard
Yellow	Not Consistently Meeting our Standard
Red	Not Meeting our Standard



INITIAL PERFORMANCE ASSESSMENT

Meeting Standard vs. Not Meeting Standard
2015



■ Meeting Standard ■ Not Meeting Standard



WHAT SHOULD BE DONE?

Performance Standards

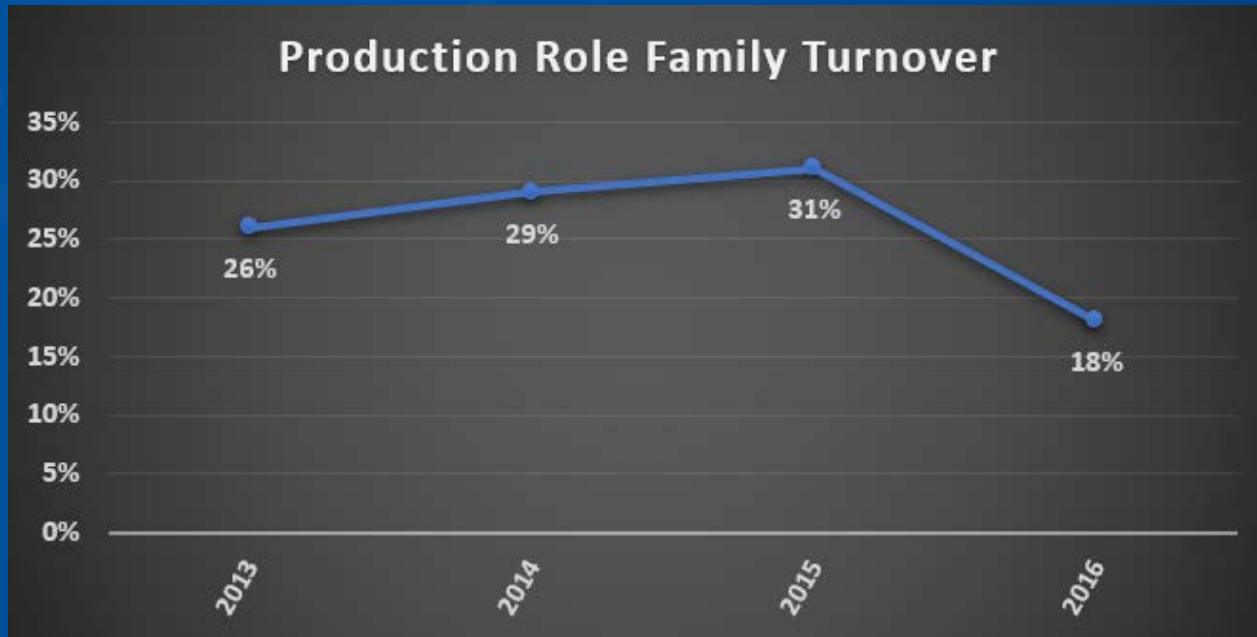
Increase Pay

TO

Stabilize Workforce



TURNOVER RESULTS



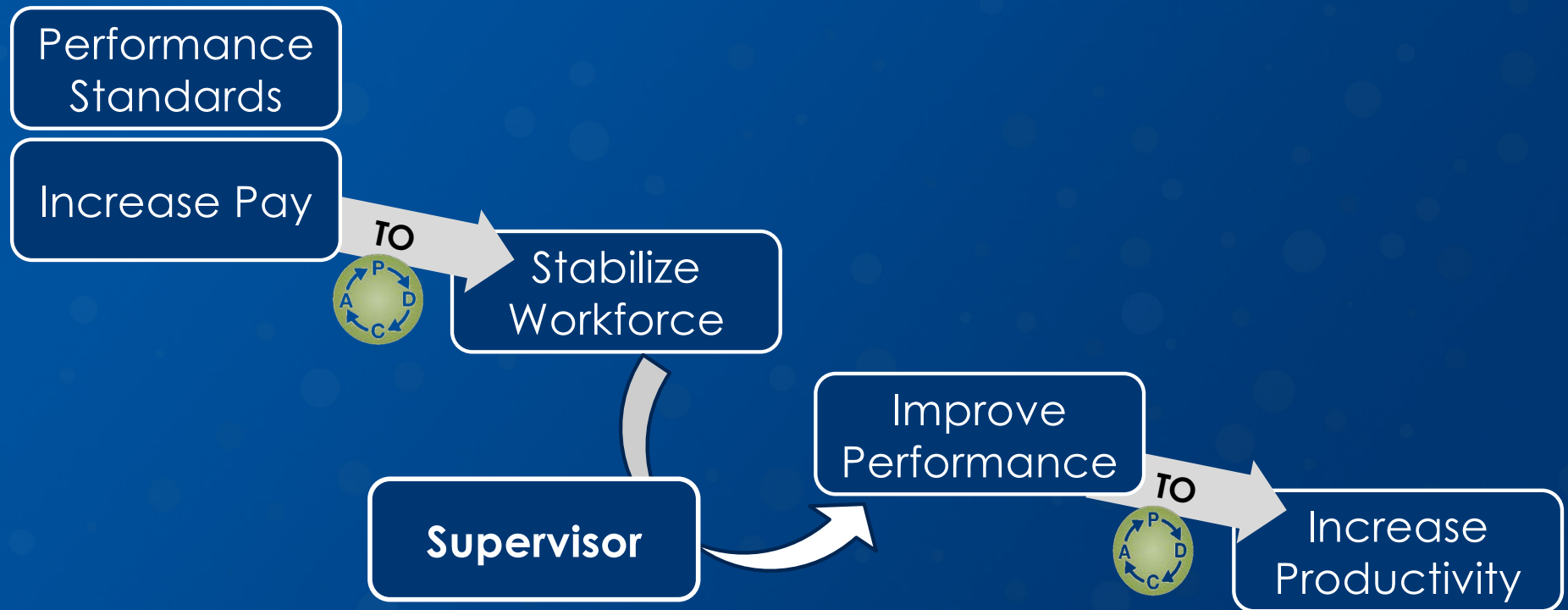
Great

But how do we keep it going?

How will we pay for it?



NEXT STEP – IMPROVE PERFORMANCE



ROLE OF THE SUPERVISOR



I have more time.

Now What?

- Set expectations
- Help remove obstacles
- Provide learning opportunities
- Improve performance of their team

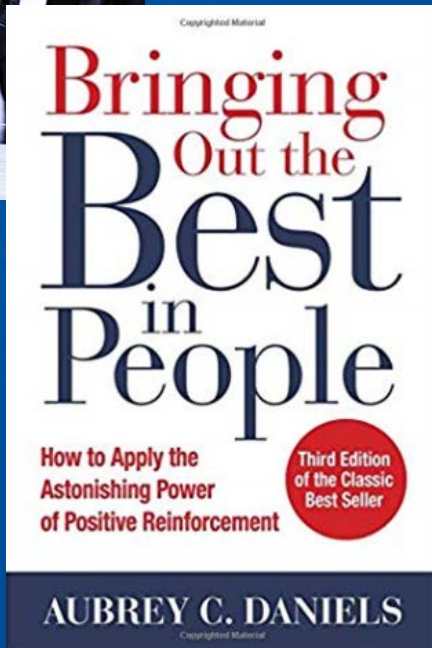
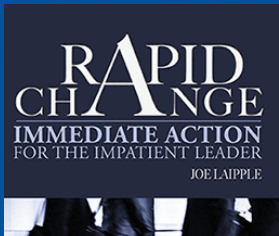
Now What?

What am I going to learn?

How will I develop?



TEACH THE SUPERVISOR

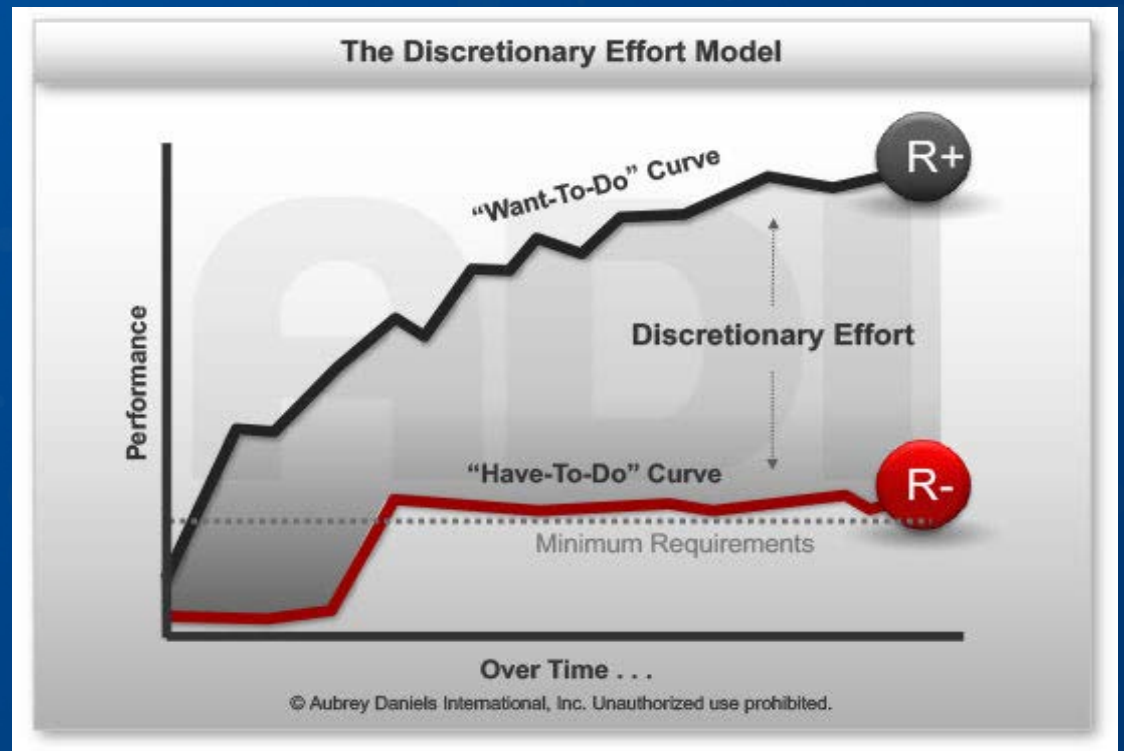


Partnered with Aubrey Daniels International

- Identify **behaviors** that lead to positive business results and Customer value
- Provide immediate, positive reinforcement when those **behaviors** happen
- Turn **behaviors** into **habits** through daily interactions with every employee

DISCRETIONARY EFFORT

- Tap into effort that is more than minimum requirements
- Get more of the **behaviors** you want, less of the behaviors you don't



WHAT IS A BEHAVIOR?



What do you want to hear them say?



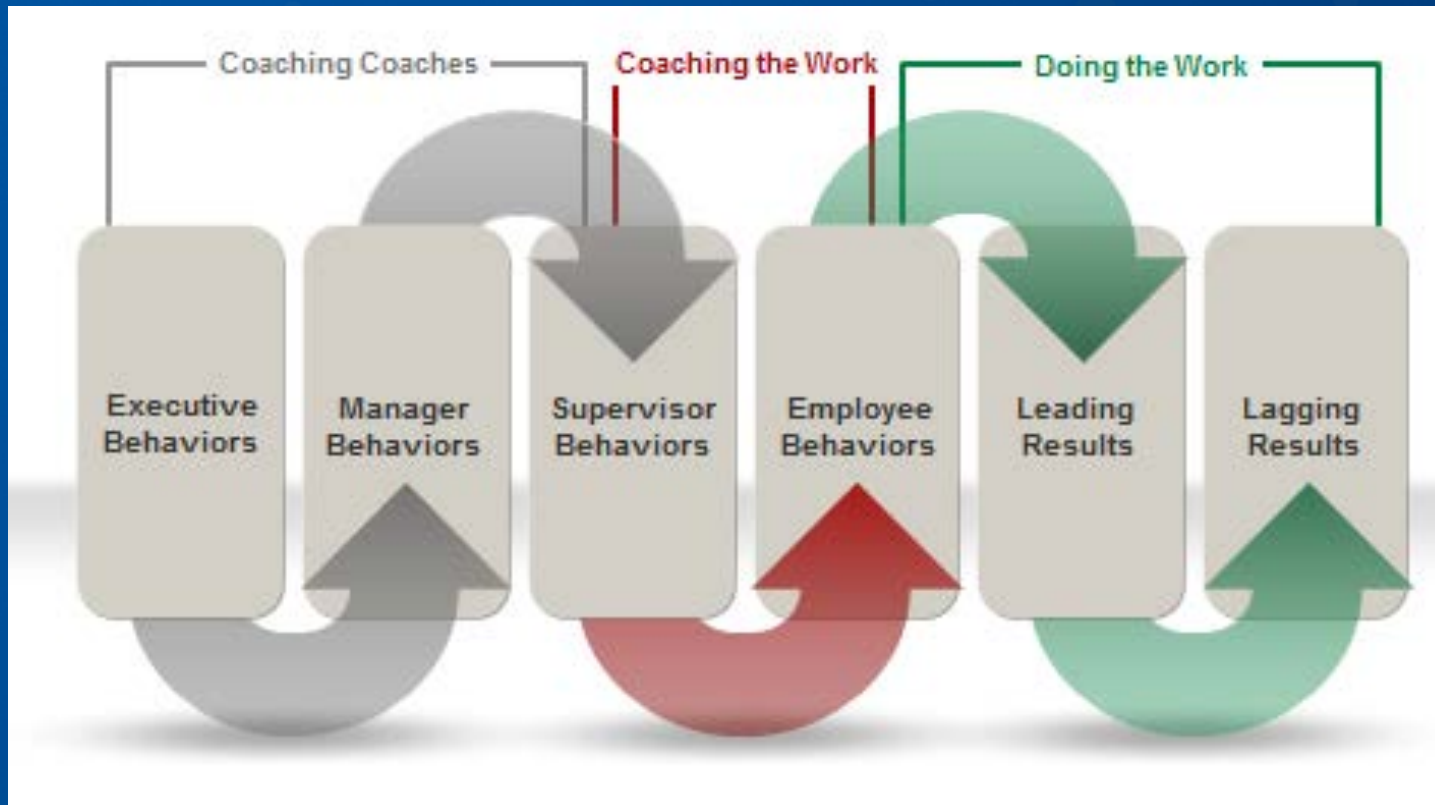
What do you want to see them do?

IDENTIFY WHAT BEHAVIORS

- What do your Customers value?
- What company metrics measure that value?
- What behaviors drive improvement to those metrics?



REVERSE ENGINEERING TOOL







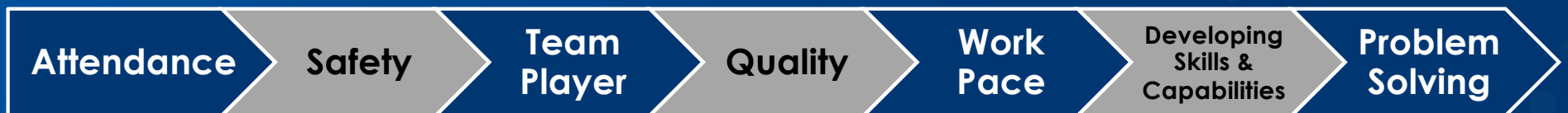
REVERSE ENGINEERING EXAMPLE

REVERSE ENGINEERING MODEL					CRITICAL BEHAVIORS AND RESULTS	
Executive Behaviors	Manager Behaviors	Supervisor Behaviors	Employee Behaviors	Leading Indicators	Lagging Results	Customer Value
Communicate safety culture expectations	Reinforce safe behaviors	Facilitate pre-job safety briefings	Wear safety glasses	Increase near miss reporting	Reduce Injuries	Lower Costs
Reinforce leader safety behavior	Ensure company provides PPE	Wear safety glasses	Report all hazards	Number of people wearing Personal Protective Equipment (PPE)		On-time Delivery



BEHAVIORS

-  **Attendance:** Come to work, on time, every day
-  **Safety:** Wear safety glasses at all times
-  **Team Player:** Ask Questions
-  **Quality:** Pull Andon



ATTENDANCE

ATTENDANCE

Meeting High Standard

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Maintain Scheduled Hours: To fulfill your scheduled hours, you must use a combination of work hours and PTO.

4. Work flexible hours before/after the shift, or alternate or additional days, based on customer demand/needs.

2018

Attendance:

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For absences that are unplanned (illnesses), we expect notification to your supervisor prior to the start of your scheduled shift. Notification method is phone or text.

To fulfill your scheduled hours, you must use a combination of work hours and PTO.

2015



SAFETY

SAFETY

Meeting High Standard

1. Wear required Personal Protective Equipment (PPE) at all times
2. Notify your supervisor of a safety incident immediately
3. Offer suggestions to improve safety
4. Escalate near misses or safety concerns
5. Communicate to nearby co-workers while operating equipment (forklift, crane, tugger)
6. Ask for help (2-person lift, support a ladder)
7. Attend required safety training

2018

Safety:

Tell your supervisor when you are injured.

Wear safety equipment when necessary.

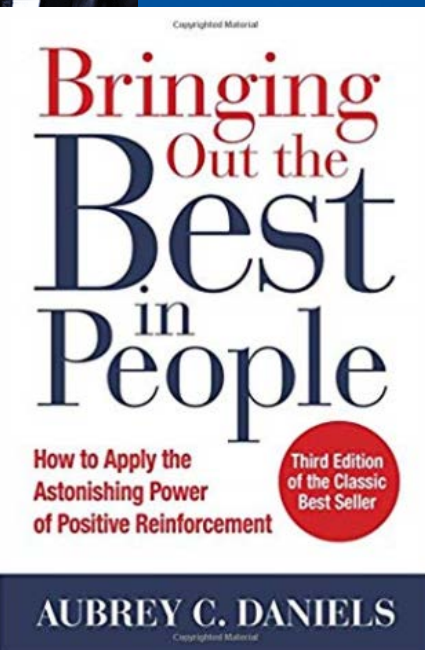
Attend annual safety training.

2015



TEACH THE SUPERVISOR

**RAPID
CHANGE**
IMMEDIATE ACTION
FOR THE IMPATIENT LEADER
JOE LAIPPLE



Partnered with Aubrey Daniels International

- Identify **behaviors** that lead to positive business results and Customer value
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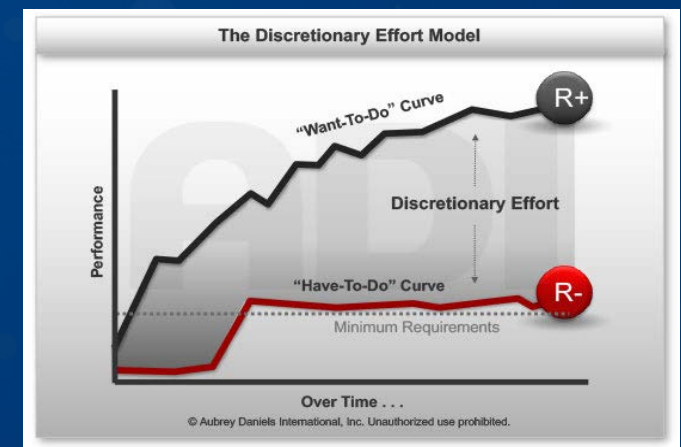
POSITIVE REINFORCEMENT (R+)

IS

- Frequent, sincere feedback related to recent behavior
- Provided by Supervisor, Peers, Self, their Work Process or Surroundings

IS NOT

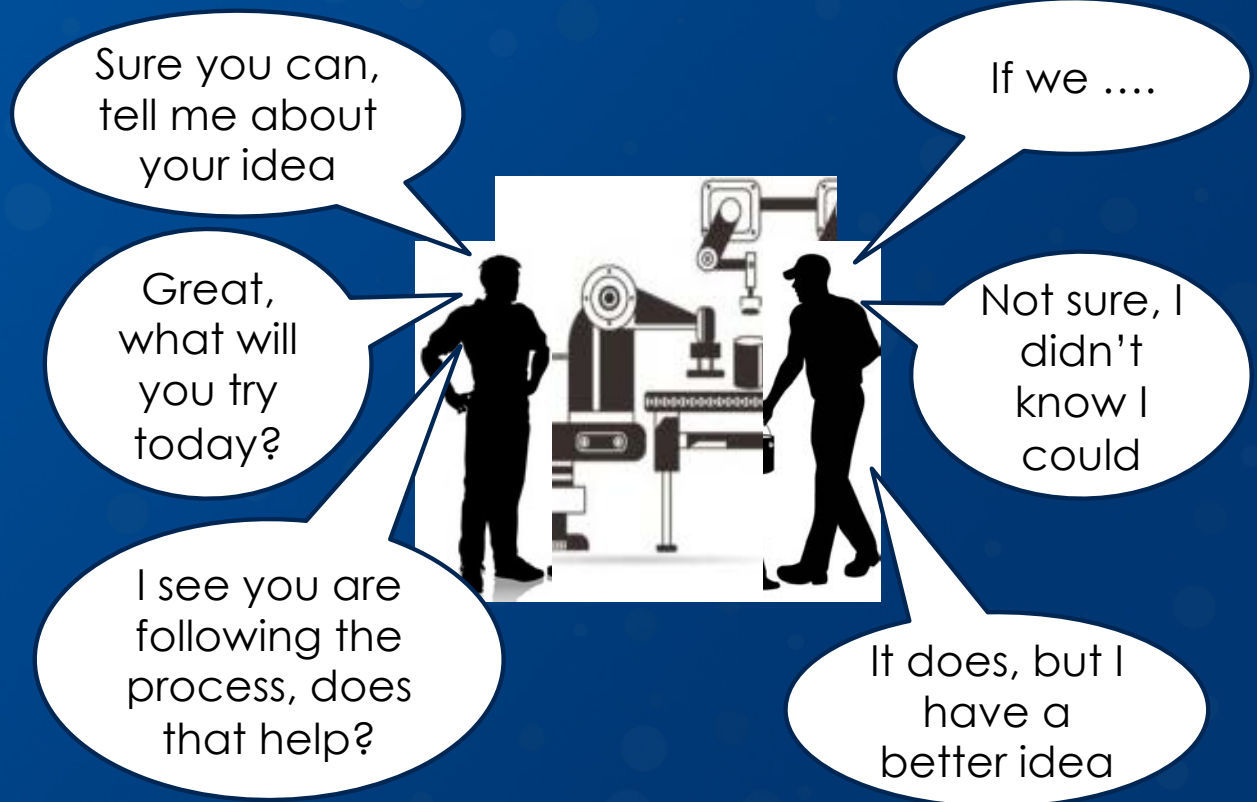
- Cheerleading
- Hi, how was your weekend?



SUPERVISOR \leftrightarrow EMPLOYEE R+ TOUCHPOINT



- Frequent
 - Ideally Daily
- Sincere
- About the work
- Planned ahead of time
- Interaction in the gemba



TOUCHPOINTS

- Planned ahead of time
- Precise, brief coaching interactions
- Asking questions, not telling
- Reinforce the improvement you're seeing
- Emphasize why the behavior is important

- Drives improved performance by getting more of the behaviors that are wanted and less of the behaviors that are not.

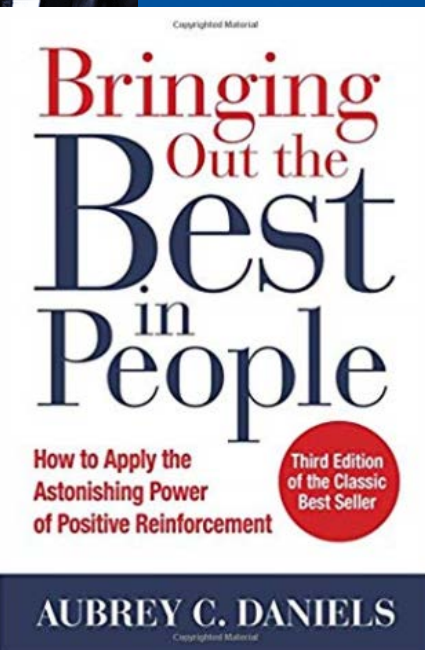
DEBRIEF

- Weekly sharing by Supervisors
- Share best touchpoint from the past week
- Steal ideas from their peers to try in the future

- Why?
 - Learn by reflection
 - Knowledge sharing
 - Long term sustainment
 - Trust, but verify

TEACH THE SUPERVISOR

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CHANGE**
IMMEDIATE ACTION
FOR THE IMPATIENT LEADER
JOE LAIPPLE



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HABITS

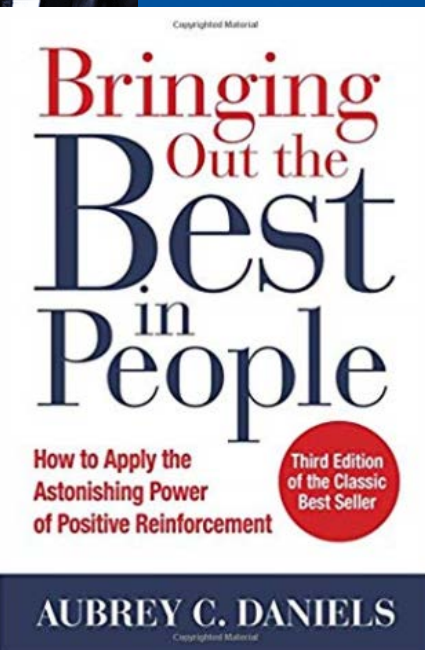
- Turning behaviors into habits
- Build positive reinforcement into the work or the surroundings
 - Into the work examples:
 - Eliminate unnecessary steps in the process
 - Provide necessary tools
 - Add feedback loops

ENVIRONMENT REINFORCEMENT

Video #3

TEACH THE SUPERVISOR

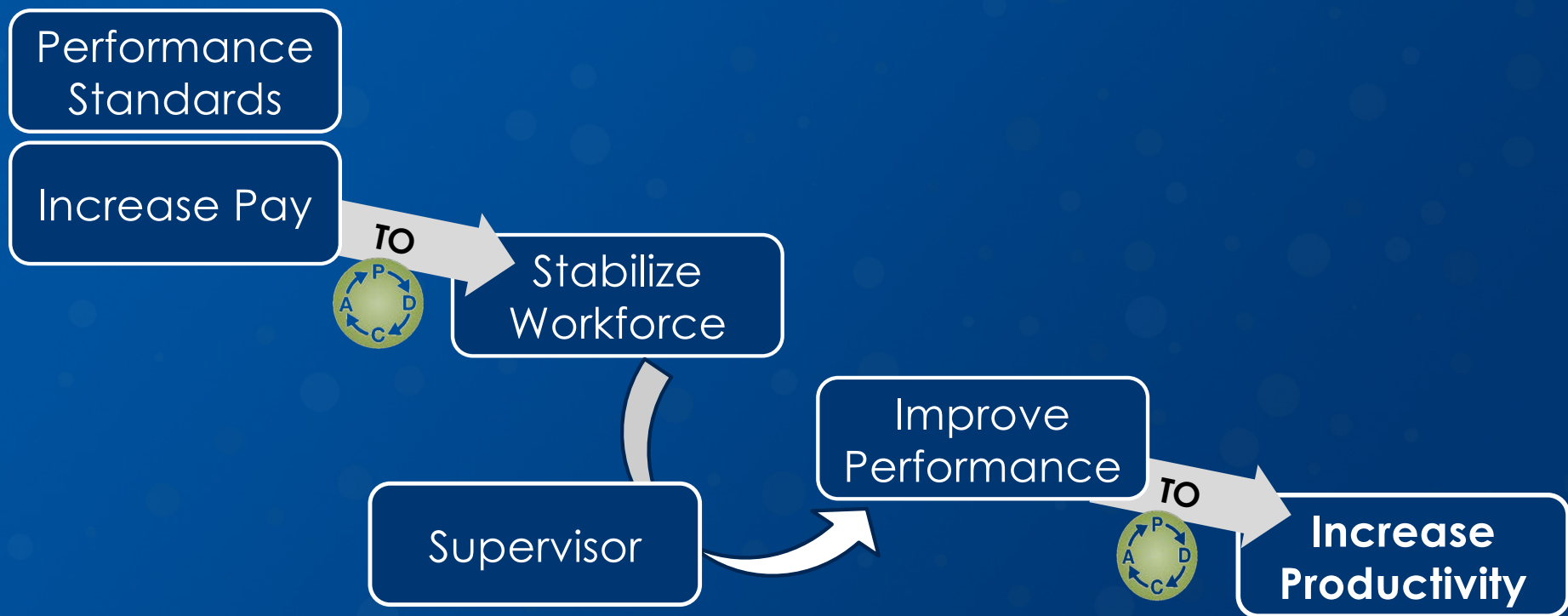
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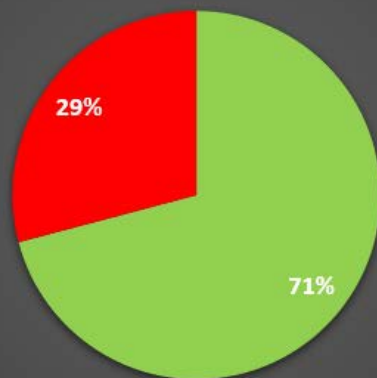
END RESULT



RESULTS

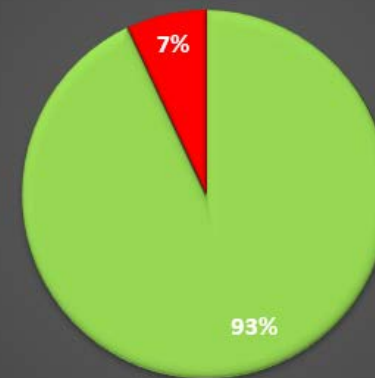
Meeting Performance Standard

Meeting Standard vs. Not Meeting Standard
2015



■ Meeting Standard ■ Not Meeting Standard

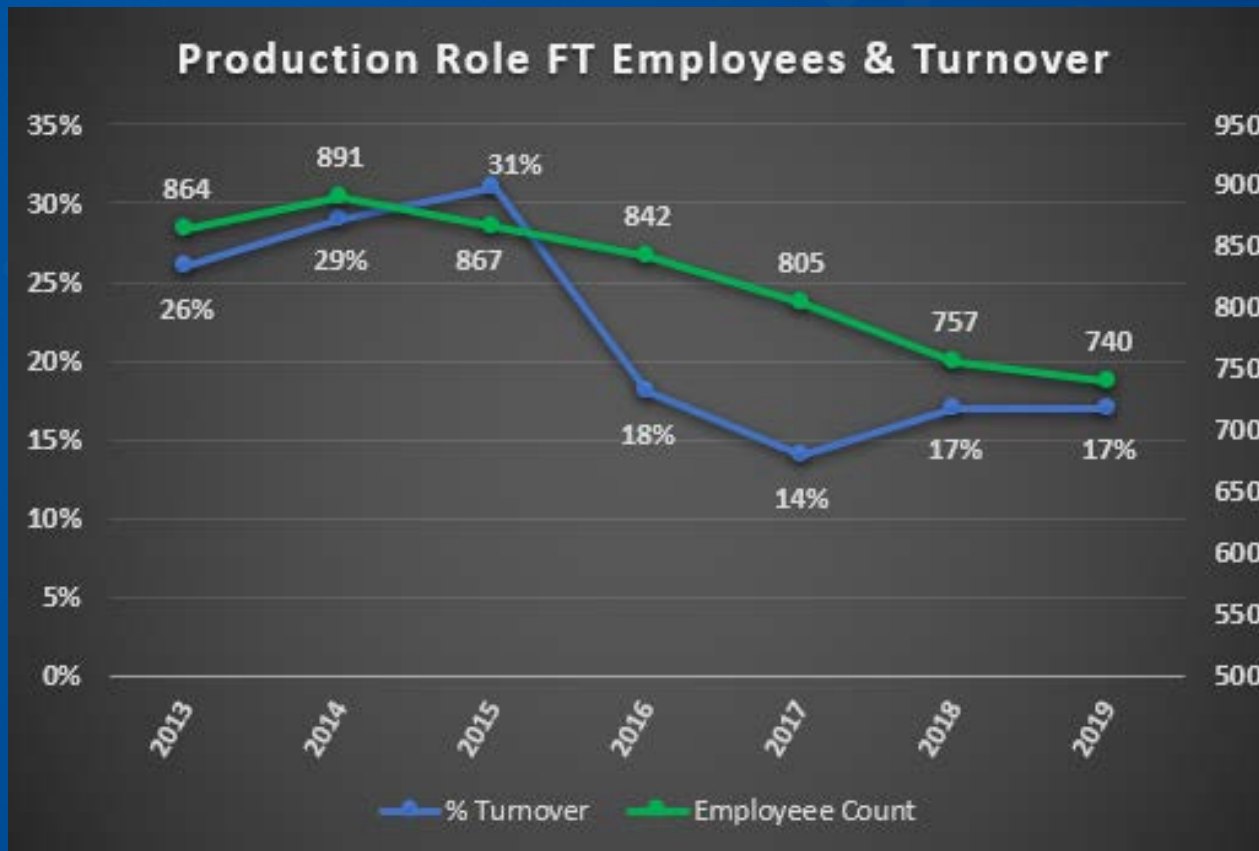
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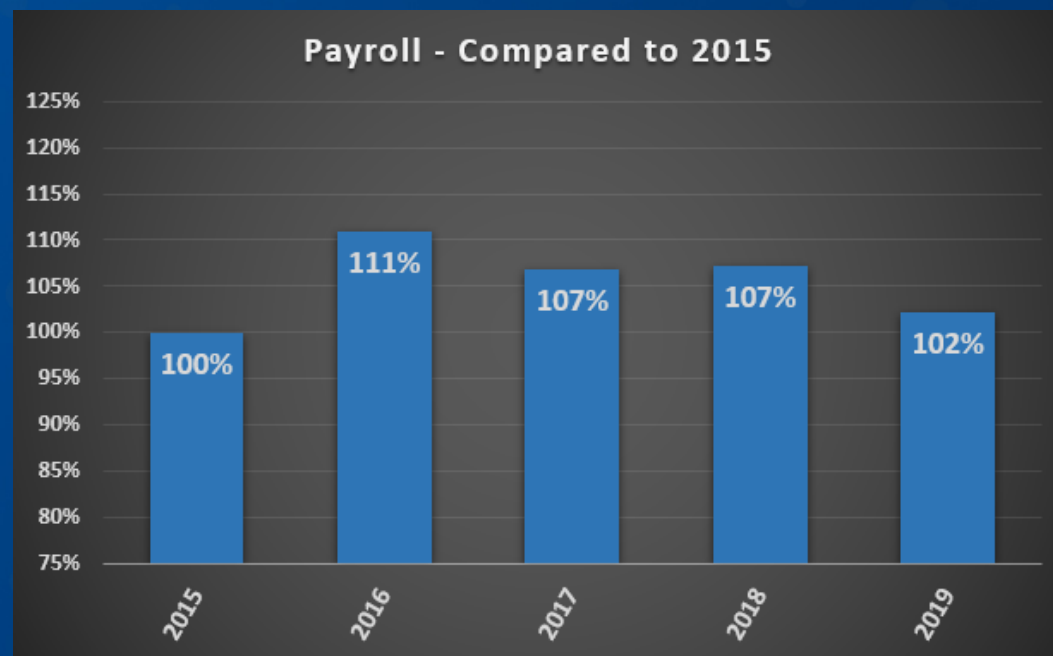
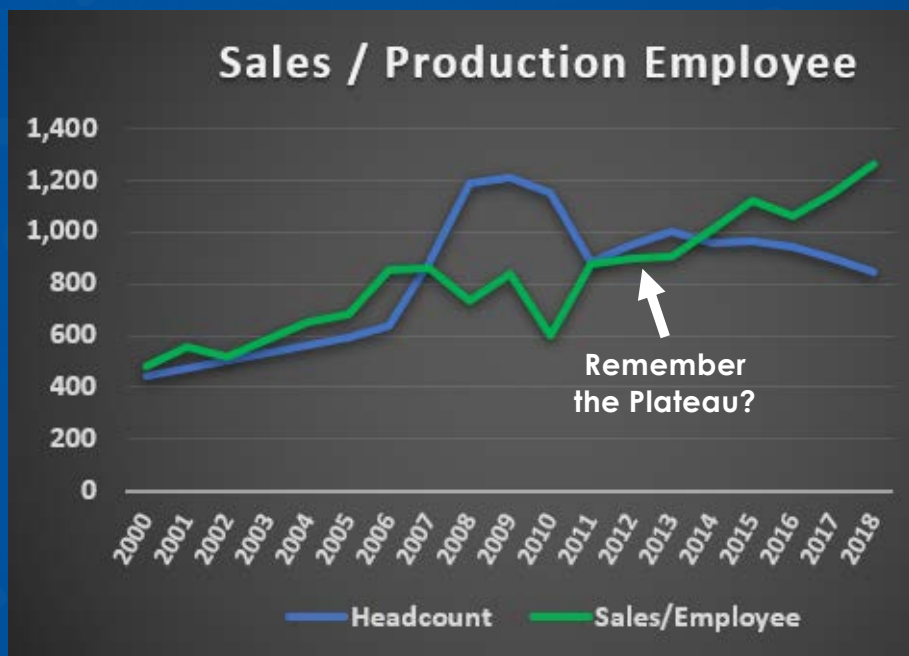


TURNOVER RESULTS



RESULTS

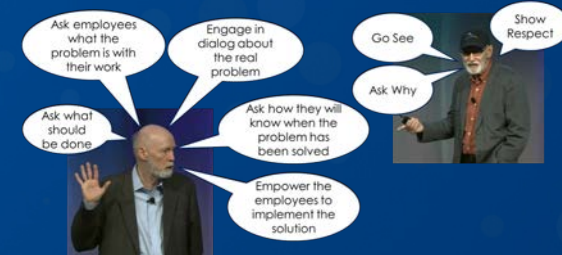
Productivity vs. Payroll Change



LEAN TIMELINE AT DAKTRONICS



MONDAY MORNING TAKEAWAYS



- Understand your current state for “Respect for People” by engaging your employees in dialog and asking what is the problem with their work (i.e. Stay Interviews)
- Solve 1 problem at a time
- If you do not have a standard, then start there
- Understand precisely what behaviors to reinforce



Q&A

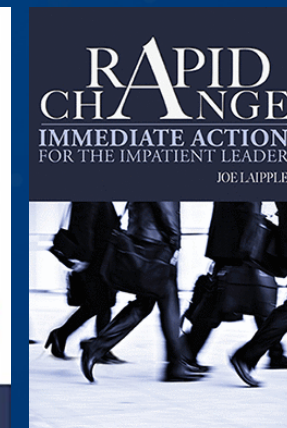
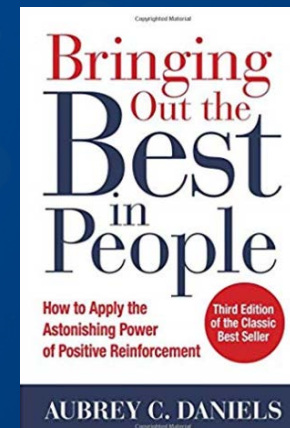
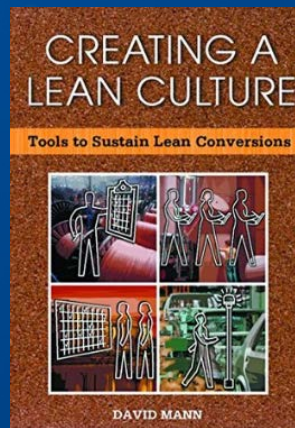
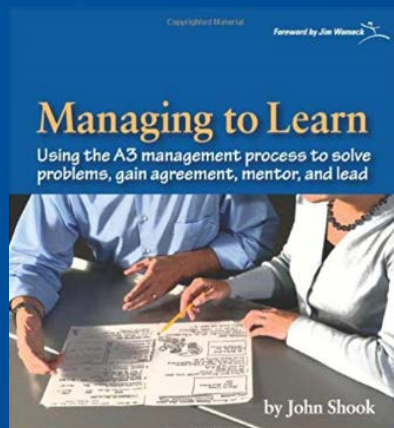
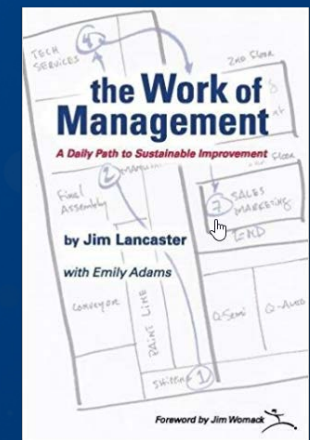
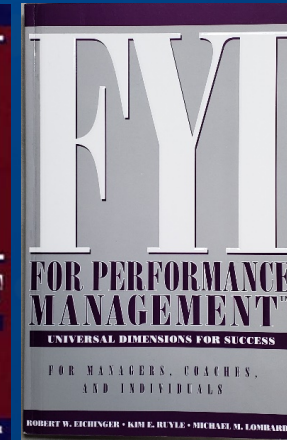
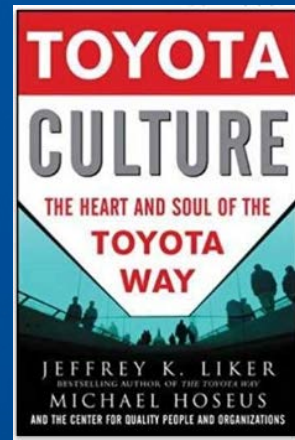
What did you learn that you can do on Monday morning?

What can we clarify that will help you try something like this?

REFERENCE CONTENT

- Additional slides are provided for your reference.
- These slides will not be covered during the learning session.

RESOURCES



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7. Attend required safety training

TEAM PLAYER

TEAM PLAYER

Meeting High Standard

1. Always helpful to the rest of your team and others. Welcome new employees to your team.
2. Follow leader instructions and guidance.
3. Maintain a positive attitude, encourage coworkers and be willing to adjust.
4. Honest
 - a) Provide sincere feedback and make suggestions in a constructive manner.
 - b) Take ownership/accountability for your actions and the work you do.
5. Helpful
 - a) Volunteer to work in new or different work areas or factories
 - b) Volunteer to work when needed, including overtime or alternate schedule
 - c) Work with all coworkers in a professional, respectful manner.
6. Humble
 - a) Accept feedback and be willing to improve.
 - b) Point out contributions of others, share credit
 - c) Use "We" instead of "I" to describe accomplishments or opportunities
7. Ask Questions

QUALITY

QUALITY

Meeting High Standard

1. Follow work instructions, operator standard work, and established processes
2. Produce excellent work that is mostly error free the first time with little waste
3. Escalate quality concerns, following the escalation standard
4. Share knicks and knacks from your past experiences
5. Apply coworker's knicks and knacks to your work
6. Produce work that meets internal and external customer expectations.
7. Check your work prior to moving to the next process.

WORK PACE

WORK PACE

Meeting High Standard

1. Produces work at the scheduled or desired rate.
2. Capable of adjusting work pace to the takt time or time target as necessary.
3. Asks lead for direction when completing work ahead of takt time.
4. Offers suggestions to improve productivity

DEVELOPING SKILLS & CAPABILITIES

DEVELOPING SKILLS AND CAPABILITIES

Meeting High Standard

1. More capable and/or skilled at the end of the performance development cycle than at the beginning
2. Meets goals defined by supervisor for learning new skills.
3. Capable of flexing into other work areas as needed.
4. Volunteers to help with new products and processes.
5. Offers constructive feedback and makes suggestions to improve the work.
6. Volunteers to learn new tasks/skills/process

More skilled: Added a new skill or achieved 3 of 4 shaded boxes within a skill

More capable: Shaded more boxes within a skill

PROBLEM SOLVING

PROBLEM SOLVING

Meeting High Standard

1. Identifies problems and offers solutions.
2. Utilizes the Idea program and engage in continuous improvement activities.
3. Keep solutions within your workgroup's control.
4. Embrace lean concepts.
5. Escalate concerns by following the escalation standard.
6. Be aware how your suggestions could affect upstream/downstream processes.
7. Strive to improve work for those outside of department, value stream, and factory.