

Success Story: Transition to a Team-Based Work and Reward System

Client Challenge

- The client, a \$300 million privately-held plastics manufacturer was experiencing poor employee productivity at it's primary facility
- To improve productivity, individual piece rate incentives had been implemented. However, the narrow productivity focus negatively impacted customer service and quality
- Previous moves to teams had led to reduced performance levels, and leaders were concerned about the potential negative impact on profitability if the pay plan redesign was mishandled

Our Solution

- Established a cross-functional design team
- Designed a team-based pay program to support the organization's long-term business strategy and balanced scorecard
- Designed a new team-based group incentive plan focused on a team-based system measuring quality, productivity, ontime delivery and efficiency
- Implemented a multi-level base pay structure that paid different rates depending on team member's applied skills, flexibility, teamwork, and productivity
- Ensured a smooth transition from individual incentives to team-based work processes and compensation systems via an innovative change management techniques
- Clarified and communicated the business case for change, the transition plan and the new pay system

Impact

- During the first 9 months, teams launched under the metrics and processes delivered 35% higher productivity than previously launched teams
- Improved employee focus on desired behaviors and results
- Successfully transferred knowledge to the client enabling management to launch subsequent teams using the model developed for this initiative

Execute for Impact