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Supporting a Closure: A Change Management Case Study

John G Wallace, Gibaran Graduate School of Business

Abstract

Kimberly-Clark Australia is a subsidiary of the US-based Kimberly-Clark Corporation. The company markets health and hygiene products that at the time of the case study were being manufactured in a number of factories around Australia including Ingleburn, Albury and Warwick Farm in New South Wales and Lonsdale and Millicent in South Australia. The case study focuses on one of the manufacturing mills at Lonsdale, South Australia.

The case study examines the background to a decision made in mid-2005 to close the mill at Lonsdale, South Australia twelve months later. The case study outlines the reasons for the closure and the decision regarding the support required for staff to maintain production for twelve months as well as prepare for the next stage of their work life.

The dual tension is outlined where a planned safe closure occurs on the one hand while the fulfilment of an agreed production schedule to time and quality standards continues on the other.

The case study describes the successful use of a change management strategy to assist with meeting the production schedules and all its parameters. A description is also provided of the comprehensive support process to facilitate the transition of all staff into work roles with other companies or into small business opportunities.

Key learnings from the case study include the link between the change management process and the achievement of the dual outcomes of quality production schedules coupled with the development of practical and successful skills and processes for individuals to confidently approach the next stage of their working life.

Key words: Career transition, managing change, workplace communication

Introduction

The decision that was made by Kimberly-Clark Australia (KCA) to close their Lonsdale mill by mid 2006 was to have an impact on 65 people employed in production and operational work at the mill.

Senior Kimberly-Clark managers at both the head office and the Lonsdale plant realised that operating with a twelve-month timeline leading up to closure would be difficult to manage.

Dr John G Wallace is a Research Fellow of the Gibaran Graduate School of Business

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The difficulty was two-fold; keeping the majority of the 65 staff working until mid 2006 combined with managing and meeting production schedules that ran until closure. Faced with this two-fold difficulty, senior managers realised professional assistance and support would be needed at the Lonsdale mill for both the managers and the staff.

It was from this realisation that the national HR manager contacted organisations that could provide the required services and develop a change management framework. These services and the framework would enable the plant to continue meeting manufacturing and operational targets with a group of managers and staff who were fully aware that the mill was closing and as a consequence they would be left without a role with the company.

The choice was made to engage Audrey Page & Associates (APA) who would develop the overall approach in line with the Kimberly-Clark requirement to meet production schedules and keep staff motivated over the 12 month period. The motivation needed to enable production with normal quality standards and time frames, and at the same time develop the skills and confidence to enable them to succeed in accessing the job market once the mill was closed.

This paper introduces the case, outlines the methodology of the change process and presents a discussion on the implementation of the overall approach within a change management context.

Background

KCA is a subsidiary of the US-based Kimberly-Clark Corporation. The company markets health and hygiene products that are manufactured in a number of mills around Australia including Ingleburn, Albury and Warwick Farm in New South Wales and Millicent in South Australia.

In 1988 the Ingleburn mill was built to accommodate four state of the art Zuiko™ nappy lines and a non-woven mill was built at Albury, New South Wales, principally to supply raw materials for nappy manufacture.

The idea of a southern nappy mill was justified on cost savings of distributing nappy products from South Australia into West Australia, South Australia, Northern Territory and Victoria. The decision was made to build a mill in the southern area of Adelaide at Lonsdale in South Australia.

The Lonsdale mill was built in 1989 at a cost of \$18.5 m and a budget of \$21m. The idea of the existence of the mill was conceived during a period of rapid expansion by KCA in the late 1980s.

Driven by the green movement, disposable nappy 'waste to landfill' became a significant public issue. Nappy sales fell dramatically and KCA were ready to cancel the delivery of equipment and abandon the Lonsdale project. However after a period of deliberation it

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was decided to continue with the project and in October 1989, with a single Zuiko™ line, the new plant at Lonsdale commenced the manufacture of Huggies® nappies.

In coming months the relocated Joa™ line from Warwick Farm, NSW to Lonsdale, South Australia saw the commencement of the manufacture of Kimbies® nappies. Productivity gains at the head office mill at Ingleburn, New South Wales and the Lonsdale mill during the 1990s kept pace with slow but increasing nappy sales. While nappy sales were increasing, the increase was not strong enough to substantiate the planned increase in production capacity and so the original plan of four nappy lines at the Lonsdale mill was never fulfilled.

As part of the Kimberly-Clark global business plan, in July 2005 the company announced the closure of the Lonsdale mill in South Australia along with other announcements involving some 20 other global sites that were to impact on 6,000 employees. The Lonsdale closure was undertaken to assist the consolidation of the Australian manufacturing base to ensure the Kimberly-Clark operations remained globally competitive.

The impact of the closure announcement

With the announcement of the closure, the national HR manager was faced with a dual tension. The tension consisted of the planned, safe closure of the Lonsdale mill while continuing to fulfil a production schedule on the one hand, and on the other to maintain the focus and motivation of up to seventy staff to complete that production. This tension was exacerbated by production and closure needing to be achieved within established and agreed production timelines and quality standards. Concurrent with the closure, the company also wanted to prepare its employees beyond the closure by providing support for staff members with career planning, résumé preparation, job search skills and interview coaching.

The agreed and programmed production schedule also had to be achieved with a continuation of a rotating three shift schedule for six months and then managed with a reduction to two shifts from February 2006.

Methodology

The issues to be addressed

APA discussed the required support for change management and outplacement services that were needed at a meeting with senior management, including human resources. The discussion resulted in the design and development of integrated strategy to address the issues listed in Table 1.

Table 1: Integrated Strategy Issues

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| <ul style="list-style-type: none">➤ Managing change➤ Strategic facilitation and support of an outplacement process➤ Managing the concerns of staff during the change➤ Specific skilling of staff in job search and retirement/part time work approaches➤ Individual counselling and support during the process➤ On-site support for managers at Lonsdale. |
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Change management guiding principles

The guiding principles for the change management process used with KCA were drawn from the Concerns Based Adoption Model and in particular the stages of concern sub-model (Hall & Hord 2001; Mink, Esterhuysen, Mink & Owen 1993; Mink, Mink, Downes & Owen 1994; Hall, Wallace & Dossett 1973). The sub-model of stages of concern was chosen because it is an easy process to help people understand their response to what is happening during a change. It also provides a guide to change agents and consultants regarding the intervention that is needed at each level. This approach had been successfully applied by the APA lead consultant to successfully guide and manage a large scale change in a large corporation.

Concerns based adoption model

The Concerns Based Adoption Model (CBAM) guides the recognition of how people within organisations adopt a change (Hall & Hord 2001; Hall, et al 1973). CBAM makes several assumptions about change.

It assumes that change is a process, not an event; is made by individuals first, then organisations; and is a highly personal experience that entails developmental growth in feelings and skills.

CBAM also assumes that intervention must be related to people first and the implementation of the change second. Having an understanding of how to effectively use CBAM can prevent the inefficient and unsuccessful adoption of changes and the alienation that can result between staff and management in organisations when expectations about changes are not met.

There are seven *stages of concern* in the CBAM (Hall & Hord 2001; Mink, et al 1993; Hord, Rutherford, Huling-Austin, and Hall 1987) and in adopting a change, the stages are addressed in order from 0 to 6 (See Table 2). The manner in which the model was applied is presented in the discussion area of the paper.

Table 2: *The Stages of Concern* (Hall & Hord 2001; Mink, et al 1994; Hall, Wallace and Dossett, 1973)

- 0—Awareness:** There is little concern about or involvement with the innovation.
- 1—Information:** There is general awareness of the innovation and an interest in learning more about it. The person seems not to be worried about self in relation to the innovation. The interest is, in a selfless manner, in substantive aspects of the innovation such as general characteristics, effects, and requirements for use.
- 2—Personal:** Individual is uncertain about the demands of the innovation, personal adequacy to meet those demands, and his or her role with the reward structure of the organisation. There is also uncertainty about decision-making and consideration of the potential conflicts with existing structures or personal commitments. Financial or status implications of the program for self and colleagues may also be reflected.
- 3—Management:** Attention is focused on the processes and tasks of using the innovation and the best use of information and resources. Issues related to efficiency, organisation, management, scheduling, and time demands are utmost.
- 4—Impact/Consequences:** Attention focuses on the innovation's impact on associates in the individual's immediate sphere of influence. The focus is on relevance of the innovation for associates; evaluation of associate outcomes, including performance and competencies; and the changes needed to increase associate outcomes.
- 5—Collaboration:** The focus is on coordination and cooperation with others regarding use of the innovation.
- 6—Refocussing:** The focus is one of exploration of the more universal benefits from the innovation, including the possibility of major changes or replacement with a more powerful alternative. The individual has definite ideas about alternatives to the proposed or existing form of the innovation.

Discussion

Outline of the plan

The briefing given to APA prior to commencing the process was very clear regarding addressing concurrent needs. The first need involved maintaining a planned manufacturing program for almost 12 months. The second and equally important need was the support that was required for people employed in the Lonsdale mill during this time given that the mill was to be closed at the completion of the planned manufacturing program.

Following the briefing at the commencement of the process, APA reviewed the support required over the twelve months for change management and outplacement services.

From that review, a plan was prepared for the design and development of an integrated strategy involving close cooperation between KCA and APA. A summary of the support plan areas of coverage is provided in Table 3.

Table 3: Support plan areas of coverage

- a process to manage the change
- management of the concerns of staff during the period leading up to closure of the mill
- strategic facilitation and specific support of the outplacement process during the change
- specific skilling and review sessions for staff in the areas of job search and retirement/part time work
- individual counselling and support during the change relating to job search options and retirement/part time options
- specialised, intensive support for managers at Lonsdale for career planning and job search

Agreement was reached regarding the planned areas of support as a result of a discussion with the national HR manager. With the agreement regarding the plan in place, detailed tactics were developed with Kimberly-Clark in conjunction with the on-site transition manager. Up until the time of the announcement of the closure, the on-site transition manager had been a member of the management team and was well placed to understand the production needs and the support required by each of the staff members.

The Lonsdale mill manager made the announcement of the closure to all staff at an overview meeting in September 2005. The selected outplacement provider APA was present at the announcement. Also present were the employee assistance provider, ITIM Australia Ltd and the national Human Resources manager.

Managing the change

The overview meeting for all staff members included some staff that had brought their partners with them. It is important in any career transition for the family to understand what is happening and the APA approach is to invite partners of those affected by the change to be part of the process from the beginning and to attend meetings with the APA consultant as they choose. At the overview meeting the group were presented with the situation that had lead up to the impending closure and the reasons for the closure were outlined. At the same time, the support that was being arranged by KCA in partnership with APA was outlined to the staff at this overview meeting.

From the perspective of the stages of concern regarding the upcoming change process, the overview meeting provided *awareness* (stage 0) of the impending closure and *information*

(stage 1) that people were looking to have explained regarding the closure. The *information* phase (stage 1) was also evident in the outline of the provision made for support of staff members during the overall transition period (Hall & Hord 2001; Mink et al 1993 & 1994; Hall, et al 1973). The outline for the support of staff was provided as a part of the overview to ensure that people had a very clear picture of the structures under which they would receive assistance over the final twelve-month production period leading to the close of the Lonsdale mill. This helped people understand how the change would unfold over the ensuing twelve-month cycle.

The support for staff members

The support to be provided was focused on ensuring that staff members received the relevant information for the situation they would be addressing. For the purpose of focusing the support, there were two main groups. The first group were those looking at the option of retirement or semi retirement with a part time work option and the second were those looking at future, full time employment options and opportunities. With the knowledge of the required direction of the two groups, practically focused modules and interventions were developed to help them take the needed steps towards the next stage of their lives, whether it was the career option or the retirement/semiretirement option.

For those contemplating retirement or semi retirement, the areas of coverage included a personal assessment process with a focus on what it was that each individual needed to have in place in order to retire. It was recommended that those who were to attend the retirement sessions should also undertake sessions covering financial considerations, résumé preparation and interviewing skills. The recommendations relating to résumé preparation and interview skills were made with the view that in retirement or semi retirement, people would still want to take on part time work and an up to date résumé and the associated skills in relation to interviews would enable them to be more competent and therefore competitive when applying for roles, notwithstanding they would be part time roles.

For those who would be actively pursuing full time work, the focus was on career planning, résumé preparation, job application techniques and interviewing skills. A summary of the list of sessions for this group is shown in Table 5.

As a result of feedback from staff members and managers during the first month of the involvement of consultants from APA, a number of people expressed the desire to be able to explore the viability of small business or franchising opportunities. When this was raised, a further workshop option was designed and a schedule developed for delivery for those interested in this choice.

While providing the workshop options provided support to the staff at the Lonsdale mill, the workshops also provided a practical application of managing change strategies during a time of uncertainty.

The various workshops were a practical expression of addressing the *personal* and *refocussing* stages of concern that people had in relation to their future beyond the closure.

Implementing the plan

APA became involved at the earliest opportunity during August 2005 and were quickly integrated into supporting the closure process until mid 2006.

During August, a meeting was held with the transition manager and the transition plan was finalised with a focus on the areas shown in Table 4.

Table 4: Final Transition Plan

- a timetable for on-site attendance of consultants from APA
- a weekly progress meeting schedule with the transition manager and APA lead consultant
- a monthly meeting schedule with the transition manager, mill manager and APA lead consultant
- logistics and support for the on-site staff career centre
- individual counselling and support process
- specific skilling sessions for individual staff
- a timetable of skills workshops
- a process for dealing with feedback on résumés generated from one on one meetings
- risk plan to ensure availability of an APA consultant in line with the agreed timetable.

By finalising the transition plan, KCA and APA were cognisant of six of the seven levels of the Stages of Concern model (Hall & Hord 2001; Hall, Wallace & Dossett 1973). The levels being addressed were from zero (awareness) to five (collaboration).

For those who had a goal of future employment, the personal assessment was focused on work skills and future career directions. These workshop participants also covered financial considerations, job search strategies, résumé preparation, covering letters and personal introduction letters, interviewing skills and developing and monitoring a career action plan. The future involvement of the Australian Government's Job Network initiative and Centrelink services were also integrated into this process.

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The support provided was in the area of outplacement tools and strategies related to either job search or retirement options. The Kimberly Clark employee assistance program providers, ITIM, also provided personal counselling support.

It was important that APA were part of the process of closure as soon as practicable. Attendance at planning and review meetings helped to show staff and the union that the involvement of APA was an integral part of the planning of KCA and they were able to provide important input at those meetings. Attendance at meetings was supplemented by APA having a presence at other times for individuals who wished to have some contact with a consultant regarding job search or retirement issues coming out of the information sessions or the workshop modules. The planning and review meetings helped to address levels 1 to 4 of the Concerns Based Adoption Model by focusing on information, personal, management and impact/consequences areas of the model.

Application of the change models

The change transition model (Bridges 1995) of ending, neutral zone and new beginning provided the framework for the process from start to finish. For example, the questions in terms of what was ending and the transition steps towards the closure of the Lonsdale were answered at an overview session in the first instance. (See appendix 1 for a summary of the overview session). The neutral zone was used in a number of ways including the job search workshop modules and the individual sessions that staff members had with the APA consultants over the twelve months. The new beginning came at the end of the twelve months as the group celebrated the transition into their new career options. The new beginning was marked in a number of ways during the twelve months. For example, there were a small number who secured new roles outside the company and they were able to leave to take up those roles. In addition, by the end of the twelve months, all staff members who had remained walked away with a clear plan of their next steps for either a job role in another company, a business plan for a new small business venture or a transition to retirement plan.

Under the umbrella of the Bridges change transition model, the elements of the Stages of Concern model were used as the basis for a checklist as individuals were addressing their needs in relation to job search. For example, this included the APA consultants providing confirmation of the information received at the overview session and during the company's normal shift changeover meetings. The model was also useful as a checking tool in relation to the personal impact of the change, management of the change process and the production process, and the impact and consequences of the change on staff. The practical links to the Stages of Concern model are set out in Appendix 2. The application of the change models facilitated a successful outcome in relation to the production schedules, which were all met by the scheduled dates that had been set and agreed twelve months earlier.

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The sessions

The job search workshops consisted of four modules as shown in table 5. The topics for each of the modules were developed in conjunction with the managers from feedback they received from staff members. The topics also reflected concerns raised by individuals who utilised the one-on-one sessions with the APA consultants.

The job search workshops helped to address stages of concern in relation to personal concerns (SoC level 2) and refocussing (SoC level 6) regarding what was they needed to do to ensure they were ready to take their next steps when the plant finally closed.

Table 5: Job Search Workshop modules

Module 1
Your Health and Family
Financial Matters
Using Government Agencies
Developing a Job Search Strategy
Module 2
Personal Audit Review
Understanding the Job Market
Preparing Your Résumé: Part 1
Module 3
Personal Assessment
Developing Personal Selling Skills
Preparing Your Résumé: Part 2
Letters—Job Application
Letters—Direct Marketing
Module 4
Interview Skills
Internet Resources
Action Plan

Key learning

The key learning from the process of completing this project came through the application of the process and the review that made the process a viable alternative for success.

For their part, KCA wanted to ensure that the plant met its final production targets by the time the plant was closed. The key learning for the senior management was that trusting people with information from the beginning of a proposed change can lead to a well formed outcome. This links clearly with approach that was taken under the Bridges (1995) model in relation to what is ending. The learning also links to the need for awareness and information as outlined in the Stages of Concern model (Hall & Hord 2001; Hall, et al 1975).

Further learning came through the ongoing discussions with individuals as well as discussion within production meetings and shift changeover meetings. These continual, ongoing contacts with individuals and groups enabled the process to be refined in a carefully managed and clearly focused manner. This helped to ensure that all staff, including local and national managers, were aware of and linked into the change process as it was facilitated through each stage by the transition manager in conjunction with the on-site APA consultants.

An important tenet of change advocated by Mink, et al (1993) is to *trust the process*. This means that after having planned and executed a process that includes feedback and review steps, trust the process you have put in place. A key learning in being the lead facilitator of the support process for the closure was to remember to trust the process that had been put in place.

From a staff viewpoint, a key learning for them was that national and local managers were sharing the information in a full and clear manner and that staff were trusted to undertake all the production tasks over the twelve month cycle leading to closure of the production plant.

As outsiders to the production process, the APA consultants were in a unique position of observing high levels of trust and commitment whenever they were in the plant.

Other learning occurred that was very practical in nature. This included skills in developing a career plan, preparing a résumé, preparing for job interviews and writing business plans for small business proposals. An indirect benefit that came from the support for the closure was an increased confidence in the ability of individuals to have confidence in themselves and the choices they were making in relation to the next steps they needed to take. This is an example in action of Bridges' (1995) transition step of a *new beginning*.

A further learning came from the links between the stages of concern levels and what was being done within the production plant in a practical sense with individuals and with groups at production and shift change meetings.

Conclusion

This paper has introduced the case of the closure of a production mill. An outline has been provided with the methodology and a discussion on the implementation of the overall approach within a change management context.

From the case study it became clear that open communication regarding the change that staff were going to experience has led to the successful implementation of two key elements. The first was a production plan that achieved the required results within all quality parameters and the second was a support process that enabled staff to focus on the production plan, knowing they had the developed and refined the skills they needed to move into the next stage of their work life.

There are a number of areas of learning resulting from the successful implementation of change at KCA. These areas of learning and the framework used by the organisation provide a model for other organisations to emulate should a need such as this arise in the future. In addition, the change management process outlined here can be applied as a framework for other organisations contemplating change. As has been demonstrated by this case study, one of the keys to success is communication early and often.

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Appendix 1—Overview Meeting

- Introduction
- Background to the closure
- Timetable
 - Production schedule
 - Production line closures
 - Plant closure
- Support during the closure phase
 - APA
 - Employee Assistance Program provider
- Questions
- Summary and close
- Morning/Afternoon tea

Appendix 2—Stages of Concern practical links

<i>Stages of concern</i>	<i>Practical links</i>
<p>0—Awareness: There is little concern about or involvement with the innovation.</p> <p>1—Information: There is general awareness of the innovation and an interest in learning more about it. The person seems not to be worried about self in relation to the innovation. The interest is, in a selfless manner, in substantive aspects of the innovation such as general characteristics, effects, and requirements for use.</p> <p>2—Personal: Individual is uncertain about the demands of the innovation, personal adequacy to meet those demands, and his or her role with the reward structure of the organisation. There is also uncertainty about decision-making and consideration of the potential conflicts with existing structures or personal commitments. Financial or status implications of the program for self and colleagues may also be reflected.</p> <p>3—Management: Attention is focused on the processes and tasks of using the innovation and the best use of information and resources. Issues related to efficiency, organisation, management, scheduling, and time demands are utmost.</p> <p>4—Impact/Consequences: Attention focuses on the innovation’s impact on associates in the individual’s immediate sphere of influence. The focus is on relevance of the innovation for associates; evaluation of associate outcomes, including performance and competencies; the changes needed to increase associate outcomes.</p> <p>5—Collaboration: The focus is on coordination and cooperation with others regarding use of the innovation.</p> <p>6—Refocussing: The focus is one of exploration of the more universal benefits from the innovation, including the possibility of major changes or replacement with a more powerful alternative. The individual has definite ideas about alternatives to the proposed or existing form of the innovation.</p>	<p>0—Overview session briefing</p> <p>1—Overview session briefing; individual sessions with APA</p> <p>2—Overview session briefing; individual sessions with APA; job search, retirement and small business workshops</p> <p>3—Production meetings; shift changeover meetings; individual sessions with APA</p> <p>4—Shift changeover meetings; individual sessions with APA</p> <p>5—Production meetings, shift changeover meetings; individual sessions with APA</p> <p>6—Individual sessions with APA; job search, retirement and small business workshops</p>