Quality Culture and Capabilities

Jiwan Goyal
27-Feb-2018
### 3 Step Approach to transform quality culture

<table>
<thead>
<tr>
<th>Diagnostic: Identify cultural issues to be addressed</th>
<th>Design: Identify cultural initiatives to address issues</th>
<th>Deliver and measure: Implement and monitor effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach</strong></td>
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<tr>
<td>- Conduct a comprehensive diagnostic</td>
<td>- Designing interventions and cultural initiatives around Influence model</td>
<td>- Implement all cultural initiatives across one of manufacturing sites</td>
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<tr>
<td>- Quality culture survey for 750+ employees</td>
<td>- Refine based on top management inter-views &amp; key stakeholder inputs</td>
<td>- Design and implement review cadence for all initiatives</td>
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<tr>
<td>- Focus group discussions with 90+ employees</td>
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<td>- Track key input and outcome metrics to measure the impact</td>
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<tr>
<td>- Structured interviews with plant leadership</td>
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</table>

**Deliverables**

- Clear articulation of **mindset shifts** to be targeted
- Set of **cultural initiatives** to drive the desired mindset shifts
- Rollout of initiatives
- Metrics to track impact

### 4 Mind-set shifts targeted

- **A** Quality focus
- **B** Quality ownership
- **C** Quality empowerment
- **D** Confidence / All time audit readiness
8 Initiatives prioritized to drive cultural shifts

1. Drive a comprehensive communication work plan to reinforce the importance of quality
   - Quality focus
   - Quality ownership
   - Quality empowerment
   - Confidence / All time audit readiness

2. Design and implement cross-functional forums to empower shop floor employees
   - Understanding and conviction
   - Reinforcement
   - Role modeling
   - Talent and skills

3. Strengthen Gemba walks by site leadership to reinforce key mindset shifts
   - Understanding and conviction
   - Reinforcement
   - Role modeling
   - Talent and skills

4. Build middle management capability (to role model right behaviors)
   - Understanding and conviction
   - Reinforcement
   - Role modeling
   - Talent and skills

5. Build key technical skills (Understanding ‘why’ of unit Operations) for shop floor employees
   - Understanding and conviction
   - Reinforcement
   - Role modeling
   - Talent and skills

6. Drive a structured quality recognition program
    - Understanding and conviction
    - Reinforcement
    - Role modeling
    - Talent and skills

7. Drive periodic shop floor best practices campaigns to improve worker practices
    - Understanding and conviction
    - Reinforcement
    - Role modeling
    - Talent and skills

8. Strengthen LDMs into a robust shop-floor management system
    - Understanding and conviction
    - Reinforcement
    - Role modeling
    - Talent and skills
## 8 Initiatives prioritized to drive cultural shifts

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Description</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Drive a comprehensive communication work plan to reinforce the importance of quality</td>
<td>A comprehensive plan to communicate the importance of quality to all employees.</td>
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<tr>
<td><strong>2.</strong> Design and implement cross-functional forums to empower shop floor employees</td>
<td>Implement forums to empower employees and facilitate cross-functional collaboration.</td>
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<tr>
<td><strong>3.</strong> Strengthen Gemba walks by site leadership to reinforce key mindset shifts</td>
<td>Enhance Gemba walks to reinforce key mindset shifts.</td>
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<td><strong>4.</strong> Build middle management capability (to role model right behaviors)</td>
<td>Develop middle management to role model right behaviors for employees.</td>
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<td><strong>5.</strong> Build key technical skills (Understanding ‘why’ of unit Operations) for shop floor employees</td>
<td>Build technical skills to understand and improve operational ‘why’ for better practices.</td>
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<td><strong>6.</strong> Drive a structured quality recognition program</td>
<td>Implement a structured program to recognize quality achievements.</td>
<td>A</td>
<td>B</td>
<td></td>
<td></td>
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<td><strong>7.</strong> Drive periodic shop floor best practices campaigns to improve worker practices</td>
<td>Regular campaigns to improve worker practices.</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td></td>
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<td><strong>8.</strong> Strengthen LDMs into a robust shop-floor management system</td>
<td>Strengthen Leadership Development Managers (LDMs) into an effective management system.</td>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
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**Quality Focus:** A  
**Quality Ownership:** B  
**Quality Empowerment:** C  
**Confidence / All Time Audit Readiness:** D
Driving comprehensive communication work plan

- Town-hall / Plant-wide energisation covering all employees
- Print media – stickers, posters, standees, newsletter – at visual locations across plant (quality oath, etc.)

Driven 50+ communication initiatives to improve understanding and conviction
Launching Quality Ambassadors

Dr. Vasi, I have so many questions around labelling?

Don't worry Chitti!

I am the labelling Guru and I will answer all your questions.

The communication ambassadors help in communicating messages around campaigns and other best practices through Digital Notice Boards, posters etc.
8 Initiatives prioritized to drive cultural shifts

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<td>3. Strengthen Gemba walks by site leadership</td>
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<tr>
<td>4. Build middle management capability</td>
<td>(To role model right behaviors)</td>
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<td>5. Build key technical skills</td>
<td>(Understanding ‘why’ of unit Operations) for shop floor employees</td>
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**A** Quality focus **B** Quality ownership **C** Quality empowerment **D** Confidence / All time audit readiness
Cross-functional forums to empower shop floor employees

Idea Generation & Idea Prioritization

Implenentation Tracking

Detailed Implementation Plan

Idea wave

Idea cleaning and sign off

250+ ideas generated for improvement

250+ ideas generated for improvement
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8. Strengthen LDMs into a robust shop-floor management system

A Quality focus  B Quality ownership  C Quality empowerment  D Confidence / All time audit readiness
Strengthening Gemba Walks & Role Modelling right behaviors

Snapshots

Gemba-walks (or short Gemba) refers to managers’ obligation to visit the place where value is created, to gain new insights and identify improvement opportunities through direct observation and engagement and to role-model desired behaviors.

- Training completed before initiating focused Gemba walks for Site leadership & HODs
- Role Modelling right behaviours through capability building

Reveals new insights and opportunities

<table>
<thead>
<tr>
<th>Preparation (~15 min)</th>
<th>Floor walk (20-45 min)</th>
<th>Validation &amp; plan actions (~15 min)</th>
<th>Plenary meeting (~15 min)</th>
</tr>
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<tr>
<td>Prepare for the walk by gathering information as needed (e.g., Quality Index, Observations/Incidents, last perf report, ...)</td>
<td>Observe the conditions and behaviors in the zone, and ask open questions and engage people. Record observations and follow-up.</td>
<td>Discuss and problem solve observations with relevant personnel to understand deeper underlying issues and suitable, actionable solutions</td>
<td>Conduct a short plenary session to interact and motivate all the employees in the area (optional)</td>
</tr>
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</table>

I have the authority/powers to drive quality outcomes

**Do’s**
- Recognize and appreciate all the ideas and suggestions given by the shop floor employees
- Thank the shopfloor employees for their constructive participation

**Don’ts**
- Do not dismiss/disregard any idea on the shop floor, even if it might be irrelevant
- Do not make “Observations” as a basis for taking disciplinary action
- Do not frown or do anything suggestive of non-constructive criticism during the walk, e.g., reprimanding an employee for incorrect procedures being followed
8 Initiatives prioritized to drive cultural shifts

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2. Design and implement cross-functional forums to empower shop floor employees
3. Strengthen Gemba walks by site leadership to reinforce key mindset shifts
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5. Audit Engagement Workshops + Build key technical skills (Understanding ‘why’ of unit Operations)
6. Drive a structured quality recognition program
7. Drive periodic shop floor best practices campaigns to improve worker practices.
8. Strengthen LDMs into a robust shop-floor management system

Quality focus B Quality ownership C Quality empowerment D Confidence / All time audit readiness
<table>
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<th>Interventions</th>
<th>Description</th>
<th>Sustainability</th>
</tr>
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| Class room sessions by expert facilitator | ▪ Program designed to address mindsets hindering effective engagement with auditor / senior leadership  
▪ Class room session by expert facilitator covering 90% people, on the shop floor  
▪ Mix of verbal delivery & roleplays addressing "Priorities & Beliefs" and "Emotional Control"  
▪ Messages : Senior leadership & auditors are your friends | Timely refresher sessions delivering similar messages |
| Digital Notice Board (DNB) communication | ▪ Weekly messages on effective interaction flashed on all the digital notice boards across the site for improved visibility | Weekly messages                                      |
| Shop floor audit simulation            | ▪ Interviews conducted on the shop floor by on-site and cross plant executives from Dr. Reddy’s  
▪ Operators and supervisors challenged with 'Audit-like' questions followed by coaching on appropriate behavior and answers | Continue as part of plant Gemba                     |
8 Initiatives prioritized to drive cultural shifts

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   - A. Quality focus
   - B. Quality ownership
   - C. Quality empowerment
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2. Design and implement cross-functional forums to empower shop floor employees
   - A. Role modeling
   - B. Talent and skills
   - C. Understanding and conviction

3. Strengthen Gemba walks by site leadership to reinforce key mindset shifts
   - A. Role modeling
   - B. Talent and skills
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4. Build middle management capability (to role model right behaviors)
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5. Audit Engagement Workshops + Build key technical skills (Understanding ‘why’ of unit Operations)
   - A. Role modeling
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6. Drive a structured quality recognition program

7. Drive periodic shop floor best practices campaigns to improve worker practices.

8. Strengthen LDMs into a robust shop-floor management system
**Rewards and Recognition Program towards Quality**

### Reward & Recognition at FTOs

#### Award Themes

<table>
<thead>
<tr>
<th>Rank</th>
<th>Award Theme</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Best Kept Work Place</td>
<td>Adherence to cleaning practices. Category: Team, Awarded Rs.1000/employee. Frequency: Monthly</td>
</tr>
<tr>
<td>2</td>
<td>Zone Level Safety</td>
<td>Quality of SQI (Safety, Hygiene, Environment) Implementation and control, effectiveness, and control. Category: Team, Awarded Rs.1000/employee. Frequency: Monthly</td>
</tr>
<tr>
<td>3</td>
<td>LDM Work Team</td>
<td>Work Team Score Card. Category: Team. Frequency: Quarterly</td>
</tr>
<tr>
<td>4</td>
<td>Star Caps - Safety, Quality &amp; ESD</td>
<td>All per defined KPIs at respective star caps. Category: Individual. Frequency: Monthly</td>
</tr>
<tr>
<td>5</td>
<td>Kaizen - Cost, Quality/Safety, Productivity</td>
<td>Continuous improvement in any area of the company. Category: Individual. Awarded Rs.5000/employee. Frequency: Monthly</td>
</tr>
<tr>
<td>7</td>
<td>Excellence in Delivery (SKU)</td>
<td>99% of the SKUs are delivered on time. Category: Team. Awarded Rs.5000/employee. Frequency: Monthly</td>
</tr>
<tr>
<td>9</td>
<td>DOS - Invalid</td>
<td>Category: Team. Awarded Rs.5000/employee. Frequency: Monthly</td>
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</table>
**Focused shop floor campaigns**

**Shop floor practices campaign**
(prioritized for roll-out over 8-10 weeks)

1. **Gowning, Hygiene and discipline**
   - Daily messaging at the LDM board
   - Gowning Demo in change rooms

2. **Labeling**
   - Labelling practices awareness campaign
   - Labelling helps identify the correct status of the product.

3. **SOP Simplification**
   - R&R for effort in campaign

4. **Documentation**

5. **Facility Upkeep**

Goals in cooperation with the team and Dr. Reddy's.
Lean Daily Management – Shop Floor Management Principle

A. Metrics
   - Focused relevant metrics
   - Visual tracking
   - Accurate recording

B. Performance dialogues
   - Standardized practices
   - Regular discussions

C. Problem-solving in place
   - Cross-functional participation
   - Visual and actionable problem solving (identification of actions, tracking, and completion)
   - Escalation mechanism through cascaded dialogues

D. Shop floor role modelling through Gemba
   - Observation & engagement
   - Coaching and problem solving
Impacts from Interventions (1/2) – Culture Mindset Shifts

- **Biggest impact**: Operators and SMEs look straight into eyes of visitor and answer any queries asked.

- **Biggest impact**: Operators and SMEs don’t feel scared to say “I don’t know” – let me come back to you.

- **Biggest impact**: Operators and SMEs started correcting / objecting inappropriate behaviours of seniors / visitors when observed.

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**Achieving high quality is more important than achieving delivery targets**

- **Dec’ 17 (Baseline)**: 2.53
- **Jul’ 18**: 3.79
- **Jan’ 19**: 3.99

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**I have the authority/power to drive quality outcomes**

- **Dec’ 17 (Baseline)**: 3.16
- **Jul’ 18**: 3.90
- **Jan’ 19**: 4.02

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**I am responsible for quality and collaboration**

- **Dec’ 17 (Baseline)**: 3.13
- **Jul’ 18**: 3.82
- **Jan’ 19**: 3.97

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**I am fully confident about the processes and can face the auditor anytime**

- **Dec’ 17 (Baseline)**: 4.24
- **Jul’ 18**: 4.36
- **Jan’ 19**: 4.36

**This mindset was taken later on**

- **N.A.**
Impacts from Interventions (2/2) – Quality Metrics

Average time to close investigation (no. of days)

- Dec’ 17 (Baseline)
- Jul’ 18
- Jan’ 19

Time of closure of investigation also impacts quality of investigation

61% improvement

Investigation Quality Score (Ongoing Investigation)

- Dec’ 17 (Baseline)
- Jul’ 18
- Jan’ 19

34% improvement

Open Overdue CAPA

- Dec’ 17 (Baseline)
- Jul’ 18
- Jan’ 19

88% improvement

All Indicators are showing sustained improvements over months now

Invalid OOS per 1000 tests

- Dec’ 17 (Baseline)
- Jul’ 18
- Jan’ 19

38% improvement
Thank You

Jiwan Goyal
27-Feb-2018