

Case Studies

Merging Cultures

Lockheed Martin

Action Teams Steer Dramatic Turnaround at Lockheed Martin

(This success story won honorable mention in [Fast Company Magazine's 2002 "Fast 50" competition](#).)

Imagine the job of assimilating employees from 17 different Fortune 500 companies into one common culture. Now, imagine doing it at a time when trust and confidence in management are at critical lows and slumping market trends are forcing reductions and restructuring.

That was the reality of Lockheed Martin's Space Systems Division. After a dozen years of industry consolidation, the high tech systems integrator had experienced a 60 percent reduction in workforce and declining employee confidence and trust in management. Employee faith in the future of the company was brittle, and former "heritages" (to General Dynamics, Martin Marietta or IBM) still claimed employee loyalty.

Communications Issues

L.M. Dulye & Co. conducted an internal survey of Lockheed Martin employees in 2000 to establish baseline statistics regarding communications issues. The results:

Topic/Issue	Response
Day-to-day workplace communication.	Extremely poor
Employees believing that company senior management openly communicates with employees.	Fewer than one in five
Belief that management has a clear vision for the company's future.	One in four
Knowledge of business direction and performance.	Insufficient and unclear
Downward communication.	Trickled
Communication upward and between business groups.	Rare

The job of building a common culture under these conditions might seem insurmountable, but in conjunction with L.M. Dulye & Co., Lockheed Martin overcame the challenges and turned around its communication effectiveness with and among employees.

Two-Way Communications Improvement Initiative

Core to the overhaul was a disciplined process improvement effort that focused on the following steps::

- Unite employees and management on "Communication Action Teams" to analyze and solve the most critical communication problems.
- Provide real-time data to action teams of current communications performance (gathered through formal and informal measurement tools) to identify root causes of problems and formulate recommendations.

- Develop detailed improvement steps and present these steps face-to-face to top management for discussion and immediate decision on implementation.
- Create a master plan in which endorsed recommendations are aligned, integrated and scheduled.
- Insist that accountability for the plan's success is shared by employees and management.
- Track progress and report regularly during formal business reviews.

To date, more than 80 Communication Action Teams have formed at Lockheed Martin. Daily team huddles, weekly informal walks through work areas by management, quarterly personal performance discussions, near instant web-based feedback channels, information networks about new business, client needs and competitors' performance are a few of the hundreds of improvements L.M. Dulye & Co. helped Lockheed Martin put into place.

Today, effective two-way communication is regarded as a business imperative, factoring into both performance appraisals and merit increases.

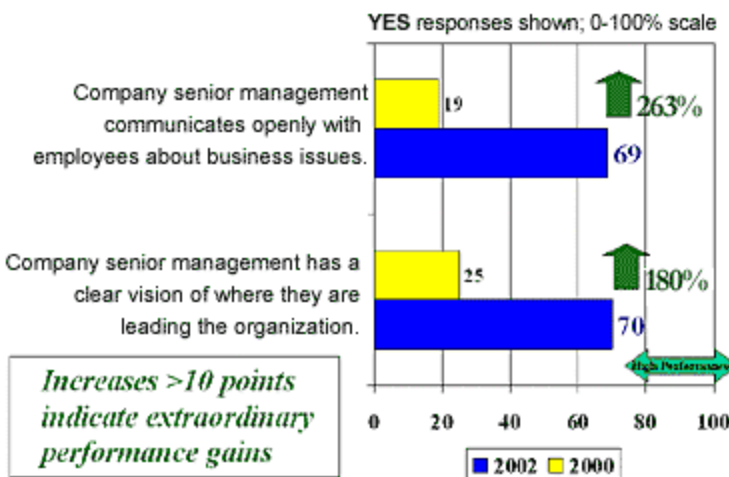
Results

Less than two years after the introduction of the Two-Way Communications Improvement initiative, a resurvey of communications performance showed profound increases in communications effectiveness, specifically:

- senior management communication with employees about business issues improved 263 percent.
- information sharing between departments and locations rose by 147 percent.
- employee confidence in the company's success increased by 83 percent.
- employee knowledge about the customer improved 43 percent.
- employee knowledge about overall company performance improved 52 percent.
- comfort in speaking up with senior management increased by 71 percent.

Performance Gains

Senior Management Communications



As summed up in the comments of one employee who contributed to the more than 3,100 written comments to the 2002 Communications Survey, "More information is getting to employees quicker. This shows respect for the employees and acknowledges their critical importance to the overall success of the company. Good work so far-keep the focus sharp."