

Creating an inclusive, respectful, and effective workplace culture

Otter Tail's DEI initiative engages dispersed employees through an impactful, efficient, and economical approach

A VIEW FROM THE TOP



What Did Otter Tail Value?

"We've recognized leadership development is vitally important not only for business performance, but also from an employee value proposition and retention perspective. It shows we invest in our people and it differentiates us from other companies."

- Paul Knutson

Chief Human Resources Officer,
Otter Tail Corporation

THE SITUATION

By all accounts, Otter Tail Corporation boasts an impressive record of success. As a diversified, publicly traded holding company with electric utility, manufacturing, and plastics segments with 2,600 employees, Otter Tail reached record revenue of \$1.46 billion and record net income of \$284 million, after double-digit annual earnings and income increases, by year-end 2022.

Yet achieving this level of success requires top-tier talent, enterprise-wide. That's why 10+ years ago, Otter Tail partnered with MDA Leadership to develop and implement a diverse array of leadership development initiatives, according to Paul Knutson, Chief Human Resources Officer.

Since Knutson joined Otter Tail in 2012, he introduced multiple programs to strengthen the company's talent strategy. "We had re-aligned our portfolio of companies and had more turnover than desirable within our leadership teams. We knew we had to pay more attention to our talent from a strategic perspective," Knutson said.

"With today's competitive labor market and declining availability of certain skilled and technical employees, it is even more important that we demonstrate to our current and prospective employees that we care about the experience they have at work every day. We want all our employees to know that we will provide them with an environment of inclusion, respect, trust, and acceptance. We expect this from all our employees and managers, and we know this is important to people when deciding whether to join us or stay with us. The work we did with MDA is one way we demonstrate this commitment."



CASE STUDY

A VIEW FROM THE EXPERTS



What Did Otter Tail Value?

“Inclusive leader behaviors effectively ‘unlock’ the innovative potential of an inherently diverse workforce, enabling companies to increase their share of existing markets and lever open brand-new ones. By encouraging a proliferation of perspectives, leaders who foster a speak up culture also enable companies to realize greater efficiencies and trim costs—another way that innovation drives bottom-line value.”

- **Center for Talent and Innovation,**
“Innovation, Diversity, and Market Growth”

Knutson’s solution? Paying even closer attention to the needs and interests of Otter Tail’s employees. “As an HR exec, you want to take care of the people you have and provide them with growth opportunities,” he said. “We’re now changing our frequency of engagement and how we listen. We’re asking our employees, ‘What matters to you?’ We need to stay close to our employees and understand what will keep them committed and engaged to the organization.”

One key solution that emerged was a Diversity, Equity, and Inclusion (DEI) initiative that’s now part of Otter Tail’s and each operating company’s talent excellence strategic objective. “Otter Tail is committed to diversity, equity, and inclusion as part of who we are, what we value, and how we achieve individual, business, and community success,” Knutson said.

THE CHALLENGE

As Otter Tail planned its DEI initiative, several pressing questions emerged:

- Since many Otter Tail employees cannot spare significant time away from operations for training, what strategies can be implemented to ensure effective knowledge delivery?
- In light of a dispersed workforce, how can the corporation devise flexible delivery methods that cater to everyone?
- How can sensitive subjects be introduced to all employees, including the traditional white, male employee demographic?
- How can Otter Tail engage every employee in an impactful yet economical manner?

THE MDA SOLUTION

Otter Tail and MDA teamed up to create The Inclusive Leader/Respectful Workplace Series to provide education and training on respectful workplaces and what it means to be and act inclusively across the enterprise. With one path for people managers and another path for employees, the program consists of four key topics that were delivered to the entire organization. Recognizing the diverse linguistic needs of the workforce, some sessions were delivered in Spanish to better connect with Hispanic employees.

To accommodate the operational challenges of pulling employees off the line, the learning was chunked into manageable segments: 1-hour sessions for employees and slightly extended 1 ½-hour sessions for leaders. This modular design, coupled with virtual delivery and the support of onsite HR, enabled seamless integration of the initiative with the day-to-day operations of the company.

Furthermore, the sequence of the modules was meticulously designed to promote acceptance. The program started with a focus on self-identity, a move that allowed participants to self-reflect and establish a personal connection to the topics. Frequent small group discussions were incorporated to facilitate processing and ensure participants felt heard and understood. Moreover, to make the content resonate, Otter Tail-specific examples were collected and woven into the program’s fabric, further anchoring the initiative in the realities of the company.

“Developing inclusive mindsets and behaviors is best accomplished not predominantly through presentation, but through guided self-reflection, peer discussion, and practice in ‘safe spaces,’ so that’s how we designed the program,” said Jim Laughlin, Senior Vice President, Leadership Development, MDA Leadership. Knutson added, “Our program goes beyond merely understanding. It provides our leaders and employees with guidelines, tools, and a safe place to practice being more inclusive, more respectful, and more effective.”



THE INCLUSIVE LEADER/RESPECTFUL WORKPLACE SERIES

SESSION 1

Identities and Culture: Inclusion Begins with “I”

GOAL: Gain a deeper appreciation for the different cultures and the different identities that have shaped you and your outlook so that you can be a more inclusive leader or employee

LEARNING OBJECTIVES:

- Name multiple factors that have shaped your identity, beliefs, and worldview
- Take specific steps to widen your circle so that you connect with and work more effectively with diverse people who have different world views than you
- Apply a tool as a people leader to align with your direct reports on how you will work best together

SESSION 2

Unconscious Bias: We See What We Believe

GOAL: Recognize and reduce the negative effects of the biases that come with every human brain

LEARNING OBJECTIVES:

- Explain why people have unconscious bias
- Identify instances of bias in the workplace
- Take steps to reduce biases to improve your decisions, including as an employee, talent decisions, and customer and co-worker issues

SESSION 3

Holding Culturally Sensitive Conversations

GOAL: Gain skill in discussing culturally sensitive topics that increasingly surface at work and that damage teams and productivity when not addressed or handled well

LEARNING OBJECTIVES:

- Improve your ability to size up your readiness to hold a culturally sensitive conversation
- Conduct a respectful, productive dialogue rather than a damaging, polarizing debate
- Apply a conversational process and tool to improve these sensitive interactions
- When needed, know how to “take the high road” and help repair any harm by focusing on impact instead of intention

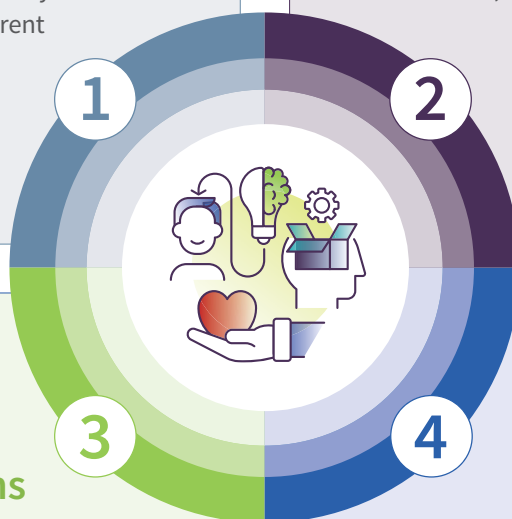
SESSION 4

The Power of Diverse Teams

GOAL: Leverage your team’s diversity to boost performance and engagement

LEARNING OBJECTIVES:

- Explain and reinforce two key differentiators of high-performing teams
- Apply four best practices in psychological safety to team interactions
- Give actionable feedback to reinforce inclusion on your team



A VIEW FROM THE TOP



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“We’ve created an open, respectful, and inclusive workplace where important conversations are taking place.”

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THE MDA SOLUTION (Continued)

During the program, people leaders and employees learned:

- What inclusiveness means at Otter Tail and their role in demonstrating the shared behavioral expectations that create an inclusive, respectful workplace
- How to increase acceptance and awareness of differences among a diverse workforce
- Unconscious bias, how it affects them personally and those they work with; how to reduce or eliminate it so that teams can perform at their best
- Skills in holding respectful, culturally sensitive conversations by reducing friction, misunderstanding, unhealthy conflict, and disrespect
- How to apply best practices in diversity and inclusion to maximize team performance

THE IMPACT

The unique design of the DEI initiative, tailored specifically to address Otter Tail’s inherent challenges, proved instrumental in the program’s resounding success. The approach of making the learning accessible, relevant, and flexible resulted in an impactful engagement across the organization, transcending job roles and linguistic barriers.

Knutson has observed the power and impact of this work firsthand. “We’ve created an open, respectful, and inclusive workplace where important conversations are taking place. The program design made all the difference, setting us up for success from the start,” he said.

Specifically, The Inclusive Leader/Respectful Workplace Series contributed to:

- Greater alignment and clarity around how to create an inclusive workplace.
- Positive impact on employee trust, engagement, and retention. Research shows that these measures are strongly tied to employee beliefs that organizations are committed to a fair, respectful, diverse, and inclusive workplace.
- Improved teamwork and collaboration by raising self-awareness, providing learning practices, and applying tools and behaviors that ensure others are fully included and able to give their best efforts at work.

Reflecting on the partnership with MDA, Knutson added, “Collaborating with MDA introduced us to best practices that not only strengthened our workplace culture but also fortified our engagement and retention strategies. Through this initiative, we’ve empowered every individual to contribute their best.”