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Leveraging Diversity

A Case for Change

By Rich Smith and
Wendy Heckelman

During the winter of 2005, Pfizer Animal Health’s Cattle business unit moved to take advantage of changes in the dairy industry’s business model. Over the last few years the dairy industry has shifted largely from the family run farm to one that is increasingly more consolidated and corporate in nature. In response to this shift, Pfizer Animal Health integrated solution-based account management into their business model, creating an opportunity to add approximately 30 new jobs to its current field based dairy sales and technical workforce.

This group of employees is responsible for making sales calls on dairies in the United States. While it may not be clear to the average reader, the dairy industry is big business. In 2005 there were over 9 million cows on US dairy farms producing almost 20 billion gallons of milk, and according to the International Dairy Foods Association, the total value of US milk production was \$27.4 billion. The corporatization of dairies means that inefficient, unprofitable dairies do not remain in business. The solution-based account management model was intended to utilize the broadest line of products in the world to help dairy managers improve the health and quality of life for dairy cattle.

While this strategic change provided many challenges to the organization, the visionary business leader of the unit also recognized a unique opportunity to improve the representation of women and minorities within his somewhat homogeneous organization. Like the industry in general, Pfizer Animal Health’s

cattle business had not heretofore been presented with a compelling reason to increase the number of women or minorities within the business. The US dairy industry is largely concentrated in the Midwest and often hires from within the industry based on the belief that an effective sales representative had to grow up on a farm. Initial resistance to the leader’s plan was strong, but the leader knew that in an organization that historically experienced very little turnover, opportunities to increase diversity were rare.

The Process

The process was undertaken as a change management intervention. The first step was to develop a strong business case for change; in this case, the need for greater diversity. Individuals are inherently rational and will question to what extent change is needed, whether the company is headed in the right direction, and whether they want to commit personally to making change happen. They will look to the leadership for answers. The articulation of a formal case for change provides invaluable opportunities to create team alignment (John Jones, DeAnne Aguirre, and Matthew Calderone).

While the leader could mandate compliance with the diversity initiative, a strong and compelling business case was a better way to appeal to the economic instinct of savvy middle managers, thereby gaining greater acceptance for the initiative. The senior leader was often

quoted as saying, “We are moving forward with setting and achieving diversity goals because it is the right thing to do, and it is right for the business.” He knew that U.S. and global customers were becoming steadily more diverse. One fact that could not be disputed was that many dairy farm laborers are of Hispanic origin and that these laborers are increasingly making decisions regarding which pharmaceutical products will be used on the farm. Effectively reaching these decision makers could provide sustainable competitive advantage. It was also well documented that diverse teams promote creativity and innovation; commodities that any profitable business should welcome. For the senior leadership of the cattle business unit the expansion presented an opportunity to attain and leverage diversity of perspective and thought consistent with Pfizer’s values as a company. Part of the business case was helping managers see this opportunity for themselves.

The next step was to establish the goals and objectives in the area of diversity for the field-based expansion. While a lack of clear goals can sabotage any change management effort, it was very important for these goals to go beyond numerical targets. While numbers can be attained, managers must understand and buy into the underlying reasons for establishing quantitative targets for the effort to be truly successful. Working with the HR/OD organization and a team of forward thinkers within the Cattle organization, the leader set out to design and implement a process providing the greatest opportunity for the recruitment, selection, development and retention of a diverse workforce while maximizing skill and productivity level. The team established the following goals:

- » Raise awareness and acceptance of diversity within the organization by communicating the business case for it.
- » Build a strategy based on lessons learned from prior business expansions, collaborative experiences and best practices from the research literature.
- » Provide recruiters and interviewers with the training needed to successfully implement a robust diversity strategy.

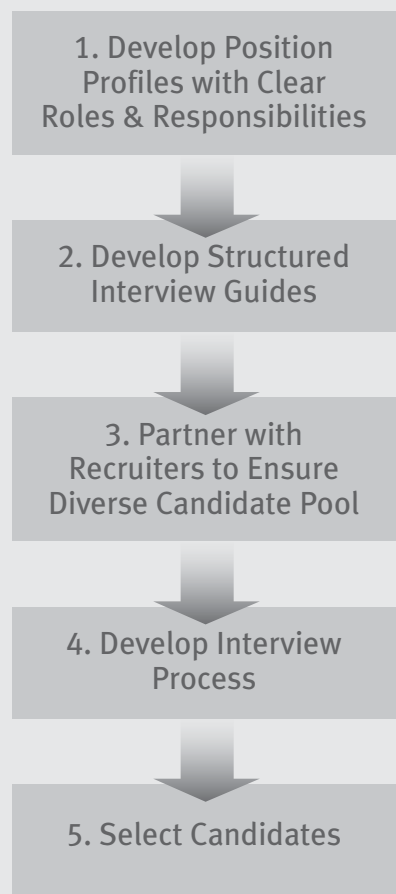
In designing a process to maximize recruiting success, several considerations were paramount:

- » Demonstrate senior level support evident at every step.
- » Educate resistant managers through a credible business case.
- » Ensure that diverse candidates were identified and considered for all open positions.
- » Develop an objective selection process.
- » Minimize individual biases of hiring managers.
- » Incorporate multiple levels of review before any candidate was removed from the pool for further consideration.

Together, HR/OD and the team created the following recruiting process:

Step One: First, the team developed role profiles that listed the general tasks, or functions, and responsibilities of a position. Typically, they also included to whom the position reported, specifications such as the qualifications needed by the person in the job, salary range for the position. Next the team clearly articulated the core behavioral competencies necessary to successfully perform the roles for both existing and new positions. This step follows established best practices developed by C.K. Prahalad and Gary Hamel who in 1990 wrote in the *Harvard Business Review* that a core competency is “an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity.” An example of a possible core competency for a sales person might be the ability to work without direct supervision. Many sales people work remotely and therefore have little to no contact with their manager for weeks or possibly months. If an individual in a sales position needs constant pushing and prodding she is not likely to be successful in the role. Another competency that is often not recognized for sales people might be administrative aptitude. The ability to document the pre-call and post-call plan is critical to the ongoing success of a sales person. Step One is critical because the discipline of identifying specific core competencies related to successful job performance provides an opportunity for

FIGURE 1



the organization to overcome the inertia that had built up for years to hire based on the erroneous thinking that living or working on a farm was a prerequisite for a successful sales representative.

To gain consensus on core competencies, HR and OD conducted in-depth interviews with managers to solicit exactly what was needed to perform the role. In addition, various team focus groups translated competencies into specific behavioral examples and metrics. Many times managers lapsed into old thinking versus focusing on *must haves* for success. During these sessions, skilled facilitators teased out actual behaviors versus fallacious perceptions about skills and abilities. This process concluded with the commitment that a good sales representative should be able to sell nearly any product or service and that Pfizer Animal Health could teach whatever industry knowledge was necessary as part of an organized training and on-boarding process after the representative was hired.

Step Two: Experience had shown

that some interviewers formulate questions that are designed to *get to know the real candidate*. These questions are usually asked without any particular job qualifications in mind. Candidates' answers to such questions are often difficult or impossible to interpret, and the information elicited is rarely relevant to the qualifications being assessed. To avoid this problem, the organization developed standardized, behaviorally based questions built on the competencies established for the role profiles in Step One. These questions would be asked consistently of all candidates for a particular role. Managers would not be allowed to deviate from the standardized, structured interview guide. While this took some getting used to by the hiring managers, it was necessary to make certain that all candidates were treated consistently and only questions designed to solicit a candidate's fit against the validated job requirements were asked.

The questions were also designed to provide for a broader candidate pool by eliminating questions based on industry specific experience. A typical interview question might be, "Describe a situation when you were able to successfully differentiate your product or service from a similar product sold by a competitor. What was your approach?" This question is in contrast to a question such as, "What approach would you take to selling a vaccine that provides respiratory and fetal protection against bovine viral diarrhea virus?" The second question obviously requires industry knowledge and would have been fair game in the past, resulting in the elimination of any candidate without specific industry knowledge. Structured scoring was used to reduce interviewer bias. Each candidate was scored using the following scale on each question.

- » 5 – far above average
- » 4 – above average
- » 3 – average
- » 2 – below average
- » 1 – far below average

The scale descriptors were supplemented with additional definitions to give managers a consistent way to rate candidates and maximized legal

defensibility should there be challenges on the outcomes.

Step Three: To help achieve the diversity goals, the team selected only external recruiting partners who could demonstrate from past assignments that they were able to identify diverse candidates. Recruiters who could not adequately demonstrate a track record in diversity recruiting were summarily dismissed from the pool of potential partners. In addition, the team employed non-traditional methods to identify

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potential candidates like working directly with veterinary schools and alumni groups. The process included briefing the selected recruiters on the diversity vision and sharing realistic job previews to ensure proper pre-screening. Recruiters were promised immediate feedback on diversity gaps in the candidate pool and were given guidance throughout their efforts in identifying and pre-screening candidates.

Step Four: The interview process was designed with multiple steps to ensure objective ratings and inclusive decision making by the management team. Additionally, candidates were brought to a central location during "recruiting weeks" to meet with diverse interview teams. This also provided a controlled environment where the process could be managed and observed by HR and senior management. All managers selected as interviewers were empowered to make hiring decisions for the entire cattle organization. This too was a departure from the typical process where managers with an opening focused on filling positions within their own regions or responsibility. Managers were now requested to trust their colleagues in making evaluations that represented not only personal fit but organizational fit.

To ensure consistency in approach,

each *recruiting week* kicked off with a comprehensive training session on how to use the interview guides and proper procedures for note-taking and scoring. Interviewers were also reminded of classical interviewing mistakes including the halo effect, making snap judgments, and making broad assumptions about a candidate's background. Training was important to equip managers with the necessary skills to behave differently and approach the process from a broader organizational view.

Each candidate was interviewed by two teams of two managers. In each team one interviewer led the interview and the second interviewer took detailed notes of the responses. Either interviewer could ask follow up questions to clarify a response or address an incomplete response. Interviewers alternated roles throughout the day. No candidate was eliminated from the interview pool unless he or she received poor scores from both interview teams. Candidates selected for elimination were reviewed at a nightly debriefing session; senior management retained veto power on any decision to eliminate a candidate.

During the interview day candidates received a realistic job preview. This gave candidates an opportunity to really understand the requirements of the positions and to address questions related to the amount and type of travel, the true working hours, and other job demands. Utilizing this approach helped candidates not as familiar with the realities of the dairy industry and the position evaluate fit. Candidates who determined the position did not meet their expectations could discreetly remove themselves from the pool.

Step Five: Candidates' selection took place each evening in a managers'

meeting to review candidate's scores and to make hire or no-hire decisions. Robust group discussions focused on information obtained from a candidate's responses to job specific scenarios and questions meant selection decisions were based on prior established criteria and not based on hunches that managers often rely upon. The checks and balances of using multiple interview teams and reviews increased the quality of candidates selected across the board.

Conclusion

No change effort will be successful long term unless the organizational systems and processes support change. In this case, special consideration had to be given to how new employees would be made to feel a part of the new organization. Key considerations included making certain that all employees were treated fairly, recognized and rewarded on ability and equal access to opportunity for growth and advancement. Managers must also be recognized and rewarded for establishing an environment where each person is valued for the many unique and varied characteristics, perspectives and life experiences that define each person as an individual.

Senior leaders and field management judged successful the concerted change effort to attract diverse candidates into Pfizer Animal Health's Cattle unit. The results indicated that 60% of the offers to management positions were filled with either women or minority candidates. For field positions, the selection rate was over 60%. The retention rate of diverse candidates hired during the expansion has been nearly 100%. These results illustrate that a combined effort by senior management, line management and HR can not only alter the organizational commitment but prove that alignment and cooperation achieve outstanding results. Dr. Martin Luther King, Jr said, "Human progress does not roll in on the wheels of inevitability." In other words, change does not just happen; it is the result of planned, deliberate measures designed to bring about a different result. Change requires committed individuals and a good measure of patience. Anyone undertaking a serious change management effort should expect organizational fatigue, confusion, anxiety and resistance. No change plan or program will be perfect from the start, but if you begin with committed leaders who are willing to stay the course and make the necessary adjustments as the plan moves forward, success is inevitable.

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