

# HR Mixtape: Building Effective HR in Manufacturing

**Host:** Shari Simpson

**Guest:** Laura Varn, Founder of Laura Varn and Associates

## **Announcer:**

You're listening to the HR Mixtape. Your podcast with the perfect mix of practical advice, thought-provoking interviews, and stories that just hit different so that work doesn't have to feel, well, like work. Now, your host, Shari Simpson.

## **Shari Simpson:**

Joining me today is Laura Varn, founder of Laura Varn and Associates. Laura helps organizations build practical HR foundations that support growth, compliance, and a healthier culture. Laura, thank you so much for jumping on the podcast with me today.

## **Laura Varn:**

Absolutely. Looking forward to it. Thank you.

## **Shari Simpson:**

So I love that we are talking about kind of all things manufacturing, HR, process, culture today, because I think sometimes we spend too much time talking about knowledge workers and that environment. And you've really built HR across the energy industry and beyond. And so I'd love to hear, like, what excites you about building HR from scratch? Because I think some people would hear that and be like, that sounds like a nightmare.

## **Laura Varn:**

I do love building HR from scratch, and it's really for two main reasons, I'll tell you. One, I think there's something very invigorating and challenging about building something brand new that's bigger than you, bigger than anybody. Together and really being able to shape that. And the other part is we've all been through our careers at companies where we're like, that's working or

that's not working. But if I ever got the chance to build something from, you know, clean slate, here's how I do it. And now I get to really put my money where my mouth is and do that. And it's very different than fixing something, you know, when it is a clean slate and how you build something from scratch. And I find that very challenging. And I love the hourly workforce. I think they're the backbone of America, frankly, whether they're driving trucks or making things or, you know, working in a convenience store. I just think they're the backbone of America and just salt of the earth people. I love working with them.

**Shari Simpson:**

I love that. You know, as you tackle building HR from scratch, where do you start first? Because, like, as I was thinking about that question, I was like, well, you could do, you know, what you want your culture to be. You could lean into compliance. You could go benefits or you could go systems and process. Where do we begin?

**Laura Varn:**

Yes, is the answer. Yes, all of it. No, seriously, it is a blend of the foundational items that you need to have in place from the beginning, right? And we can talk more about those all later, but you have to have your core functions working properly for any business to flow. And at the same time, you need to start at the very beginning with those right cultural attributes, mindset, leadership, because you are working from the top down from that as well as the bottom up. And so I think to do it well, you really need to do it at the same time, which is not easy, and it is a tremendous amount of work. But I think, you know, if there's one thing I've learned that makes it successful, is you have to have leaders with that mindset that are comfortable working in what I call the gray space. Processes are not built out. The procedures are not planned out. There's a lot of unknowns. And you have to be comfortable operating and leading in that space. And you get to help shape what that looks like.

**Shari Simpson:**

You know, I got an opportunity to talk to another HR leader. This was last year.

And they really, their expertise was working with startups. And what I thought was interesting is hearing their perspective on when HR gets pulled into that kind of leadership team. I suspect you're probably gonna have the same answer that this individual has, but what's your perspective on that? Like, when should they really start thinking about, HR has to be here now or we can delay bringing HR in until some further point in the development of the business?

**Laura Varn:**

Yeah, I'm a strong advocate of HR being there from the very, very beginning. And here's why. If you delay HR, not only does it create magnitude of issues down the road, it creates the culture at the very beginning. And it is hard to undo a culture once it is firmly rooted. So I think that is super important. And look at it from this perspective, in most companies, your labor is your number one cost and it's your number one asset. So to not have that at the strategic table, I think is a big mess, especially for startups. And so I think the more you can get HR at the table to really help shape the strategy and help achieve the business goals, you can then really leverage your human capital in a way that will help your business be much more productive.

**Shari Simpson:**

How does that look in a manufacturing startup? Because I think that's, you know, a much different environment than, you know, some of the tech startups that I think we're used to hearing about.

**Laura Varn:**

Yeah, I think in manufacturing, it means you are showing up on the production floor at the very beginning. You're helping to shape, not necessarily where things need to be, but for example, where does your HR department sit, right? If they are in an office far away, well, that doesn't create a warm, inviting space. I mean, I'm a proponent that they need to be pretty close to the shop floor, where it's accessible for people coming in and out, where it's right by where they need to punch in and out, you know, so that it does create that culture of welcoming of space. And it needs to be close to where the leadership is as well. So I think there's a proximity issue to it. It's having them

be there to really help shape how things look at the beginning. You know, what is your label projections look like? You know, when and where do we need people? And how does that start to flow out? So I think it can be done really well, but it's got to be you've got to be really present. You have to be visible from the onset with manufacturing.

**Shari Simpson:**

You talked earlier about culture being baked in at the very beginning. And I love that because I think, you know, sometimes we think of culture as like the warm and fuzzies. And I think the more we dig into this and the more we understand about how people think in psychology and how we interact with people, you know, culture is, it's a strategic lever. It really is. It's an opportunity for us to define the experience. I guess I would call it that way. The totality of the experience, not just employee experience, but client experience, customer experience, leadership experience, all those things. And I think about how much pressure we've put on our middle managers to kind of run that and have that as their responsibility, but they're stretched so thin. And I think about manufacturing especially is like, you know, they're on the floor and they're trying to manage the process workflow and that kind of stuff. How have you helped them understand that leadership component around culture is just as important as, you know, whatever widget that they're producing and the ROI is around those things?

**Laura Varn:**

The best example I can give you is probably with a company called AVL, and they're a manufacturing company in Charlotte. They've been around for a while, but they just opened up in the US, and they build these massive enclosures for the power generation for data centers. And so we were starting a brand new facility, and I think how HR shows up first matters, and we started up talking about culture from the very onset. So I think if you start talking about the administrative, tactical things, that's where HR starts. We made sure we started talking, let's do it right from the beginning with culture. So we were very proactive and very intentional with what do we want our culture to look like. And on the strategic side of culture, certainly starts with leadership. You gotta have, again, the right tone at the top and what are those

expectations? And they certainly have to have the technical chops as well as the leadership ability. And then a strong communication component. You know, what does that look like throughout? How do we engage with our employees? However, we also created some very tactical elements that we wanted to make sure were embedded in the culture there. For example, we created partnerships with some of the local daycares because we wanted to have a very welcoming environment for young families. And that matters a lot. You know, someone who, you know, my children are now, you know, older, but with having young children, like you have to have good quality daycare to make everything else work in your life. So I'm really happy that we're able to get that together. We established some very early community involvement, you know, partners as well, because we wanted to be a part of the communities where we live, work and play, and starting getting involved with volunteer activities, which also has a nice benefit of being some great team building internally too. So started doing things like that. We had, we have some carpooling perks because parking is going to be an issue. You know, we certainly made sure we had good food trucks and good vending materials in the course and game room and that kind of stuff. If you don't plan and build those things early on, they just get lost in the shuffle. And I think being very intentional about culture at the beginning of startups can make a huge difference.

**Shari Simpson:**

You mentioned the daycare, which I really like that because I think it's a great example of how we can think about our total rewards differently than maybe we have in the past. What are some other things that you've seen in manufacturing that have had a big impact in that benefit space, some creativity that you've seen or you've encouraged organizations to do?

**Laura Varn:**

Yeah, I mean, certainly the, you know, the trifecta, these are the, you know, steak salad table, you gotta have your medical, dental, and vision, you know, locked in really well. Here's a few others that we've found that worked well in manufacturing. And I consider this a benefit. A really strong referral policy. You know, some of these companies I've worked with, we've created a thousand,

\$2,000 referral policies. And when you consider the cost of recruiting and what that is, it's actually a bargain, but it helps with retention with employees. And they are promoting their folks internally to the company, you know, that just is a good win-win. So having a strong workflow policy has been a real thing. Weekly pay has been another thing that really works too. So many times, you know, in more of the corporate America, we think of bi-weekly and that's the standard, but the manufacturer, the hourly skilled craft really values a weekly pay, and that's been another strong benefit as well. So I think if you have those two things along with a strong internal path for growth opportunities. Again, that may be a different way of looking at what I would call benefits, but that matters a lot to the skilled craft, you know, workforce. They want to know what they need to do to get to the next level. And if you can create that for them with a lot of some good training opportunities, I think you're halfway there.

**Shari Simpson:**

How have you approached that skills development question? Because there is a finite amount of kind of growth that can happen in some of these environments. You know, in kind of corporate America, we have a tendency of inventing new positions when people are stuck. I haven't, I mean, I've worked in manufacturing before as well, and you don't necessarily have that same sort of flexibility to do that. So how have you talked about development maybe differently than your typical, you know, here's the next rung on the ladder?

**Laura Varn:**

Well, especially with a startup, you know, everybody's new and you may have 15, 20 people coming in every week. And so part of it is this mindset, again, of We're all learning as we go along. So even if you started maybe three months ago, you maybe consider tenure with some folks coming in. So we are talking a lot at these manufacturing startups about your role with helping to develop your peers. You know, and there's some shared learning experiences with that, where you get to develop some leadership skills, but really become a bit of a subject matter expert in the people that they go to. So I think there's a lot of on-the-job training. There's a lot of, you know, how do we really look

ahead? And part of it is figuring out what is it that they want to do. Some people don't want to advance into leadership, but they really want to be the best that they can do. have opportunities to again help shape how the work is done or come up with a better way to do it, that's growth opportunities for them too. And so I think it's opening up what that may look like. Now some people may do want to advance into a lead role or supervisor role and up to maybe a production manager, but there are limited roles of those available. So I think as long as you're giving them good training opportunities, certainly on the foundational things, right? Let's make sure everybody's safe, they're coming home safely, but let's make sure they have the right tools and the resources and the right management to make sure that they've got their back and they're going to help them achieve what they want to achieve.

**Shari Simpson:**

I love that. So many great ideas to think about, different ways of thinking about development and growth for people. I want to ask, I think, kind of a tough question, but we all have it in our HR career. You know, as you've done this work for so many years, what's a story that maybe it's a, we learned the hard way when building HR?

**Laura Varn:**

Yeah, so the best example I could probably give of that in a previous career, we were starting building our HR function in the US. At the same time, we were growing tremendously. I led the HR for about 20 different acquisitions in the United States over about a three-year time period. So you're trying to build your internal team while at the same time acquiring hundreds of people. And I think the mistake that was made is trying to keep the former companies intact from a culture perspective. The decision was made to not really make any changes with them. So the former owners were still on board. They still had the same titles, still the same pay, the same processes. And what happens with that is you take a step back and two years later, you realize you have 12 different accounting departments and all these different titles. It's just a mess. And what happens is people become very entrenched within that specific culture when we really needed to build one team in one culture. And that's a lot harder to unpack. So if I were to go back and do it again, as hard

as it is, I would rip the Band-Aid off, make all those changes at once. It's a lot of change anyway, and then really help guide people in to the new normal of what the company operations are. So that would probably be the big thing I would say. The other thing that I've come to learn with startups especially is how important it is to have some really strong marketing attached at the beginning. Because I think we made some mistakes in the past of thinking that, you know, we just had a strong employee value proposition. We will be able to find the recruits that we need. Yet no one really knew who the company was. And we realized we needed to get some marketing and PR out to help do that. And once we did that, then there started to be some buzz. And I knew it was working when calls started coming in to us saying, I heard about this company. Are you hiring? So those would probably be the two biggest takeaways, I would say.

**Shari Simpson:**

Well, such good advice to think about, you know, how you're defining culture during acquisitions. It's tricky period, right? Like when you're bringing in new people, there is that process where you have to integrate and you have to make some of those tough calls. So I do appreciate that. And that comes with transparency and building psychological safety with those employees. Because, you know, if you are gonna say, hey, you know what, we're gonna create a new one thing together, you got to communicate that up front so people kind of know the expectation. And you'll have attrition from that just like anything else. Like people will have to decide if that's the culture that they still want to be a part of. But being transparent about it really gives them the opportunity, part of the conversation, not feel like something is happening to them. So I really liked you sharing that example. It made me think about some of the other silos that we can create or that we can partake of in a business. So I'm curious, how do you think about or how have you coached people as they're building these programs to think about, you know, HR, operations, finance and IT, right? As one cohesive team to work together. So as the company grows, you don't have these giant silos.

**Laura Varn:**

I think it all starts at the top with having a very strong, united leadership team.

And if that doesn't work at the beginning, that's going to transcend itself and show itself throughout the organization. So I think it all starts there, in whatever form or fashion that looks like. Have weekly meetings, if they have retreats where they get together to talk about, you know, making sure they're united. I think having big company goals set at the beginning help, and then all of the department goals certainly need to help fulfill the company goals. So that helps with alignment. I also a firm believer that successful leadership comes from authentic and trustworthy communications. And setting that tone at the top that that is what is expected amongst the leadership team as well as how that manifests out onto the shop floor or wherever I think goes an awful long way. So getting input from people and helping to shape that but man, you know, if you get folks where you have to go up to the leader and then across and then down I think you lose the productivity, but you really create a cultural mediocrity. And I think that's the death goal of any organization. So you got to ward against it every day. I think you've got to make it really clear to be as effective and efficient as possible. I'm a huge fan of being able to go to whoever you need to to get done whatever you need to get done.

**Shari Simpson:**

I appreciate that perspective. I too have that mentality. Nobody is off limits, respectfully, but yeah, have the ability to have the conversations. Which leads me to my next question about how have you helped HR build a culture of feedback, especially in that manufacturing environment? And the reason I think it can be a little bit different is that so much of those roles in those organizations are compliance focused. Safety-focused, there isn't as much room for questioning sometimes. Sometimes you just have to do it this way, and that can lead people to a little bit of fear of speaking up. How do we create that culture so that, yeah, we're meeting all of our compliance and safety markers, but people still feel that there's an ability to take risk, to innovate, and those kinds of things?

**Laura Varn:**

I love pulse surveys. I think pulse surveys, especially if they can be done anonymously, from the beginning creates that culture that we want your

feedback and we really want to know what's on your mind. And then the key, though, of course, taking action on it and being transparent with the results. So I think pulse surveys are huge. I love to ask about really two things. One are people's experiences while they're working there, and then it's their engagement. So things like, does their manager care about them as a person? Do they create a trusting or welcoming environment? You know, on the engagement side, I think the real question is, do they see themselves working there in two years? Because that cuts through a lot of clutter and a lot of other things. And then, of course, would they recommend it to other places? So, the sweet sauce in all of those pulse surveys are the open-ended comments. You know, you really learn a lot about what is happening, what's working, what's not. You know, I always love those questions, too. What's working, what's not? What do you think leadership needs to know now? And then, if you're able to share those results and then, again, take some action on it and do that at least twice a year, I think people get comfortable with knowing they value my feelings and thoughts, and they take it seriously. So that creates, again, that culture. And hopefully they have that kind of relationship with their immediate supervisor as well. Again, that gets to the heart of leaders who not only know the job, but also know how to work with people. They have that high emotional intelligence quota, which is very much needed in all industries, and that includes manufacturing. I think there's a stigma sometimes that it is just cut and dry, and here's what we need to do. I think to retain folks and really get production levels up, you got to have leaders that have that high emotional intelligence quota.

**Shari Simpson:**

Well, and that leads so well into my last question for you. And it's, you know, what's one small step that a startup leader can take to be more people first?

**Laura Varn:**

I would do stay interviews. I'm a big fan of stay interviews. And I think that can be done in a very informal way. This is not something you got to wait on corporate to put together a policy. But as you're out talking to your employees, you know, ask them, what do they think is working really well here? Why do they like working there? If they could change one thing, what

would it be? And you can have that in a five minute conversation you walk on the shop floor. But again, it shows you care about them, you're really interested in what they have to say, and that you can take some action on that. So I think it's a very, it's a no cost, high engagement. That's what I would recommend that people could start doing tomorrow to really make a deep increase on their engagement.

**Shari Simpson:**

I love that. All great advice, great perspective, and so much for us to think about about how we can change showing up for leadership in the manufacturing environment, but also you have some really great nuggets for us to pull through any industry, any type of company dynamic. So Laura, this has been such a great conversation. Thanks for taking a few minutes to chat with me.

**Laura Varn:**

Thank you. I really enjoyed it. I appreciate you having me on. Thank you.

**Shari Simpson:**

I hope you enjoyed today's episode. You can find show notes and links at [thehrmixtape.com](http://thehrmixtape.com). Come back often and please subscribe, rate, and review.