Case study – JRI Orthopaedics
October 2015

From best to good practice
HR: Developing principles for the profession
The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 140,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.
JRI Orthopaedics case study

Background
JRI Orthopaedics Ltd is a British manufacturer of orthopaedic implants and surgical instrumentation. An SME founded in 1970 by a surgeon and designer of innovative hip replacement technology, JRI is committed to improving patients’ lives and re-invests a proportion of its profits into orthopaedic research to benefit patient outcomes. This strong purpose is reflected in the passion and genuine care brought by the employees, some of whom are themselves customers of JRI. As one of the business leaders described:

‘It says right at the top [of our company purpose and values]: patients. I think we’re already quite focused, in terms of stakeholders; most people are aware of the fact that everything we do affects the people, and it’s very much part of their lives for decades. I think there’s a very strong sense of purpose.’

A few years ago JRI underwent a process of structural and cultural change, recognising that it needs to diversify its product offering and invest in research and development in order to continue competing with larger orthopaedics companies internationally. The new organisational model and values reflect a commitment to continuous improvement. In product development, innovation plays a key part, delivered primarily by expert researchers and highly skilled engineers who work with surgeons to design customised implant solutions for patients. JRI is also unique in that it manufactures the implants that these teams design on site. In line with the organisation’s vision of continuous improvement, the manufacturing teams are focused on constantly enhancing processes, systems and production. A lean management model has been implemented to support this vision, incentivising efficiency and cost-saving.

Winning hearts and minds during the change process
The core priority of the change programme was building trust in the leaders’ vision from the beginning. As one manager mentioned, ‘people have got to be invested in each other’. By involving employees in the change decisions and the purpose of the process, a sense of comfort with uncertainty was fostered, encouraging forward-thinking and innovation.

A move to a new company site marked the beginning of the new way of working for JRI, which the management used to gain employees’ buy-in with the new model. With the ultimate goal of uninterrupted production throughout the relocation, the whole organisation was engaged in working together to achieve it. One leader said:

‘That took us six, eight months to [prepare for the move]. So when we switched it off on a Friday at the old place and came up here on the Monday – it was working that same day.

‘I think beneath the surface of business-as-usual being the critical thing, there was a whole host of stuff around ensuring that employees not only understood that but all got their arms around it and burnt the midnight oil if they needed to make sure it was right. … Maybe as a result we didn’t lose any employees in the move because they’ve all had parts in being here.’

Expansion into a new market is another more recent example of where the business’s long-term goals had to be balanced with bringing people along on the journey. The company recently took on a manufacturing contract for China as part of its strategy to increase its international market share. While the core business of JRI is in designing and making its own products, this new line of work involved manufacturing a number of pre-designed orthopaedic parts on a tight timeline and budget. In a niche company that was not traditionally characterised by a high sense of urgency in production, relying on amounts of stock, these imperatives put pressure on the operations as well as on the readiness of staff to respond to the challenge. One leader explained:

‘The market is changing at an unprecedented rate. We may have only three months and we’d love to have twelve, or even six would be nice. But it’s the market we’re in where the customer wouldn’t wait. They’ll probably give us six months, [and if we can’t meet that] they will go somewhere else.’

Gaining staff buy-in to ensure service delivery and protect the sustainability of the business relied on effective communication, mutual respect and a focus on the long-term ambitions of JRI.
‘The tension between capturing hearts and minds and driving business-as-usual means that a top-down approach must be employed at times.’

The leaders strive to achieve this through two-way conversations, discussing and reviewing changes with the production teams, based on mutual respect. One leader said:

‘It would be so easy for me to walk in and say, “This is what we’re going to do,” and implement it, but as soon as I walk away, [the supervisor and the team] have to keep that going, and if they’ve had no input into it, they don’t feel as though they own it. That’s where we pass it over to them: “Guys, this is what we need. How are you going to get there, how are you going to deliver that?” That’s where you get the buy-in and that’s where when you walk away from it, it still remains in place.’

However, the tension between capturing hearts and minds and driving business-as-usual means that a top-down approach must be employed at times. While staff recognise that the new organisational strategy is positive in supporting its long-term goals, the short-term demands require a swift mindset change. One manager described the impact of the China project on the business model:

‘[Previously it was] our own product and we make it, we glaze it, we coat it, we clean it and it was in a box with JRI on. We do have instances where patients come round – we had one recently with two hips, it’s nice to see that, makes me smile and think. Then in the last six months, the work is mainly about being competitive and making money and keeping up. We’re not selling JRI products, but we are contracted to make parts for them.

‘It’s all changed drastically. When you’re a contractor you don’t have an input in the product, you’re making it to someone else’s design and standard. In the last six months the amount of work we’ve all had increased considerably, and it will generate money in the long term. However, in the short term the effects of it are not seen, and it feels [as if] we are going down a different avenue.’

Managing different employment ‘deals’

Although geared towards quality improvement in all areas of the business equally, the organisational change impacted the different categories of staff in different ways. The manufacturing division has been mainly concerned with reaching continuous improvement objectives, focusing on finding efficiencies and streamlining the production line. The lean approach meant that team leaders in the factory have had to ‘do more with less’, ultimately under pressure to reduce cost to remain competitive. On the other hand, in the research and engineering departments, the innovation imperative required a review of the product development process, co-ordination between sales and marketing intelligence and the engineering expertise, and stimulation of individual creativity and development. One engineer explained:

‘For me personally, the work feels very different from the shop floor. They’ve got machines, have got to produce so many things, and I’m in a position where I know as much and more than the person managing me about certain products, and the procedures and the way to do things. So, I’ve got a lot of autonomy in what I do. I get a priority list of things to do, and things to work on, and then I have got to go away and resolve those things myself.’

The quality of the formal ‘deal’ that the organisation offers to its staff is widely recognised by the employees, citing a range of benefits and good
working conditions. However, the differences in subjective experiences arise from the different ‘rules’ for different groups of staff in terms of hours, appraisals and bonuses. For management the nature of work in the different organisational departments raises the issue of ensuring a consistent and fair approach, but aligned with the ways in which these teams carry out work. One business leader said:

‘One of the areas that we’ve discussed in my time as a manager here, particularly in relation to staff on the shop floor and colleagues in the office, is appraisals. We’ve refreshed and renewed the appraisal process, looking at whether it is right to appraise certain criteria and exactly the same criteria in the office. Or should they be different criteria of a similarly demanding level?’

With only 120 employees, the company does not have an HR department; an external HR adviser visits the site on a monthly basis to provide advice on the most critical issues. This means that day to day, the team leaders are fully responsible for managing and developing their own teams. They act as a sounding board for individuals, dealing with the impact of business change, and are responsible for feeding people’s voice and opinions up to the management and translating the operational strategy down to the team level:

‘At middle management level, a lot of our job is about keeping people happy, keeping up their morale and well-being. When a change comes in, we hear it from both sides. We listen to the teams and relay their concerns to the management. At the same time we have to understand the demands and communicate that to our people.’

Not losing sight of the long-term goal is essential when managing the expectations of people, and the shared sense of pride in transforming patients’ lives facilitates this at JRI.

Key principles
• focusing on the long-term sustainability of the business
• balancing the interests of patients, the business and the people
• winning the hearts and minds of staff to maintain the competitive edge
• treating people with respect to build trust and maintaining a sense of shared passion.