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Quest For Survival: What Comprises An Effective Team?

By

Kathleen M. Brayer

**A thesis submitted to the
Faculty of the School of Food, Hotel and Travel Management
at the
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in partial fulfillment of the requirements for the degree of
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ROCHESTER INSTITUTE OF TECHNOLOGY
School of Food, Hotel and Travel Management
Department of Graduate Studies

M.S. Hospitality-Tourism Management
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Quest For Survival: What Comprises An Effective Team?

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Abstract

The journey to thrive competitively in the millenium will demand teamwork. Historically, corporate America has had difficulty implementing teams to drive performance. In theory building effective teams seems easy but in reality putting this knowledge into practice that changes behavior and fosters learning is a difficult challenge for corporations today. Through a series of 13 interviews this study benchmarks both the service and manufacturing industry to identify the characteristics about what comprises an effective team in organizations today, how their organizational design impacts team development and the different ways that people learn, think about and understand teams in organizations.

Developing a team-based learning organization requires implementing a systems approach that focuses on its leadership, cultural environment, process management, change management and knowledge management. Change leaders, continuous learning, constant communication and total commitment throughout the continuum is required to sustain the teaming journey. In an environment of constant change, organizations must have perseverance and courage to stay on course with the evolution of teams. As a result, they can expect rewards in both their profit margins as well as in creating an organizational culture that values people.

Key Words: team, teamwork, learning, performance, culture, leadership, benchmark

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LYM!

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Chapter I

Introduction

As quoted by Peter Senge, “In the long run, the only sustainable source of competitive advantage is your organization’s ability to learn faster than its competition” (Senge, 1994, p.11). This commitment to continuous learning by an organization is crucial to its long-term success. Learning organizations that survive into the millennium will characteristically be clear in their vision, culturally adaptable and sensitive to the impact of the global environment. They recognize that their employees are their key resource to creating an enduring competitive advantage. Technology can be copied, lucrative markets will draw competitors and profitable products will eventually lose their appeal but motivating and developing our people can unleash talents and produce behaviors to drive business strategies and produce desired outcomes. People have become the lifeblood and human capital of organizations.

The synergistic impact of combining individuals together to create ideas and solve problems virtually exceeds what one individual can produce alone. This concept is the basis for organizations to implement teams (Katzenbach & Smith, 1993).

Another crucial element for survival in today’s marketplace is an organizations ability to adapt to the rapid and constant pace of change in the environment. As organizations downsize, and are required to produce quality with fewer resources, people are required to work together more efficiently. Leaders must demonstrate true leadership as they confront an environment of constant change. Leaders of organizations are choosing to transform the culture of their organizations from a traditional structure to a

team-based organization to more effectively deal with these changes. Research has shown that teamwork can increase quality, process techniques, productivity and employee satisfaction. Teams are a vehicle to continuous improvement efforts as they learn to compete against their own best performance to drive quality products and services to meet and exceed the customer's satisfaction.

What paradigm shifts will be necessary to change to a team-based environment? Leaders must know how to effectively manage change. Organizational leaders must envision their future, define the mission, adapt the culture and provide the necessary tools and skills to make it happen as well as believe in and model the overall capacity of the organization. Management goals must continually improve processes and drive behaviors that support their business strategies. An environment that is safe and conducive to team building and creative learning is essential.

To survive and become an effective team-based organization during the nineties businesses must recognize the need to shift paradigms as a part of this success equation. Developing teams alone is not enough. The leader must plan and envision how teams will impact their organizational design and what systems will need to be aligned to ultimately attain the needed business outcomes. This includes defining quality and continuous improvement initiatives to encompass both quantitative and qualitative measures, timeliness, and use of resources and leadership involvement. A socio-technical approach combines the development of the human element with technical skills to create a learning environment for empowered teams. Organizations must recognize that quality never ensures their future because today's excellence is only tomorrow's mediocrity.

In addition, how organizations view their employees will make a difference. With a teamwork approach, organizations must move from a do as you're told mentality to think for yourself. The goal is to have employees act like business owners. We need to develop and utilize their talents and skills to empower them both individually and as part of a team to make decisions that are best for the customer and best for business. Tapping people and using teaming as a resource will require organizational change.

How does an organization determine if teams will work for them? What will a team-based structure look like and will it be more effective than the traditional model? What type of leadership is needed to effectively change the culture of an organization to a team-based environment? How do we define effective teams and measure their performance? How does management create an environment that supports team building and creative learning? Will teaming meet the organization's expected business outcomes? These are questions that businesses approaching the 21st Century should be asking in an effort to remain competitive in the marketplace. Constant change is a permanent part of business today and survival will depend on how companies maximize their present performance and create their future. Once organizations enter this quality race they must realize that there is no finish line. Critical tools for organizations to incorporate will include blending team work, quality standards, and continuous improvement methods into a process that is modeled from the top down and flows from the bottom up. Participative management will foster this transition into a quality model of continuous improvement. Commitment to this process at all levels of the organization is essential to succeed.

Problem

The concept of team-based organizations is not new. If the team approach is working, why has it taken so long for the team concept to be introduced in organizations in the American work force? Why do teams work in some organizations and not in others? The answers to these questions may help organizations survive the challenges of a rapidly changing marketplace.

Purpose

This qualitative study will investigate the characteristics about what comprises an effective team in organizations today, how their organizational design impacts team development and the different ways that people learn, think about and understand teams in organizations. The goal is to provide its leaders with the knowledge and experience needed to create a culturally diverse environment that continually supports team building and creative learning. As the speed of change accelerates and marketplace competition tightens, organizations must actively seek more efficacious business practices.

The intent is twofold:

1. To determine what employee skill sets and technical processes need to be developed to create and sustain an effective team.
2. To analyze the design of the organizational model including its leadership, culture, people, customers, and processes to align a systemic system that fosters teamwork.

If it is possible to identify these key components the probability of comprising an effective team-based learning organization will be greatly enhanced and ultimately can create a competitive advantage. It also may discover conditions that may facilitate the

transition from one way of designing teams to a qualitatively better perception of this reality.

Significance

Maximizing resources is a key element to remain competitive in the marketplace. It is a known fact that people are the number one asset to any organization.

“If you want one year of prosperity, grow grain.”

“If you want ten years of prosperity, grow trees.”

“If you want one hundred years of prosperity, grow people.”

Chinese Proverb (Tjosvold & Tjosvold 1991, p.71).

This study may provide organizations with an expanded purpose; to design teams that will collectively tap employee skills and creativity to service customers, produce quality products and increase profits. It will also be an incentive for organizations to proceed with the teaming concept once they recognize that the presence of these core human elements and technical processes may increase the success of teams in their organization. The study will benchmark teams and organizations will learn to recognize the obstacles that may incur and the successes they may prosper from. Lastly, it will hopefully reinforce to organizations the benefits of adopting a team-based system in their quest for survival. It is also crucial for their future leaders to recognize that teams are only one of the many tools needed to create a successful organization. It is the creative blend and timely use of these tools that produces the quality processes that is unique to remaining competitive.

Definition of Terms

Learning Organization: An organization that is continually expanding its capacity to create its future (Senge, 1990, p.14).

Culturally Adaptable: The ability to adjust the shared beliefs and values of an organization that guide employee decision making and behavior in the firm (Heskett, Sasser, & Schlesinger, 1997).

Effective Team: A team that is able to achieve quality by studying and constantly improving processes and systems so that the final product or service delights the customer (Scholtes, Joiner, & Streibel, 1996, p.1-7).

Team-Based Organization: Uses teams to perform the core work of the organization to turn knowledge and raw materials into products and services that customers value (Mohrman & Mohrman, 1997, p.1-2).

Phenomenography: A research approach designed to answer certain questions about thinking and learning. Phenomenography is a research method for mapping the qualitatively different ways in which people experience, conceptualize, perceive and understand various aspects of, and phenomenon, in the world around them (Sherman, 1998, p.141).

Phenomenology: Concerned with the relations that exist between human beings and the world around them. Its basic tenet is that all knowledge is rooted in our immediate experience of the world (Sherman, 1998, p.144).

Andragogy: The art and science of helping adults learn (Ingalls, 1976, p.140).

Kaizen: A Japanese word meaning continuous improvement. The Kaizen philosophy assumes that our way of life-be it our working life, our social life, or our home life-should focus on constant-improvement efforts (Imai, 1998, p.1).

Summary

A case is being built for why organizations have reason to consider this journey. To be a proactive leader and a progressive organization it is important to always question what is being done well today that could be done better tomorrow. The paradigms presented in leadership and organizational change should elicit the desire to find solutions

to the challenges we will face in the future. It is a natural process to find purpose in solving a problem once it is recognized. The outcome of problem solving is the potential for creative solutions to be born. What is discovered and learned will only become known through the experience itself. The choice to survive and move into the millennium may depend on whether this journey is pursued.

Chapter II

As corporate leaders consider introducing teams as a part of their organizational culture, they will need to gain personal knowledge of the subject matter and learn from actively listening to the experiences of other organizations using teams. The journey begins with a study of the evolution of teams and how and why they are continuing to evolve. This includes defining and building teams as a means to produce performance. As a structural component of organizational design teams will impact the alignment of all systemic processes including selection, training, performance measurement and recognition. Integrating a systems approach and capitalizing on people are discussed as the key assets to team empowerment. The team approach requires real change leaders who recognize that they first must change themselves before they can expect to mentor others. Successful leaders are models who coach, provide support and establish commitment at all levels of the organization. With the rapid speed of change and time restraints, benchmarking teams becomes a critical tool to learning and building on others experiences. Finally, transitioning to a team-based organization involves keeping abreast of future trends and continuously learning new leadership approaches to motivating teams and driving performance.

Team Basics

It is important to start by defining the meaning of a team. Individuals each have their own mental model of what they believe constitutes a team, based on their experience and use of this term. Many people associate teams with sports and have had both positive and negative experiences with coaching styles, and team dynamics. Some

associate any group of individuals who work together a team. Others view marriage or a family unit as a team.

An individuals reference point for teams and past experience conjures thoughts which may be beneficial, indifferent or nonproductive. Some feel threatened because of their loss of autonomy and fear of exposure. Others believe teams are dynamic and a vehicle to generate multiple ideas to solve a problem or develop a program.

Since many semantics for teams exist, a mutual clear definition of our reference for team may initially be helpful. “A team is a *small number* of people with *complementary skills* who are committed to a *common purpose, performance goals*, and approach for which they hold themselves *mutually accountable*” (Katzenbach & Smith, 1993, p.45). Each phrase highlighted in italic represents a discipline that is essential to obtaining the extra measure of performance results that real teams can deliver. The depth of our use of the term” team” will encompass perceiving teams as a discipline that once applied will produce both teams and performance. We want to focus our energy on what teams do for organizations as opposed to what they are called. The team is the means and the end is performance.

A source of confusion for many organizations, is differentiating between working as a group and working in teams? Often times groups use the language of teams but their behavior does not demonstrate teamwork. The following Table 1 illustrates these key differences.

Table 1

Key Difference Between Groups and Teams

GROUPS	TEAMS
Think they are placed together for administrative purpose only	Have been coached to think of themselves as an interdependent
Work independently and sometimes at cross purposes; members attempt personal gain at expense of team; turf wars not uncommon	Are held accountable for team moral; Perceive behaviors which promote constructive attitudes and team welfare as a priority
Approach their jobs as hired hands; Not allowed to help establish goals	Feel ownership for their jobs and team because they are allowed to establish goals
Are told what to do and how to do it; Suggestions are not encouraged	Are asked to apply their unique talents and knowledge to team objectives
Distrust each other's motives; roles have never been clarified; disagreements seen as personal attacks	Work in a climate of trust and open, lively communication; accept that different roles enable different perspectives and enhance problem solving
May play games and set traps to harm others' credibility; real understanding not possible	Are open and honest because leader is open and honest; information is not hoarded; explanations are freely given
Find themselves in conflict situations they don't know how to resolve; supervisor puts off intervention until serious damage is done	Have been trained to turn conflict into an opportunity to generate new ideas and deepen relationships
Do not participate in decisions affecting the team; conformity, not results is the desired outcome	Make good decisions on their own because coach has gradually increased team authority as their competence and experience has grown

Note. From handouts of "Principles of Team Building," presented by R. Briggs, and S.

Nettles-Lechebo, (October 14, 1998), *United Way of Greater Rochester 16th Annual Community Conference*.

Are there times when group work is preferable to teamwork? A working group can get the job done when the performance challenge can be met entirely through the combination of individual responsibilities and contributions as opposed to a team whose

specific performance objective requires collective work and real time integration of multiple skills and experiences. Working groups are preferable when sharing information and best practices and in trying to advance individual performance. The model of the organization of the future will be based on the premise that teams surpass individuals as the primary performance unit in the company (Katzenbach & Smith, 1993).

Team Development

Theory about teams is easy to discuss and to discover but the practice of forming and implementing teams is a complicated task. Members must put their personal agendas aside and be fully committed to contributing to team goals. There needs to be a balance between the demands of their own jobs and their team involvement. Members must learn to accept personal differences and be willing to build on each others strengths. A team that works well together can focus on solving problems, making decisions by consensus, developing processes and getting the task done. It is important to recognize that team development is a process that is always evolving. The five stages of team development and their characteristic themes and behaviors are shown in Table 2. Teams cycle through these stages and it is important to understand and accept it with an attitude that will cultivate patience. As teams recognize these stages they can become proactive and learn when and how to avoid or work through group problems. Members must be willing to deal with conflict and develop problem solving skills. Teamwork involves learning to make decisions by consensus whereby all the members find a common ground. Everyone puts their ideas forth and the result is often better than any one idea that was constructed at the beginning. Arriving at consensus may not be your first choice but it is a decision

everyone can live with and they understand why it is best (Scholtes, Joiner, & Streibel, 1996).

Table 2

Stages of Team Development: Themes and Behaviors

STAGE	THEME	BEHAVIOR	
		TASK	RELATIONSHIP
FORM	Awareness	Orientation	Dependency
STORM	Conflict	Resistance	Hostility
NORM	Cooperation	Communication	Cohesion
PERFORM	Productivity	Problem Solving	Interdependence
ADJOURN/REFORM	Separation	Closure	Celebration

Note. From handouts of “Principles of Team Building,” presented by R Briggs and S.

Nettles-Lechebo, (October 14, 1998). *United Way of Greater Rochester 16th Annual Community Conference*. Courtesy of SkillPath.

Along with the process of developing teams to accomplish tasks comes the mastery of people skills. Skills are acquired by combining knowledge with experience. A successful team will have members who are motivated and willing to change, and can improve their attitude, develop loyalty and trust, communicate clearly, listen carefully, respect differences, allow equal participation and commit to continually learning and improving the team dynamics (Scholtes, Joiner, & Streibel, 1996).

Organizational Team Building

How many organizations actually “walk the talk” in regards to work teams? Do they say they utilize teams and believe in teamwork yet do little or nothing to ensure that they are functioning effectively? Is team building important to companies across the United States? In a survey of about 200 companies, conducted as part of a research program referred to in the book, Team Building, it was found that a vast majority of U.S. companies do report that team development is important to the success of their

organizations. However, at the same time it also became apparent that a significant number of companies tend to neglect team building. In addition, the majority in the survey felt that top management was not fully committed to developing effective teams. The result is that many U.S. managers seem to have mixed signals about the importance of teamwork (Dyer, 1995).

The survey also asked questions to determine what kinds of team building activities were conducted. The data indicated that most companies in the sample did not engage in active, ongoing team development and, in fact, 78% indicated that team building activities were a one time event. The respondents ranked the obstacles to team building as follows:

1. Don't know how to do it
2. Don't understand the rewards.
3. Don't feel it is being rewarded in our company.
4. Don't need teams.
5. Don't have enough time to do it.
6. Don't have the support of their bosses for this activity.

Team building needs to be approached as an ongoing process and not as a single event. The team development process involves assessing the current level of functioning and devising more effective ways to work together and achieve results. A follow-up process must then be put in place to ensure performance continues to improve. There is not one way to put a team building program together. It varies depending on the experience, interests and needs of the team members and the nature of the current situation. Team

building is a process involving human feelings, attitudes, actions and mutual commitment by managers and team members, to try to work together more effectively (Dyer, 1995).

Why Teams?

Effectively implementing teams can be a powerful competitive advantage for organizations. As a business strategy, teams can be used to improve productivity, decrease costs, and increase quality of customer services and products. Morale may also improve as employees realize their opportunities to learn different skills, take on new responsibilities, assist in making decisions and recognize their value to the organization as they are held accountable for their actions (Kricher, Development Dimensions International, Inc.).

The benefits of a team approach include higher performance levels, fewer mistakes, new ideas that promote creativity, more energy and enthusiasm, a focus on objectives and ultimately shared success. Team achievements are not necessarily a new phenomenon but there is more urgency to team performance today because of the link between teams, individual behavioral change, and high performance. “Few people today question that a new era has dawned in which such high levels of performance depend on being “customer driven,” delivering “total quality,” “continuously improving and innovating,” “empowering the workforce,” and “partnering with suppliers and customers” (Katzenbach & Smith, 1993, p.16). The same team dynamics that promote performance also support learning and behavioral change and, consequently, teams will play an increasingly essential role in first creating and then sustaining high-performance organizations. Organizations need to recognize that change management today goes beyond concern for strategic decisions and reorganization and involves learning and

institutionalizing a whole new set of values, behaviors and skills necessary to achieve speed. This involves participation and insights of people across the broad base of the organization to focus all of their efforts on satisfying customers' needs.

Teams perform well because they bring together complementary skills and experiences, have clearly defined goals, overcome barriers that stand in the way of collective performance and have more fun. Behavioral change also occurs more readily with teams because members are collectively committed and are not left to fend for themselves. Teams are flexible and allow room for people to grow. Since teams are focused on performance, teams are willing to motivate and support individuals who are trying to change the way they do things. This will lead to a shift from managers to teams determining individual's role and performance (Katzenbach & Smith, 1993).

Organizational Support & Processes

Once an organization has decided on a team-based approach they will need to address some key factors to the successful implementation of teams. Team development alone is only part of the equation to arrive at a team-based organization. All levels of the organization must commit to this approach. "A team-based organization uses teams to perform the core work of the organization—to turn knowledge and raw materials into products and services that customers value" (Mohrman & Mohrman, 1997, p.1-2).

Senior managers must actively and visibly support the transition to teams and provide the necessary support systems. Organizations need to incorporate their commitment to teams into their culture and use teamwork as a part of their selection, compensation and performance appraisal systems. Management needs to demonstrate that the organizations philosophy and beliefs state and use teams to accomplish their work.

Organizations must align their systems to support the environment that they are creating as illustrated at Table 3.

Table 3

Team Development Model

	Organization	Team	Individual Members
Purpose (why, what)	Mission	Charter And Goals	Roles and Responsibilities
Partnership (with whom)	Values & Beliefs	Norms and Communication Channels	Interpersonal Skills
Process (how)	Management Systems and Reviews	Methods and Procedures	Problem solving & Planning Skills

Note: From The Team Handbook, 2nd ed. (p.1-11), by P. R. Scholtes, and B. L. Joiner, and B. J. Streibel, 1996, Madison, WI: Joiner Associates Inc.

The model shows the three dimensions of an organization including: Individual Members, Team and Organization, and their three primary tasks: Purpose, Partnership, and Process. The Purpose is the reason behind the work being done. Partnership is how people relate with one another and the Process is how the people will get the work done. It is important that everyone in the organization understands how these tasks line up with one another across each of these dimensions. As an example the purpose is defined at the organizational level as the mission. Within the team structure the purpose becomes the team goal and for the individual members the purpose is their personal role and responsibilities. To maintain alignment the team's goal must line up with the organization's mission and the individual members role needs to line up with both the team goals and the mission of the organization. These interrelationships among the three

dimensions of the organization and the primary tasks must be communicated and understood throughout the organization (Scholtes, Joiner, & Streibel, 1996).

Another crucial element is that organizations recognize and begin to shift their paradigm from the logic of traditional organizations to the logic of a team-based organization as indicated at Table 4. Setting direction across the organization involves setting goals that create ownership and awareness and clear strategies that provide a context for decision making. In a team-based organization, everyone shares in setting these goals as they are continuously aligned, communicated, and updated when circumstances change. The structure of an organization and its people must be focused on developing processes that support the core business and focus on the customer. Throughout these processes it is critical to develop a communication framework that ensures the availability of accurate and timely information throughout the organization. This allows people to be knowledgeable about the organization's performance and their customer's concerns and, in turn makes them responsible for making good decisions (Mohrman & Mohrman, 1997).

Table 4**Shifting Logics**

THE LOGIC OF TRADITIONAL ORGANIZATIONS	THE LOGIC OF TEAM-BASED ORGANIZATIONS
Combining people into functional units with similar tasks and knowledge makes the organization easier to manage, maintains functional effectiveness, and promotes efficiency.	Teams can focus attention on results if they're composed of all the skills and knowledge needed to produce a product, deliver a service, or carry out a complete process.
Breaking work down into individual jobs and assignments promotes individual accountability and allows the organization to take advantage of specialized knowledge.	Ownership, commitment, and motivation increase if a team is given authority and responsibility for a whole piece of the business and is held collectively accountable.
People get trained only in what they need to do their job.	The cost is lower if tasks previously carried out by managers can be moved into teams. Team members need business and management skills.
Manager's control, coordinate, and integrate the work of the people they manage, and are held accountable for the work of the unit.	Teams can work more flexibly and effectively if people have some understanding of each other's work and if they have some cross training.
Strategy formulation is done at the top of the organization. Control and implementation functions are in the middle. Executing of technical tasks is the responsibility of the nonmanagerial members of the organization.	Quality is higher and cycle time is lower if decisions are made, as often as possible, by teams whose members have the relevant information and perspectives---as opposed to decisions being made through the hierarchy.
Good managers "buffer" the technical core of the organization from the uncertain environment of the organization.	Managers create the conditions for teams to be effective.
Innovation and improvement occur primarily through functional organizations.	Innovation and improvement occur when people with diverse perspectives work together and find better ways to do things.
Career growth is upward movement in the hierarchy.	Career growth occurs through assignments that provide opportunities to develop broader and deeper skills and responsibility.

Note. From Designing and Leading Team-Based Organizations. (p.11-5), by Mohrman

& Mohrman, 1997, San Francisco, Ca: Jossey-Bass Publishers.

Leadership

Roles must be clearly defined if teams are to be successful. As a traditional organization and its people shift to a team-based approach roles will change dramatically. Clarity begins with every individual, from top management to frontline employees, understanding clearly how their purpose fits into the overall organizational vision and objectives. Responsibilities assumed by the team and management must be defined as well as the specific targets and parameters for meeting the organizational goals identified. This will set the premise for determining the expectations of the members' roles as well as designing new management and leadership roles. Teams often take on responsibilities previously held by managers and the nature of the managers job changes dramatically. The managers role changes to that of a peer coach, mentor, special project leader or team facilitator. This shift in responsibility by middle managers is often seen as a threat and can impede obtaining their support for a team-based structure.

Transitioning from a traditional organization to a team-based organization is a change that requires true leadership. Leading change begins in the hearts and minds of leaders as they give deep thought to the future. Organizational transformation begins with the personal transformation of its leader. Leadership is about forging new frontiers of accomplishments and then creating a new vision and mission for the organization. Leading change effectively is a must for leaders in a world that knows change as its only constant.

The three major components of leadership are vision, mission and principles. Collectively they define a desired future, the accomplishments required to get there, and the principles that will guide future choices. They are important because they form the

cornerstone of the culture of the company. Implementing teams and tools of continuous improvement represents a culture change. Culture is the set of shared values and beliefs that define the nature of the workplace. Culture defines the norms and standards of behavior. The overall capability of an organization is determined by its culture (Lynch & Werner, 1992).

The increasing pace of change requires greater leadership capability than ever before. The relentless search for growth and performance has executives recognizing the need for more rigorous pursuit of real team performance at the top. “This implies that senior leaders must recognize when the disciplined set of behaviors required for real team performance should take priority over the equally disciplined—but different—behavior required for individual executive leadership performance” (Katzenbach, 1998, p.2). A real “team at the top” must adhere to the same definition of a team as defined earlier while the focus is on ensuring the application of the disciplines in achieving real team performance. The point here is to realize that real teams increase leadership capacity at any level. Finding a balance between single leadership and top team leadership will optimize performance capabilities and unleash potentials for both entities. The high performance organization will require leadership that exploits both nonteam as well as team approaches. The secret is not to replace one approach with another but to integrate the two. The best leaders are constantly reshaping their leadership composition and approach to reflect marketplace and workplace change (Katzenbach, 1998).

Obtaining the support of middle managers can be a challenge because their positions are threatened as the organization changes to a team-based approach. For a change effort to be successful, people throughout the organization need to learn new

skills and behaviors to produce better performance in a shorter time frame. To grow to new levels of performance companies need the commitment to the change effort at all levels. Top management cannot do it alone. Middle managers are capable of breaking the traditional mold and can become real change leader's too. These real change leaders are learning new skills to become more in tune with the needs of today's marketplace and the company's growth plans. They are the energizing link between senior executives, frontline employees and the customer. As middle managers become real change leaders they assume new roles and enhance their productivity and opportunities. The new managers are change leaders who are making a difference because they are learning approaches for changing people's behaviors that will generate better results faster than their competition.

Real change leaders may be line managers, department leaders, team leaders or the mavericks and champions but the most common attribute is that they know how to achieve better performance results through people. They are the individuals who get the tough jobs done well and quickly. These leaders think and act differently from the traditional middle managers. They also work differently from top managers even though the contributions of both work styles is essential to making a permanent change in any organization's performance capability. These individuals tend to be fundamentalists that believe that a successful business is both a social and an economic institution and must be led as such. Katzenbach defines Real Change Leaders(RCL) as: "Individuals who lead initiatives that influence dozens to hundreds of others to perform differently--and—better by applying multiple leadership and change approaches (Katzenbach & RCL Team, 1995, p.16)." To further explain this concept, Table 5 contrasts the skill and attributes of

traditional middle managers with real change leaders (Katzenbach & RCL Team, 1995, p.21).

Many different kinds of individuals are capable of becoming effective team leaders. Ideally all team members should have the opportunity to develop the attitudes and behaviors of a team leader. A real team has a multiple or shifting-leadership model implying the leadership of the group shifts among the members depending on the task on hand. The requirements of a team leader include building commitment and confidence, strengthening the mix and level of skills, managing relationships with outsiders, removing obstacles, and still doing real work within the team. Team leaders always need to change and grow because each team differs in its approach, composition, purpose, goals and performance challenge. To be effective the leader must believe in the team purpose and the people who make up the team. The team leader promotes and facilitates the team process as opposed to the traditional group leader who directed each step and made all the decisions. The team leader must be able to find a balance between action and patience. This approach is clearly understood from a quote from the Chinese philosopher, Lao-Tzu that describes his view of team leadership: "As for the best leaders, the people do not notice their existence. The next best, the people honor and praise. The next, the people fear; and the next, the people hate. When the best leader's work is done, the people say, 'We did it ourselves' "(Katzenbach & Smith, 1993, p.148). Leadership at all levels of the organization is needed to successfully accomplish their performance goals.

Table 5

Differences between “Good Managers” and Real Change Leaders

Key issues	Traditional GM view	Emerging RCL view
Basic mind-set	Analyze, leverage, optimize, delegate, organize, and control it—I know best.	Do it, fix it, try it, Change it—and do it all over again; no one person knows best.
“End-game” assumptions	<ol style="list-style-type: none"> 1. Earnings per share 2. Market share 3. Resource advantage 4. Personal Promotions Always make the Numbers	<ol style="list-style-type: none"> 1. Value to customers, employees, and owners 2. Customer loyalty 3. Core skill advantage 4. Personal growth. Satisfy customers and workers
Leadership Philosophy	<ol style="list-style-type: none"> 1. Strategy driven 2. Decide, delegate, monitor, and review 3. Spend time on important matters 4. Leverages his/her time A few good men will get it done for me	<ol style="list-style-type: none"> 1. Aspiration driven 2. Do real work 3. Spend time on what Matters to people 4. Expand leadership Capacity I must get the best out of all my people
Sources of Productivity And Innovation	<ol style="list-style-type: none"> 1. Investment turnover 2. Superior technology 3. Process control 4. Leverage the people People = exploitable Resource	<ol style="list-style-type: none"> 1. Productivity 2. People superiority 3. Process innovation 4. Develop the people People = critical Resource
Accountability Measures	<ol style="list-style-type: none"> 1. Comprehensive measures across all areas 2. Clear individual Accountability I hold you accountable	<ol style="list-style-type: none"> 1. A few key measures in The most critical areas 2. Individual and mutual accountability We hold ourselves Accountability
Risk/reward Trade-offs	<ol style="list-style-type: none"> 1. Avoid failure and mistake at all cost 2. Rely on proven approaches 3. Limit career risks 4. Analyze until sure I cannot afford to fail – or to leave	<ol style="list-style-type: none"> 1. Expect, learn from, And build on “failures” 2. Try whatever appears promising 3. Take career risks 4. If in doubt, try and see I can work here – or Elsewhere

Note. From *Real Change Leaders: How You Can Create Growth And High Performance At Your Company* (p. 21), by J. R. Katzenbach, and RCL Team, 1995, USA:McKinsey & Company, Inc.

Performance Management

How do organizations identify, account for, evaluate, and reward individual's performance within the team? This is important because this is what motivates people to commit themselves fully to the team's purpose. The movement towards teams began over fifty years ago but it was in the late seventies that competitive pressures mounted and businesses were forced to improve their processes. The migration towards teams was a quality improvement process.

The future success of organizations depends on how effectively they can change their corporate culture and human behaviors to incorporate teams into their structure. Employers must move from focusing on individual performance to interaction between team members and the team as a whole and, ultimately, overall performance. They must begin to address linking pay to adding value to business results. The driving force for pay systems needs to be driven by the performance and profitability of the corporation. Traditional pay programs do not effectively stimulate team performance and new systems need to be considered. In addition to monetary rewards, recognition such as letters of acknowledgment, plaques, parties, or prizes are also important. Once a person meets their monetary subsistence level, then social needs like approval, inclusion and appreciation become important personal needs.

Qualitative and quantitative measurements need to be established to measure and evaluate team effectiveness. Organizations need to quantify what they expect their

results to be to remain competitive. Qualitative performance measures relate directly to such team behaviors as, cooperation of members, participation, attendance, involvement and problem resolution, learning, skill development and leadership. At the same time, management needs to move towards giving up some of the control of rating team performance to the teammates, team leaders and customers themselves. Ultimately when the measurement system is developed, it needs to be communicated clearly and openly.

The debate is how to judge team performance and reward for it. There is no one right way. The key is that the performance measure must be clear and related to the work being done and that the process and rewards fit with the culture and business needs of the organization. Businesses can benchmark with others doing similar things but also must recognize that what works for one company does not necessarily work in all (Saratoga Institute, 1997).

In a report produced by Saratoga Institute for the American Management Association in 1997, the participants listed several value-adding benefits of teams. The “customer first” principle along with a good balance between the importance of the bottom-line and culture needs were most prominent. Additional comments included: attaining synergy, full empowerment, ownership of results, cross organizational issue identification and achievement of strategic goals. Another question that was responded to by participants was whether they felt the companies’ expectations were being met as a result of the team approach. Eighty percent of the respondents said that the team approach was meeting their expectations. There was a range of responses to the second part of this question, which asked what their evidence was that teams were making the desired impact. These responses included improved customer satisfaction, improved

employee morale and productivity, decreased cycle time, increased quality and productivity, less resistance to change, emphasizes teamwork and systematic method of process improvement, more creativity, happy clients and good customer service. When matching employee attitude and team behaviors with the success of team programs there was a direct and positive correlation. Seventy-three percent of the success factors related to team behavioral issues and 27 percent relate to employee attitude issues (Saratoga Institute, 1997).

It takes time and dedication to change the culture and structure of an organization to support a shift towards a team structure. Although teams have been around for some time, the speed of change, and competitiveness in the marketplace create a challenge for organizations to implement a team structure. It requires much planning but the outcome of a more collaborative system has demonstrated progress towards measurable improvements in organizational effectiveness and profitability.

Continuous Learning

As part of the quality movement progressive organizations are realizing that a commitment to continuous learning is a necessity to develop a workforce that can meet and sustain marketplace competition. Becoming a “learning organization” means making a commitment to continuous learning and skill development. This allows an organization to continually expand their capacity to shape their future. Making continual learning a way of organizational life can only be achieved as we move away from a traditional authoritarian hierarchy to merging thinking and acting at all levels. We no longer want employees to leave their brains at the door. The paradigm shift is reorienting management from a predominant concern with controlling to a predominant concern with

learning. This shift can only occur if we genuinely value and truly desire to live life as learners. Our educational system has taught us to be performers rather than learners and this makes it very difficult for workers to reverse it on their jobs. Ultimately the realization is that this transformation may need to be linked between corporate and public education. The real promise of the learning organization may be to generate a whole new way to envision school and work in the 21st century (Senge, 1992).

Training individuals to learn, practice and apply new skills and behaviors is an essential component to producing successful teams. To function effectively team members need to develop technical skills to do the job, interpersonal and communication skills to interact successfully within the team and action or quality skills that involve identifying problems and making improvements. Developing these skills is a requirement to becoming an empowered team that can implement constant improvement actions and thus enhance organizational performance. Timing of training is also crucial. Initially, a set of core skills must be provided to all members as teams are being developed and there after ongoing training must be provided at the teachable moment. People are more apt to learn when they have an opportunity to apply a new skill. Training is an ongoing activity and sequencing activities helps to build skills on one another (Wellins, Byham, Dixon, 1994).

As quoted by Peter Senge, “In the long run, the only sustainable source of competitive advantage is your organization’s ability to learn faster than its competition” (Senge, et. al. 1994, p.11). The fundamental purpose of building a learning organization is to marry the individual development of every person in the organization with superior economic performance.

Mastering team learning will be a critical step in building learning organizations. Team learning involves knowing how to work together as a whole. In an aligned team there is commonality of purpose, as a shared vision becomes an extension of one's personal vision and an understanding of how to complement one another's efforts to develop synergy. Alignment is a condition that fosters the empowerment of individuals and results in the empowered team.

Individual learning does not guarantee organizational learning. However, if teams learn, they become a microcosm for learning throughout the organization. The accomplishments of the team can set the tone for establishing a standard for learning together within the organization. Team learning also involves mastering the practice of dialogue and discussion so teams can converse effectively. It is most important to recognize that the discipline of team learning requires practice. A sports team wouldn't think they could be champions without practice. The process by which teams learn involves continually moving between practice and performance, yet practice is what most organization's lack. Despite the importance of team learning the dynamics are poorly understood and often it is a product of happenstance (Senge, 1990).

Learning involves a process of linking intellectual activity with behavior change. The Deming cycle of Plan-Do-Check-Act reinforces the need for organizations to pilot test their actions and collect new data to analyze. The act stage generates the movement to a broader application. This method fosters the gradual accumulation of new knowledge and by the time an organizational wide change occurs people are more apt to adopt new practices more readily because many have been involved in the learning process.

The roots of the quality movement have always been about learning. Dr. Deming's management philosophy says that, "People are born with intrinsic motivation, self-esteem, dignity, curiosity to learn, joy in learning" (Senge, 1992, p.4). When continuous improvement is looked at from an extrinsic perspective people only modify their behavior when there is some external motivation to do so. Workers then see management as always trying to raise the bar to get them to do more. When continuous improvement is viewed from an intrinsic perspective people will naturally look for ways to do things better if adequate information and tools are provided. People's innate curiosity and desire to experiment will drive performance and improvement (Senge, 1992).

W. Edwards Deming states that, "It is the job of management to improve constantly and forever the system of production and service" (Lynch & Werner, 1992, p.15). What practices and beliefs need to be adopted for success in the nineties? Continuous improvement must be driven by the customer and every team should be taught to compete against their own best past performance. Teams should focus on improvement opportunities to always increase the value that processes deliver to customers. Managers must create a safe environment for teams that will stimulates ideas and eliminate the fear of taking risks or making mistakes. The workplace of the nineties requires leading people to perform. Companies must recognize that people are their most valuable resource because of their collection of knowledge, talents and experiences that they bring to their job. Organizations need to develop a mindset that focuses on the process about how results are achieved as opposed to only the results themselves. Another paradigm shift is systems thinking which involves a holistic approach of

understanding how the parts fit into the whole versus a reductionistic culture where we gain understanding by dividing the whole into its smallest parts. A team system involves having ownership for all of a vital business process. Each task performed by the team adds value to the final product or service. A horizontal versus a vertical organizational structure will eliminate the silo effect and facilitate communication so that the work can be accomplished through a series of core business processes. Finally, a seamless system is executed when teams are linked across the organization by customer and supplier partnerships (Lynch & Werner, 1992).

A Socio-Technical Quality Model

The Webster dictionary defines an archetype as an inherited idea or mode of thought in the psychology of C. G. Jung that is derived from the experience of the race and is present in the unconscious of the individual. He first described the structure of a universal archetype as a field of forces created by the tension between points in opposition. The American quality archetype described by Zucherman and Hatala in their book, Incredibly American, revealed the tension created by opposing states of emotion and action for an American's first learning of quality. They discovered that the American cultural archetype implies that quality is associated with failure first, and that achievement only comes with maximum effort. American heroes arise from the underdog who has persevered against all odds. Also, to Americans the word perfection isn't synonymous with quality but instead has unpleasant connotations because it means there's nothing more to do. Work described in words like standards, specifications, and control do not motivate Americans. Words like new, change, possibilities, and

breakthroughs energize and create strong positive feelings to push forward despite barriers or difficulties (Zuckerman & Hatala, 1992).

A model that supports the American cultural archetype transformation of negative emotion into positive energy includes a three-phase structure. The three phases are crisis and failure, support and celebration. The transformation is fueled by the energy created by the emotional pain of crisis or failure. In the second phase, the individual is supported by a mentor who provides emotional recognition to open them to learning and a coach who steps in to teach and provide the tools to do the job. Celebration is a time to acknowledge the success but also to recognize the journey to success including the failures, mistakes and struggle to persevere. Celebrations become an opportunity to take on new challenges because learning has taken place in the process. It is important to understand that celebration is not a party but an extraordinarily emotional event. Celebrations can be a benefit to other teams because the experience provides them with the emotional energy needed to move out of phase I and begin again. This model of the American quality archetype is simple, powerful and offers enormous potential.

During the Industrial Revolution, Americans saw technology as their main tool to quality. Americans gradually came to realize that there were more elements to the quality equation. They recognized the need for management to plan but also that leadership was needed to put these plans into action to obtain the desired results. All along, however, the missing element in this equation has been human emotion, which is the people element. Americans have always been more comfortable with intellect than emotion. The American approach to quality improvement must be balanced and include leadership, emotion, plans and technology (Zuckerman & Hatala, 1992).

Human Capital

Our most abundant natural resource is human energy. A free, fearless environment allows human energy to be released in natural and normal ways. The goal is to consider how human energy can be utilized creatively and productively as opposed to it being exploited or wasted. The key is for leaders to develop relationships among individuals, organizations or whole societies, that fosters the continuous creative development of its members. This requires that management develop interactive processes that stimulate the build up, transfer and release of this energy to drive behaviors that will achieve productive outcomes for the organization. Human energy is the foundation that underlies all theories of motivation. During the twentieth century we seem to have mastered the techniques of mass production, perhaps the twenty first century will analyze human energy forces that will lead us to a theory of motivation that has great applicability for improving the quality of life and work. New approaches to organizational management practices and designs must be continually questioned and challenged if organizations are to survive in the rapidly changing marketplace. When we speak of participative management we are not just looking at a change in the *amount* of participation in decision making but a change in the *kind* of participation, a change of relationships in general.

John Ingalls, in his book *Human Energy* speaks of two behavior types that are displayed by individuals as described at Table 6. Type A behaviors tend to represent an individual with a basic human need for certainty or control and Type B behaviors represent a human capacity for tolerating ambiguity or creativity. While there is

Table 6

Behavior Types

The Need for Certainty Type A (Normal)	The Toleration of Ambiguity Type B (Normal)
The search for cognitive balance or consistency (logic)	The capacity for remaining open to experience (acceptance)
The tendency toward social evaluation and comparison (judgement)	The ability to be descriptive (nonjudgmental assessment)
Attribution and the assignment of motives (assumption)	The willingness to question and inquire (experiment and exploration)

Note. From Human Energy: The Critical Factor for Individuals and Organizations (p.14),

by J. D. Ingalls, 1976, Addison-Wesley Publishing Company, Inc.

generally only one basic human behavior these two types represent two opposite extremes. Type A represents the psychological posture of *answer* and characteristics that stop the action while Type B represents the psychological posture of *question* and is characterized by keeping the action moving. Type A behaviors tend to be focused on the task and Type B behaviors consider our interpersonal relations. These sets of opposites as described are energy forces for the foundation for the human energy system and life itself. Since life is a dynamic process every individual confronts these behaviors to different degrees continuously. These forces vary from person to person and situation to situation but the goal is to learn and practice both sets of behaviors and develop the ability to move from one set to the other as circumstances change.

These behaviors as described represent the way one experiences life but equally as important is the impact of our inner consciousness. Our consciousness is comprised of four functions including sensation, thought, emotion and intuition. The sensory and thought characters are analogous to Type A behaviors and emotion and intuition are associated with type B behaviors. These four conscious functions need to be developed

and balanced in a fully functioning person. To reach the potential for which the human race is capable it appears that we need both Type A and Type B behaviors and consciousness. Type A behaviors predominate in Western culture, our society and our organizations while Type B behaviors are more prevalent in Eastern civilizations. The quest for survival may require developing a raised consciousness and adopting new ways of thinking and acting. This merging of Eastern and Western attitudes recognizes the need for realizing that we must learn to live together on this planet and respect the integrity of all peoples and all cultures (Ingalls, 1976).

Internationally experienced managers know that individual's are heterogenous in their mentality and logic, despite their culture. Recognizing that there are many logics, not just one, opens the door to new solutions in management as leaders discover these individuals as valuable assets, waiting to be tapped. These logic types are shown at Table 7 as the four most frequent found types, although there are many other types and mixtures between types. These logical types are called 'mindscape types' and these four and their mixtures account for about one-third of all individuals in North America. "You can almost tell your own type by the way you reacted to the table of characteristics. If you found that the categories overlapped or left gaps, and you tried to make a non-overlapping and gapless table, you are probably of H-type. If you thought that these categories depended on situations and contexts and could vary accordingly, you are probably of S-type or G-type. But if for you the table was completely meaningless, you are probably of I-type" (Maruyama, 1994, p.4).

Table 7**Characteristics of Mindscape Types**

H-type	I-type	S-type	G-type
Homogenist	Heterogenist	Heterogenist	Heterogenist
Hierarchical	Independent	Interactive	Interactive
Classifying	Randomizing	Pattern-maintaining	Pattern-creating
Competitive	Making unique	Cooperative	Cogenerative
Zero-sum	Negative-sum	Positive-sum	Positive-sum
Sequential	No order	Simultaneous	Simultaneous

Note. From Mindsapes In Management: Use of Individual Differences in Multicultural

Management (p. 4), by M. Maruyama, 1994, Brookfield, Vt: Dartmouth Publishing Company.

Just as employees vary in temperament, they also vary in their structure of reasoning and action. These mindscape types further expand and document the range of behaviors beyond the A and B types mentioned earlier, that exist in the human race. Real change leaders recognize that there are many logics and mindscape types and utilize this knowledge to explore new methods in coaching and training people. Discovering and utilizing hidden mindscape types can potentially bridge areas where there previously seemed to be nothing but gaps (Maruyama, 1994).

The ultimate goal of management is effective problem finding and problem solving. Awareness of the existence of these behaviors and forces of human consciousness will allow leaders to approach problem finding and solving with a process that identifies both task related and interpersonal obstacles and brings buried and hidden emotional and intuitive elements to the surface. Throughout life as we encounter problems and attain mastery over them we grow, develop and expend high levels of energy. Successful change leaders recognize that understanding these human factors are

critical to unleashing talents and maximizing individual performance and ultimately organizational performance. They recognize that understanding human archetypes, behaviors and relations is integral to effective team dynamics (Ingalls, 1976).

Can a more effective use of human energy accelerate learning? Educators are known for providing information but true learning requires an outward flow of expression, as well. It is through the awareness and expression of the unconscious that great ideas are born. “The Chinese philosopher Confucius expressed his belief in the importance of learning from experience when he wrote:

“I hear and I forget

I see and I remember

I do and I understand” (Ingalls, 1976, p.137).

If we agree with this statement the acquisition of knowledge relates directly to living and experiencing. Learning and living become synonymous. Dr. Malcolm Knowles uses the term “andragogy” to describe the art and science of helping adults learn in contrast to “pedagogy” which is the art and science of teaching children. Knowles describes, “the main thrust of modern adult-educational technology as the direction of inventing techniques for involving adults in ever-deeper processes of self-diagnosis of their own needs for continued learning, in formulating their own objectives for learning, in sharing responsibility for designing and carrying out their learning activities, and in evaluating their progress toward their objectives” (Ingalls, 1976, p.146). The successful teacher of adults allows the student to determine what they want to learn as opposed to teaching what he thinks the student ought to know. Recognizing and implementing these characteristics of adult learners will greatly increase the learner’s experience of success.

This success will increase the availability of energy needed to take additional risks in pursuing new experiences, which are necessary to ensure their continued growth and development. The andragogical approach to continuing education stimulates increasing confidence and widens creative potential.

The andragogical education process offers corporations a means for improving task effectiveness and interpersonal relationships. Training and development programs, team building, and performance appraisal are all opportunities to use this process.

Knowles says that, “the executive who makes the greatest contribution to his corporation is the one who is able to release and develop the potential of the human resources that are his company’s principal asset. Thus, according to modern management theory, every manager must be an educator, too. But the fact is that adults differ in certain crucial ways from youth as learners. So it is not enough for managers to be educators. They must be adult educators.” (Ingalls, 1976, p.152-53). It is apparent that an educational environment in the workplace has the dual benefit of increasing self-fulfillment and productivity.

Benchmarking Teams

The initial move to teams must be driven by a business need and not just because it is the latest flavor of the month. In the text, Inside Teams: How 20 World-Class Organizations Are Winning Through Teamwork, studied a variety of corporations to determine the best practices for team implementation and success. The overwhelming reason for establishing teams was due to increasing competitive pressure to contain costs, improve quality, and increase speed. Senior management support was needed to drive and support the change to teams. Some of the common strategies for the transformation

included forming a steering team to support the implementation and a design team which took on the task of redesigning the key processes and roles, aligning support systems and developing an organization wide communication plan. As teams matured and took on more responsibility the role of leadership changed and management layers decreased. Leadership within the teams varied from appointed team leaders, to rotating team leaders to no formal team leadership (Wellins, et al. 1994).

One of the biggest eye openers was the realization that there needed to be changes in all organizational systems as a result of changing to teams and that the whole culture of the organization was impacted. The four key systems that needed to be overhauled included: selection, training, rewards and compensation and monitoring performance. A comprehensive selection process was established when a new plant start up occurred but, in most cases, organizations were making the transition to teams with their current workforce. Many of the organizations studied said that training could either make or break the success of a team implementation. Therefore, it is important to ensure sufficient time, commitment and resources to a training program to develop team skills. Team members must be open to learning new skills for teamwork and collaboration, continuous improvement methods, customer focus and developing problem solving skills. Team leaders need to acquire skills in coaching, facilitation, encouraging continuous improvement and conducting meetings (Wellins, et al. 1994).

Fourteen of the twenty organizations studied changed their reward systems to support the team culture. The three general approaches to move towards compensation based on the underlying goals of team-based organizations were skill-based pay, gain-sharing programs and team bonus programs. The typical annual performance appraisal

system is in direct conflict with a team-based work culture. Goal setting and monitoring are no longer top down and one way. Without exception, all twenty organizations involve team members in establishing goals and monitoring performance against these goals. These organizations are finding that this process increases the member's commitment to achieving the goals and that team monitoring allows the team the opportunity to improve themselves. In six of the organizations feedback was solicited from other team members and from both internal and external customers. Managing performance has become a very participative process. There is more input from ones peers, the leader is more of a facilitator than a judge and the focus is on development rather than on evaluation. Some of the organizations had developed even more sophisticated appraisal processes in which team goals were tied into plantwide key result areas. In addition, members were to target two behavioral areas to work on in which they selected one dimension and the team assigned them another. Some general guidelines for success with a team appraisal process are to recognize that it takes a mature team to manage this process and that it requires training. Finally, it shouldn't be assumed that teams will assess themselves easily and often a team's expectations will be set higher than what management would expect (Wellins, et al. 1994).

The payoff that these twenty organizations achieved by implementing teams was consistent and impressive. Teams were able to produce significant cost savings by eliminating those things that were not adding value to the final product. They were able to improve their products and services and decrease cycle time. Besides the bottom line there were human resource benefits of reduced turnover and fewer worker's compensation claims. These organizations also realized the benefit that teams had on

morale and motivation. People want to make a difference, be valued for their input, and take ownership in their job (Wellins, et al. 1994).

The 1998 Best Practices from America's Best Plants Conference in Chicago presented: "Using Teams, Kaizen, & Continuous Improvement Initiatives to Unleash Productivity & Performance." The eight companies sustaining the Best Plants title included:

1. ABB Industrial Systems Inc.
2. Alcatel Network Systems
3. Cincinnati Milacron
4. Cooper Automotive
5. MEMC Electronic Materials Inc.
6. Milwaukee Electric Tool Corp.
7. Tenneco Automotive
8. AlliedSignal Engines

They each shared their stories that addressed teamwork, empowerment and how these best practices play a role in continuous improvement activities. Some of these stories are shared, through the following examples, from notes written while attending the conference (Best Practices from America's Best Plants Conference, 1998).

Milwaukee Electric Tool Corporation focuses on the importance of having an open door policy in terms of communicating with employee's and stresses the ability to be flexible and agile. To continue to obtain world class results they preach a five minute rule that says, "take five minutes to celebrate and continue on." They emphasize not

selling work groups short because they know better than anyone does what it takes to compete.

ABB Industrial Systems success strategy is the implementation of a high performance work systems team structure. Their key organizational principles include; organize around process, not task; flatten the hierarchy, use teams to manage everything, let customers drive performance, reward team performance, maximize supplier and customer contact and inform and train all employees. They implore six core competencies including advanced teaming, problem solving, customer focus, technical skills, continuous improvement & learning and safety. They utilize a 360 degree review process, which involves competency/skill assessment, and gap analysis to determine a professional development plan. ABB explains organizational change as having a hard side, which is management and a soft side of change which is leadership. The hard side of change is about processes, measurements, tools, structure and procedures. The soft side of change is about buy-in, commitment, attitude, creativity, overcoming resistance to change, and self-leadership. The lessons learned from ABB instituting their high performance work system included:

1. invest in getting the organization ready for change,
2. promote team to team communication, as well as, vertical communication,
3. recognize the high frequency need of communication during change,
4. train in specific team skills; conflict resolution, conducting meetings and problem solving skills are key skill areas,
5. create staff functions of Coach and Subject Matter Experts as resources for teams to draw upon,

6. require the team to create a well written charter and revisit the charter often.

Cooper Automotives surpasses their competitors by setting targeted goals to support the company vision and conducting highly focused Kaizen events. Their thoughts included choosing goals whose means of accomplishment were more important than the ends. The goals must be easy to understand and communicate and supported by critical activities and measurements. They believed that real, effective change only happened when supported by the highest level of leadership at the location. Finally, it was important that all activities were in support of the organization's vision and that team members be developed or selected to share a common set of values.

Cincinnati Milacron developed a team concept called "Wolfpack" since wolf packs are highly organized and their success depends on combining intelligence and cooperation with a willingness to adapt to changing circumstances. Their agility has allowed the company to increase productivity and improve processes. The team approach for Wolfpack was simultaneous engineering, combined experience, extensive market research, no surprises, no prima donnas, no sacred cows, and an intensity to win. In the process of developing this team they took the members out to meet their customers and see their competitors. They also involved the total team in periodic reviews with the Division Management. This involvement is what brings commitment to the team goals. The core values of Milacron were that they believed in customer satisfaction, employee growth, company growth and profitability and integrity in All We Do. The key to driving performance is to measure. If people know where they stand they will be driven to meet new goals. They described business as being a treadmill where customers and competition are forever continuing to challenge us. The treadmill never stops and we

need to continually improve and develop opportunities. This requires a very committed workforce (Best Practices from America's Best Plants Conference, 1998).

The presenters at the conference also discussed Kaizen strategies to unleash employee creativity and upgrade manufacturing operations. Kaizen is a common sense, low cost approach to continual, daily incremental improvement. Kaizen is learning together as a team and being physically engaged in the process. The manager's role is to challenge workers to attain higher goals and deal with developing a learning organization. The objectives of Kaizen are to make significant improvements in a short period, increase productivity, reduce cost of quality, improve inventory control, and improve customer service. The Kaizen rules include: keeping an open mind to change, maintaining a positive attitude, practice mutual respect, one person, one vote; there is no such thing as a dumb question and there is no magic wand for training and working smarter (Best Practices from America's Best Plants Conference, 1998). Companies that want to be leaders in their field must continually ask, "How can we do the job better tomorrow than we're doing it today?" (Imai, 1997, p.xiii)

In summary, the notes written from the conference proceedings relayed some recurring themes. One clear message was the importance of commitment, attitude and effective communication as key characteristics to effective teams. It was also evident that transforming from a traditional to a team-based environment requires time and patience. For most of these companies, it took two to four years to see results in the evolution of their teams. Often times there were major failures before they succeeded. When teams didn't work the major obstacles that impeded their progress were either that

(1) the organizational culture wasn't ready for teams, (2) middle managers were not truly committed to teams, or (3) that there was not sufficient team/leadership training.

The remarkable pace and speed of change in the marketplace demands that organizations must compete in this quality race to survive. Quality is a race with no finish line. Training was repeatedly mentioned as an essential to producing high performance teams and that a minimum of forty hours per year of training is recommended for each employee. Emphasis was also placed on the value of having employees interact with the customers and suppliers. Their involvement can add value and opportunities and uncover root causes to problems. A final clear and evident conclusion was that there is not one single global recipe for developing effective teams and an organizations success depends on their ability to develop a system and leadership that supports their business needs and organizational culture (Best Practices from America's Best Plants Conference, 1998).

Robert Moawad CEO of Edge Learning Institute, a professional development firm, spoke in his keynote presentation on, "How to Increase the Effectiveness of Empowered Teams." He notes that the number one factor according to the census bureau for hiring a non-supervisory or production worker was attitude followed by communication skills and previous experience. He believes that it is the chemistry of individuals on a team that makes the difference. Measures of key people are that they have high standards of personal integrity, courage to make tough decisions, they are risk takers and creative innovators, enthusiasts, possess a good sense of humor, remain above pettiness, work consistently and hard, demonstrate empathy, keep informed and promote and encourage the development of co-workers. Lastly, he shared three steps on how to

never work another day in your life. The first step is to fall in love with what you do. The second step is to strive to continuously improve and third—believe in what you are doing! The session closed with this final question, “Is your plant a garden where people bloom?” (Moawad, 1998).

Future Trends

In 1997 Development Dimensions International, a leading provider of human resource programs and series designed to create high-involvement organizations, surveyed seventy organizations across North America and the United Kingdom to identify trends in teams in the year 2000. The key findings included a significant increase in the use of teams, a dramatic increase in team empowerment, communication and trust as the biggest challenges to improving team performance and lack of support from management as the most significant barrier to performance. Teams are more prevalent in the United Kingdom and nearly three-quarters of the respondents expect that more than ninety percent of their workforce will be part of some team environment by the year 2000. Both organizations predict that team coordination and decision-making responsibilities would be centered more within the teams. Communication was the biggest challenge for the U.K. based companies, while trust was prevalent for N.A. respondents. Both organizations agreed that all of the factors including commitment, process, purpose and team involvement in key decisions and activities were potentially challenging.

Respondents were asked to select the two most significant barriers to optimal performance from a list of eight. These barriers were lack of upper management support, poor implementation planning, insufficient time/resources, reward/compensation system

focused on individuals vs. teams, not selecting/promoting the right people, lack of union involvement/support, orientation of organization towards business process vs. silos and insufficient training. North American organizations top barriers were insufficient time and resources and improperly focused reward and compensation systems. United Kingdom respondents identified lack of upper management support and poor implementation as the most significant barriers.

As the numbers of teams grow and operate more autonomously it is anticipated that improved communication will be increasingly prevalent. The survey supports the ideas that teamwork has become part of the fabric of the workplace, a shared leadership culture will develop and teams are a part of these organizations overall competitive strategies. Finally, it is essential to create and maintain an environment that aligns the support systems with the team structure and goals (Cook, Wellins, & Golding, 1997).

Some additional future trends include focusing on the evolution of support systems including compensation, performance management and training. It is expected that team training hours will increase from an annual average of forty to sixty hours. Greater emphasis will be placed on team performance and there will be a radical increase in skill based pay and variable compensation tied to all levels of the organization. It is anticipated that a logical outcome of reengineering in organizations will be empowered redesigned teams. There will be the need to replace permanent teams with virtual teams to keep up with the pace of change and customer demands. Virtual teams are temporary cross-functional teams who come together to work on a project and disband when it's completed. The future will require organizations to be more flexible by having the ability to deploy resources quickly to accommodate the demands of the marketplace. Leadership

roles will continue to evolve and will need to master new skills to develop strong business relationships with other teams, customers and suppliers. Lastly, social changes will support organizational teamwork. We expect that social and educational systems will begin to support and teach teamwork (Wellins, et al. 1994).

Every organization should be committed to learning as a priority for long term success. Management theorists suggest that organizational learning may be the source of the only sustainable competitive advantage. As organizational learning evolves companies will need to use existing learning tools for more purposes and develop new tools to increase corporate competitive advantage. Six new learning tools that have competitive advantage potential in developing learning organizations include dialogue, scenario planning, the Merlin Exercise, action learning, practice fields and knowledge management and mapping. The nature of learning is that it is a lifetime activity. The following mission statement for the learning organization emphasizes the degree of commitment needed to make learning a priority:

Mission Statement for the Learning Organization – The world changes and we cannot stop it. Our products will change, our markets will change, our customers will change, and some of our employees will move on –we hope to greater things.

But these things will not change

We will learn faster than our competitors

We will learn across our organization from each other, and from teams,

We will learn externally from our suppliers and our customers,

We will learn vertically from top to bottom of our organization,

We will ask the right questions; and use action learning,

We will anticipate the future and create scenarios to learn from it,
We will practice what we learn, and learn from practice,
We will learn faster than our environment changes,
We will learn where no man or woman has learned before,
Therefore we will survive and prosper. (Fulmer, Gibbs, & Keys, 1998, p.20).

Summary

Teams will be the primary building block of performance in learning organizations. Effective team's result when organizational elements and processes are properly aligned at all systemic levels. This requires strong leadership to manage the transformation processes needed to adapt its culture to support building and sustaining a team-based learning organization as a competitive advantage. Real change leaders search for new approaches to lead, mentor, and coach people and recognize the diverse mindscapes that individuals possess as they participate in solving problems and creating solutions. Capitalizing on people as a primary asset can unleash new levels of creativity and productivity. In theory, building effective teams seems easy but in reality putting this knowledge into practice that changes behavior and fosters learning is a difficult challenge for corporations today. In an environment of constant change, organizations must have perseverance and courage to stay on course with the evolution of teams. Teams are here to stay and have become a significant means for businesses to survive into the new millenium. Corporations that choose to stay on board can expect rewards in both the bottom line as well as in creating an organizational culture that values people.

Benchmarking teams is a tool that allows organizations and leaders to learn from the experience of others. Learning results when people are given the opportunity to put

their knowledge gained into practice. If true learning is to occur, leaders must create a fear-free climate that supports experimentation. The time has come to collectively use the knowledge gained thus far to plan how the rest of the journey will be expedited. Let the experimentation process begin with an inquiry as to the best means to proceed to learn about teams.

Chapter III

Learning is a life long process that once begun never ends. Since learning involves both the acquisition of knowledge and its application, the key becomes designing the best questions to ask. The questions elicited will ultimately produce information that can then be analyzed to produce new thinking patterns that ultimately have the power to change behaviors to one's benefit. Phenomenography is a research approach designed to answer certain questions about thinking and learning. This part of the journey requires mapping out a research method to investigate the qualitatively different ways in which people experience, conceptualize, perceive and understand teams.

Nature of Study

This qualitative study will investigate the characteristics about what comprises an effective team in organizations today, how their organizational design impacts team development and the different ways that people learn, think about and understand teams in organizations. The process of team selection, role clarity, commitment to a defined purpose, training, establishment of performance measures and recognition programs for effective team development will be analyzed. It will involve researching the design of organizations including their culture, leadership, people, and process alignment for team building to succeed. In addition to assessing the benefits of teams, this study will address the major obstacles that organizations confront in building teams. A comparative analysis will be conducted of the similarities and differences between the design and effectiveness of building teams in the service versus manufacturing industries. It will

analyze the inter-relationships of all of the themes that are key to producing an environment to design effective teams and promote a learning organization.

Procedure

This will be a phenomenographic study, which involves investigating the qualitatively different ways in which people experience, think and learn about the world around them and the relationships that exist between them. Phenomenography also involves looking at the mistaken conceptions of reality. In this study this will involve looking at why some organizations and leaders believe teams don't work. Mapping in qualitative research involves obtaining a picture of the social as well as the physical environment and creating a description of the context of the phenomenon under consideration. In this study mapping is addressed through broad, open-ended questions that are asked by the interviewer in the interview process. An unstructured interview means that the general questions to be addressed and specific information desired were anticipated by the interviewer but were addressed in whatever context or order that happened to arise (Sherman & Web, 1988).

The study involved conducting a total of thirteen unstructured interviews from both the service and manufacturing Industries. Seven of the interviews were from the service industry and included both for profit, non-profit, educational, hospitality and healthcare institutions. Interviews in the manufacturing industry included one organization which employed less than one hundred employees, four which were five hundred or less employees and three which were over one thousand employees. The manufacturing industries included companies that produced products ranging from scientific and health care equipment to business office supplies and entertainment

products. The selection of organizations to participate in the study was based on obtaining a generic mix from both types of industries. Referrals were obtained by networking with leaders in the community and organizational consultants as well as utilizing references from texts and the internet. The process of identifying organizations to include involved making a phone call to a referred contact person or their Human Resource Department to determine if they were using teams and working towards a team-based structure. This included a brief explanation of the thesis project and then questioning the individual as to whether the organization used teams to problem solve or create change.

The interviews were conducted with senior managers, including Directors of Operations or Department Managers. The criteria used to select these individuals to interview was based on identifying an individual within the organization who was knowledgeable of the vision and overall structure of the organization as well as being involved in the development of teams. A date was set for the interview and a letter of confirmation was sent specifying the date, time, location, and a brief explanation of the nature of the interview. Most of the interviews were conducted on site of the organization being interviewed. Geographically one interview was conducted in Syracuse, New York, one was conducted in Buffalo, New York, two were conducted in Chicago, and nine were conducted in Rochester, New York. One of the interviews conducted at a conference in Chicago was with an individual who represented a company located in Connecticut.

The interviews were approximately one hour in length. All of the interviews were taped with their permission. Some demographic data was collected including the type of

industry and business, location, profit and union status, number of employees, number of years in teams, and the type and average size of these teams. The unstructured interview began with an open ended question asking the individual to relate how this team phenomenon came to be, how their teams had evolved, and what outcomes they were realizing from teaming. As the interview progressed more defined guiding questions were interjected to obtain more depth or provide clarification through examples. A series of guiding questions that originated from the knowledge gained in the literature review included:

- What were the major reasons for implementing teams in your organization?
- What tools or resources were used in developing your teams?
- How has the introduction of teams impacted your managers and front line employee's?
- What type of leadership is needed to effectively change the culture of the organization to a team-based environment?
- What are the characteristics of an effective team?
- What kinds of changes of organizational systems need to be adjusted to support the team environment?
- Is the team approach meeting your organization's expectations and what is your evidence that it is making the desired impact?
- What kinds of success stories or obstacles did you encounter when your teams were being introduced and developed?
- What kinds of recommendations could you give to organizations considering implementing teams?

- What role or impact will teams play in your organization in the future?

An unstructured interview was employed in an attempt to avoid bias by the interviewer and allow the interviewee to unfold their story naturally. The open ended questions allowed the interviewee to choose the dimensions of the question they wanted to answer which ultimately helps to reveal their relevant structure. The guiding questions above were formulated in anticipation of eliciting more in depth information that would conceptualize the data collected. It is important to consider not only what information is elicited in the interview but also to consider the significance of what is evaded or left unsaid. These qualitative guiding questions attempted to characterize how something was apprehended, thought about or perceived within the organizations interviewed. Following each interview a letter was sent to each interviewee thanking them for their participation in the study.

Phenomenography provides descriptions that are relational, experiential, content oriented, and qualitative. When we attempt to analyze the data in this study we will not be merely sorting data but searching for the most distinctive characteristics that appear in those data. This involves looking for structurally significant differences that clarify how people define some specific portion of the world. The goal is to discover the structural framework within which various categories of understanding exist. The most significant outcome of this research will be to discover and classify previously unspecified ways in which people think about certain aspects of reality (Sherman & Web, 1988).

The objective of this study is to provide through the interview process an account of the different ways that people learn, think about and understand teams in organizations. This may uncover conditions that may facilitate the transition from one

way of designing effective teams to a qualitatively better perception of this reality. The study will involve coding and theming the interviews to identify systems of descriptive categories to attempt to evoke a substantive theory.

Triangulation is the means used in qualitative research to substantiate and make sense of one's findings. This study has analyzed numerous periodicals and texts in the review of the literature, attended and summarized the proceedings of two conferences and one pre-conference workshop on teams and conducted thirteen interviews including a mix of corporations from both the manufacturing and service industries. Utilizing these different sets of data allows the researcher to study the team phenomenon from several perspectives and potentially discover new meanings that may exist.

Assumptions

Since the term "team" is used to describe groups of individuals one may readily believe they are functioning as a team within the defined context of this study. In my opinion, there will be organizations that feel they are team-based when, in fact, they aren't and this differentiation must be clarified before proceeding with the study. Another assumption is that previous research has shown that effective teams are more productive, have the potential to improve the quality of products and services and can improve employee satisfaction and morale.

It is assumed that the analysis of the interviews will reveal ways in which individuals learn, think and understand the team concept in relation to the overall business strategies and will result in developing a model that organizations can use to design and implement effective teams.

Hypothesis/Guiding Questions

The questions in this qualitative research emerge as the researcher observes the interviewee's. These questions are tentative as the research progresses and are subject to refinement as it proceeds. In this study the propositional statement that we are investigating is what comprises an effective team. Questions derived from this statement will be framed in general terms to guide the research and allow more in depth questions to evolve. These questions may be derived from experience or theory but also may evolve from the data analysis to support a particular theme.

Summary

The key to producing coherent qualitative research requires establishing its methodological process. This entails identifying the phenomenon to be studied, and determining the questions to ask about this area of curiosity. To begin, the conceptualization of the project must be clear, but as the project evolves, the process will continually adapt to reflect the new knowledge acquired. The data as it is collected will be analyzed and will contribute to potentially expanding and modifying the questions to be asked. This interdependent process of continual inquiry is the nature of qualitative research and its goal is to elicit new meaning and depth about the phenomenon being studied. The excitement of the journey accelerates as the analysis of the data reveals its findings.

Chapter IV

The analysis of the data collected can be compared to creating a flip book. Each interview becomes a series of snapshots to be viewed one at a time in an attempt to assess their unique characteristics. Compiling similar characteristics across the series of interviews, the pictures are reassembled in a new sequence and a common theme begins to materialize. Viewing the photo's from each identified theme as a whole series allows the creative purposeful expansion of discovering new vision and meaning from the data collected. The story unfolds and takes on action and new dimensions in flipping progressively through the series of photographs. This qualitative process allows the researcher to visualize and reflect on the new information learned.

This analogy maps the methodological process used in this research project to collect and analyze the data. The findings are progressively integrated and spliced together to ultimately create a motion picture that is interdependent on the pictures being assembled.

Finding and Analysis

Why initiate teams? Pose this question to the organizations interviewed and consistently the universal response was to help people service the customer better. The ultimate goal of every organization is to meet customer service expectations. To be successful meaning to attain quality and drive new outcomes in a rapidly changing marketplace where the competition is brutal and the pace of change is phenomenal demands accessing the talents and strengths of your people. Initiating teams was a decision based on meeting business needs to survive. The inability to meet customer

needs, production capacity, product demand and profitability led organizations to the teaming concept. It was essential to communicate to their people the association that the key factor for their desire to develop teams was based on the business need. This realization was a crucial motivating factor essential to establishing commitment, driving performance and developing a positive environment for creating teams. The objective of teaming being to empower people and position decision making closer to the point of service. In this highly competitive market increasing flexibility and adaptability through teams to quicken customer response time will differentiate the survival of organizations of the future.

The latest business jargon, the current flavor of the month, language semantics, and our personal mental models all contribute to confusion and misconceptions for effective communication in the work environment. What was presumed to be a simple research question was in reality complex. In identifying potential organizations to interview the difficult question became, "Are you a team-based organization?" "Does your organization utilize teams to primarily problem solve or create change?" Often the response was silence and hesitation, followed by the question, "Explain what you mean?" A major obstacle was determining whether an organization had a true team environment as opposed to a pseudo-team or work group. Team, group, task force and committee are terms or perhaps titles in the work place that are often used interchangeably without much thought to their true definitions or variable implied meanings. Often teams were occurring but were not viewed as an organization wide effort. The statements, "I'm not sure that was actually a team," or "I'm not sure I have them fully identified as teams."

elicited a red flag. What is it that is creating this confusion or uncertainty of structure in these organizations?

Appendix A lists the demographics of the thirteen interviews and contains the transcripts of the actual interviews conducted for this qualitative study. Each interview has been assigned a case number for reference in the analysis of the data.

In case (2) although teams were not a vision of the organization it was the Department Directors personal vision and leadership style that allowed people to perform as a team even though they didn't call themselves a team. Isn't it, therefore, possible to have true teamwork within an organization that is not team-based?

Case (4) indicated that the teamwork concept is not new but was brought back into the corporate environment in recent years as a buzzword. Business units or work groups were transitioned to teams by a change of title only. The structure and team process were not incorporated to perform as a functional team.

In case (6) the illusion was that a team was a group of individuals in the same geographic or physical location accomplishing a specific task. "They definitely work together. They help one another. That is a team if ever there was one."

Case (7) had much difficulty with the word "team" in that it implied that there were winners and losers and that most people think of teams in terms of an athletic concept. The implication being that the word team may encourage competition among people versus working together towards a common goal. The emphasis was on the fact that words are very powerful in the message that they convey and that communication becomes even more difficult when a significant part of your workforce doesn't speak English as a primary language. Ultimately, it was felt that the common usage of a word

would prevail over a dictionary meaning or a training session designed to change the mindset. The term, "team" was seen as the latest jargon workplace fad and it was important to management to choose to use the term, "group" which was felt to be less threatening and without preconceived notions. Why not focus then on training people how we want them to act and the behaviors we're trying to develop rather than the terminology.

Case (9) viewed teamwork as the ability to facilitate meetings and move agenda's. Conducting and facilitating effective meetings are key skills to develop as a part of the essential process to effective team development but does not begin to encompass the dynamics of teams in the organizational system.

Case (11) found it difficult to introduce teams initially because the attitude was if it isn't broken, why fix it. In this scenario it was difficult for people to consider changing to a team environment when the business already had a very good reputation that was extremely successful. There existed a hesitancy to making any radical changes or considering doing something different. It required that the leader set the climate and describe why they needed to change. In this case in order to remain competitive with the rapid pace of change, organizations must have the mentality of always questioning what they are doing today to meet the challenges of tomorrow because otherwise they won't even be in the running. Teams are a vehicle to react more quickly to the environment because they don't have to go through the different layers of the hierarchy and instead have an integrative team approach where everyone is on the same page and ready to act.

In summary the word, "team" has multiple meanings and is used in a variety of contexts which emphasize the need to redefine its use. The problem is twofold in that

leaders must avoid the liberal use of the term team unless they plan on walking the talk. Leaders must model and communicate how to bridge the gap between the current structure and a team design. Secondly, organizational leaders must recognize the potential for confusion and clearly define team within the business realm as a type of organizational structure with specific characteristics that will be utilized to facilitate processes within the organizations system. The structure of the team needs to be defined in terms of characteristics and behaviors of effective team development as well as its role as a unit in the larger organization. Organizations must realize that this involves changing the culture of the organization to encompass teams and that multiple models for team-based organizations exist. The proactive approach involves customizing the model to best meet the organizations vision. Today's leaders must begin by answering the question, "Why initiate teams?" followed by "What is the structure of our "business team" and what organizational processes are needed for its support?" to determine whether their ready to transition to a team-based organization.

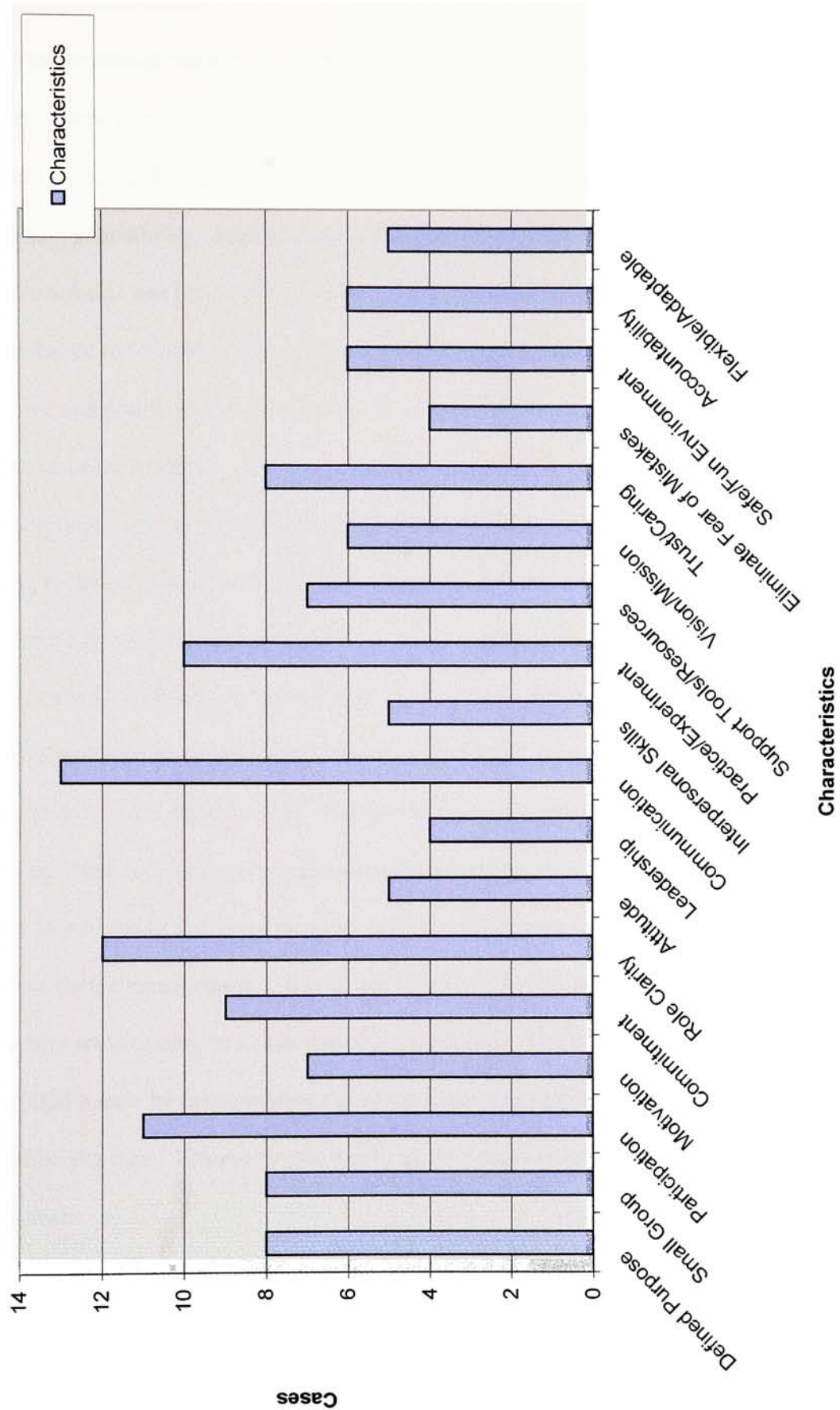
It would appear that the next step key to the teaming process is to determine the essential elements characteristic to effective business teams that can build a strong foundation for any organizational model. Keep in mind that our ultimate goal is to maintain accountability with our customer at all times and to provide the highest level of service possible. This involves addressing how we function with our internal customer, which ultimately has a direct relationship with our external customer service. A sensitive balance must be attained that satisfies both the internal customer's quality of life and the external customer's service expectations. In case (13) a conflict arose between the dissatisfaction of the internal customer with having to travel extensively at a time cost

and being able to provide the external customer with the best care. To find resolution one must analyze the whole system along with the mission of the organization and be sure that they are congruent and feasible. In other words are the processes supporting the systems mission?

What skills and processes are needed for effective team development? Analyzing the thirteen interviews documented both social/interpersonal and technical skills that are basic learning requirements for individual team members and processes that are required for interaction within and among teams in the organization. The analogy here is comparable to a symphony where each musician is responsible for their individual role to learn how to play their instrument but the process involves everyone playing together to create the piece of music.

The characteristic elements of teams most frequently discussed in the interviews conducted are summarized in Figure 1. From this analysis it appears that teams are felt to be most effective when it involves a relatively small group of individuals who have been assigned a defined task that is relevant to the organizations mission. Each individual has a clearly defined role and the hierarchical structure has been flattened to allow members to change roles and leadership within the team. Participation of every individual is essential to truly benefit from teamwork so that all talents are tapped and utilized. Through equal participation all take ownership in the process and outcome. In addition, participation provides the practice and experiential learning that is necessary for continued growth and maturity and the involvement allows the individual to gradually

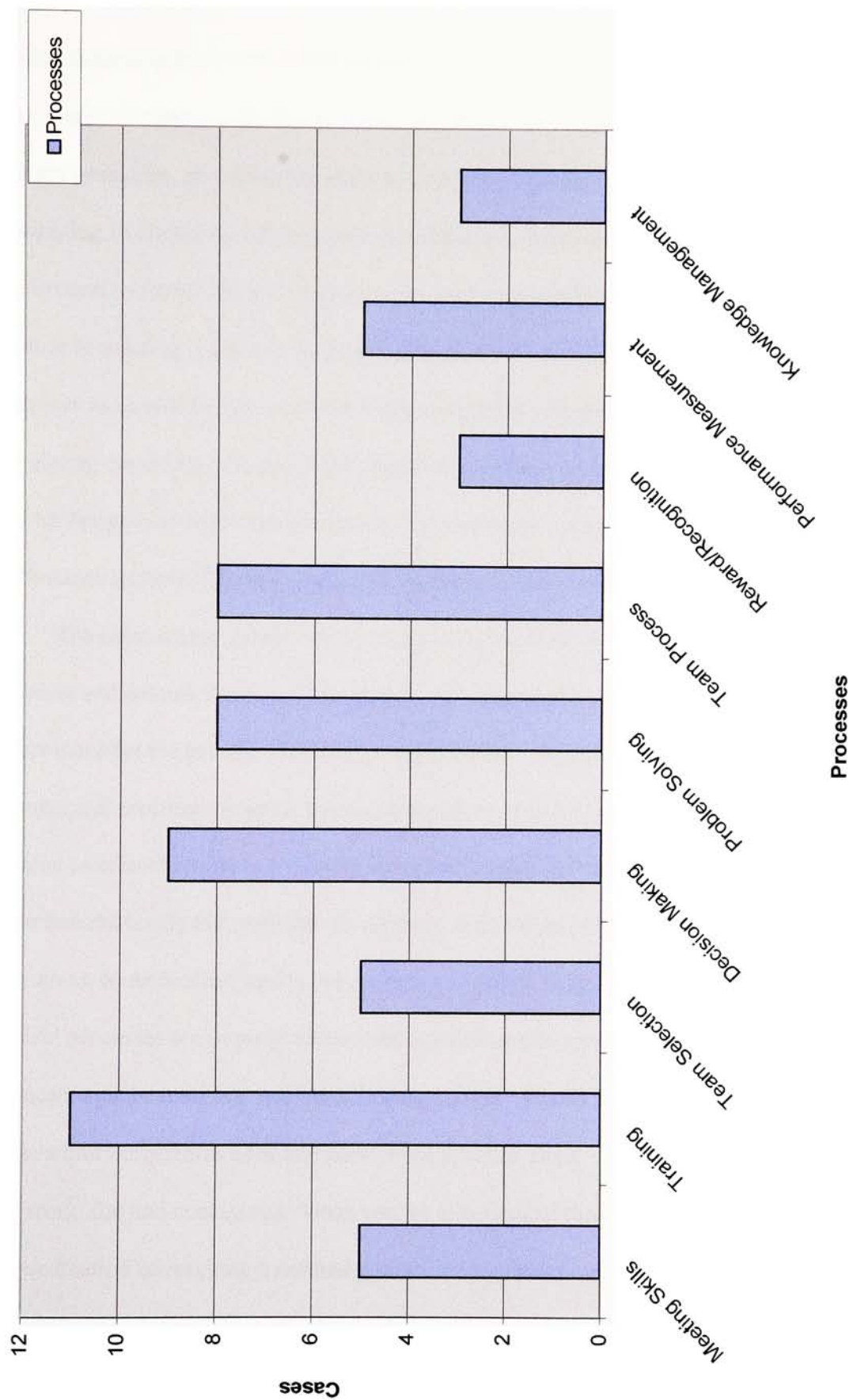
Figure 1. Characteristic Elements of Teams



adjust to the change process that is inevitable. Remember team building is a continuous journey whose dynamics are constantly changing and never static. Interpersonal skills including being able to communicate effectively and express trust, honesty, openness, flexibility, adaptability, responsibility and accountability are key elements to creating a positive attitude and being able to respect, care and share dialogue among team members. Commitment to teamwork must supersede ones own personal agenda and involves being inclusive and practicing active listening so as to learn to understand others versus trying always to be understood. As we review these characteristic elements it is evident that these findings replicate what has been documented in the literature. However, a key finding surfaced in the interviews. What distinguishes the creation of an effective team is determined by whether an organization is able to apply the theory and put it into practice. This is called, “walking the talk.” Figure 1 documents that most individuals are knowledgeable of characteristics of effective teams and speak fluently of their importance in team development. The road block to the effective implementation of teams and their ultimate success as a structural component of the organization may be rooted in the overall design of the total system including its leadership, process, change and knowledge management. How do we begin to address the reality of mentally and physically transitioning to a team-based organization? This requires visualizing the completed puzzle by incorporating the whole system as opposed to working with only one piece at a time. Ultimately, the pieces of the puzzle must all be aligned to complete the picture.

Figure 2 summarizes the process elements of team development, which were documented from the interviews conducted. Training is an essential component and

Figure 2. Process Elements of Team Development



requires budgeting both time and financial resources into the ongoing development of your people. Training is the key to educating people to understand the reasons for the different processes, providing the skills to actively participate, and eventually contributing to creatively refining processes that will improve the dynamics of the organization to search for new opportunities, and continually expand its capabilities. Training in meeting skills and meeting facilitation will create an environment that is conducive to constructive problem solving, resolution of conflicts and a means for formulating consensus and making decisions for continuous improvement. Processes must be designed to select team members, support team dynamics, measure outcome performance and provide rewards and recognition for the mission accomplished.

The team charter is the vehicle to allow its members to customize internal team processes and creates the ownership essential to orchestrating and driving team performance for the benefit of the larger organization. Together the characteristic elements and processes must be learned and practiced in unison to create the dynamics essential to effective teams. Focusing in on only certain parts of team development will jeopardize the teams full potential. Every team member must be committed to themselves, to each other, and to the process as a whole to feel the impact. When these physical processes are in place and mental attitudes are in sync teams have the capacity to produce magic beyond one individual's imagination. Teams enable individuals to excel and as a unit outperform what one person can produce alone. Teamwork is invigorating, hard work, fun and contagious. Once you've experienced the spirit, harmony and die-hard dedication of reaching a defined goal the energy produced becomes the fuel for the next challenge. Case (#7) speaks to the output of the team as having to make a difference

both qualitatively and quantitatively to make people work hard. The presence of this gut wrenching, heart felt vigor that encompasses one's mind, body and soul may be the simplest test to identifying the presence of a true champion team. It takes repeated practice and building upon each previous experience to implement, develop and acquire the elements and processes necessary for effective teams. Deming supports this sequence of events in his model of Plan-Do-Check-Act. Even experiencing failure is not bad because it provides the opportunity to learn, realign, and try again. Organizations must realize that team development takes patience, a significant time element and that it is only one structural piece of the organizational design.

When envisioning the big picture the next question becomes, "What sustains a team once it's created?" Developing teams alone is not enough and their success is dependent on aligning processes within the total system. Case (8) states that teams will work if the processes are in place, if there is a desire to continuously improve and there is the commitment of leadership. The size or type of an organizations industry be it service or manufacturing has no corner on the market in terms of successful teams and what they can do. The interviews conducted for this research involved assessing teams in both the service and manufacturing industry as illustrated in the demographics of Appendix A. It did not appear that the type, size, union or nonunion, profit or nonprofit status of industry made any difference because there were successful teams represented in both. The key is that leaders be truly committed to developing teams, provide the essential resources, tools, and support personnel and align processes to sustain the systemic structure of the organization. Focusing on the purpose, process, and people will facilitate the flexibility, efficiency and effectiveness of teams in an organization.

Through surveys and focus groups Case (3) conducted a year and a half complete analysis of its organization including its history, culture, environment, resources, and future vision by gaining input from staff, clients, service units, and customers. They conducted a gap analysis of where they were at present and where they wanted to be in the future. They identified their business needs and developed a model based on this new organizational vision. Their decision was to design a model that was 100% team-based. This is an example of an organization that chose to completely re-engineer their organization based on the skills and competency needs of a team-based organization and required every employee to reapply and participate in the new selection process. It is an excellent example of leadership's total commitment to the team concept and the change process required to make it happen.

Case (5) demonstrated the risk involved in taking on the challenge of transitioning from a traditional organization to a team-based organization which ultimately tested the organizations level of commitment. In their first year of transition they totally failed but because they truly believed in their effort they proceeded with teams for another year. They employed the Plan- Do-Check-Act model by reassessing their strategy and giving it another try. The design team refocused on meeting business needs and controlling key variances within their processes from receiving raw materials, through production, to shipping to customers. Management recognized that they had over emphasized the social component of team building and adjusted by balancing the technical skills as well as the interpersonal skills of its members. They hadn't focused on the technical aspects, the key variances, which were actually contributing to the morale issues. Keep in mind that this design phase is not static and if continuous improvement is a goal then redesign is

never done and ongoing practice and experimentation is essential. At the conference held in Chicago on Best Practices from America's Best Plants, many corporations addressed the high degree of leadership commitment required to endure the failures and hardships throughout their journey. It was the patience, dedication and perseverance of overcoming these trials that led organizations to their ultimate success with teams.

This study involved benchmarking thirteen different organizations. Benchmarking is an essential tool to learning from the experience of others. In case (3) it took one and a half years to conduct an analysis to look at the trends and decide to develop a team-based environment. They were seven months into the implementation phase at the time of the interview and estimated that it would take another two to three years to feel completely comfortable with the new structure. In case (5) they started their design about twenty months before actually rolling out their first teams. They failed miserably their first year and did not start seeing good results against their initial objectives until almost two years into teaming. During their fourth year in teams they were one of the best performing plants in the company and have continually gotten better. This past year was their best ever. Both cases, using different strategic approaches demonstrated that transitioning to a team-based organization is attainable when the systemic structure is viewed as a whole. It took the total commitment of leadership and recognition that time and perseverance are prerequisites to ultimately gaining positive outcomes. The other cases studied were equally as enlightening because it's the comparing and contrasting of how teams work or don't work that leads to continually improving the opportunity for success with teams. One can learn equally as much if not more from what doesn't work as from what does. This is the essence of qualitative

research. It is the questioning and searching for the unknown and hidden underlying meaning that is often blurred and not readily visible, which ultimately discloses unfound territory with new possibilities. Recognize as this research proceeds that each case has its own unique model and that the information is valuable to share in respect to understanding and learning about developing and implementing teams in the real work environment. It's important to have the knowledge of teamwork as a foundation but true learning only results when we begin applying the principles to make it a reality. The key is recognizing the individuality of each organization and the need to customize teams to its culture, environment and nature of business.

Once the decision is made to incorporate teams their development is the beginning of an evolutionary learning process that takes time, patience and commitment. Team building is definitely a work in process. Team behaviors do not develop over night and require not only obtaining the knowledge but also actually putting it into practice. The goal is one thing but the journey is the fun part. The reward is seeing the team mature, taking ownership and recognizing the bigger picture. Teaming is accelerated when a significant event or crisis creates an opportunity for learning and changing behaviors. If humans are hungry and have a need there is a much greater chance of success. However, once success is reached, complacency begins and drive diminishes. A true leader recognizes this and keeps driving new behaviors. That's why the culture must visualize teaming as a journey rather than a destination. It is important as well to define stages of team development so that the members can celebrate as they progress through this continuum and build on their experiences. As teams mature they will have experienced both successes and failures and will come to realize that's it's O.K. to make

mistakes which, in fact, builds loyalty and trust and enables the team to take on more risks and challenges.

Empowerment is another word that is often too freely used in the context of teams. Empowerment involves much more than purely telling a team that they are now empowered. Empowerment means providing your people with the training to obtain the necessary skills and developing a process within the system to do what they are being asked to do. This includes having a clearly defined purpose that is tied to the business objectives. The people must understand the nature of the business so that they can ultimately make good decisions as well as recognize how their daily work impacts the bottom line. This change in the cultural mindset is crucial to the success of teaming. With time being such a critical factor no longer is management going to have the ability to have all the answers, do all the problem solving or make all the decisions. The participation of every team member is essential and the goal is to capitalize on the diversity within the team to make timely decisions that will drive new outcomes for the organization. Resources must be optimized readily and consistently to respond to customer needs.

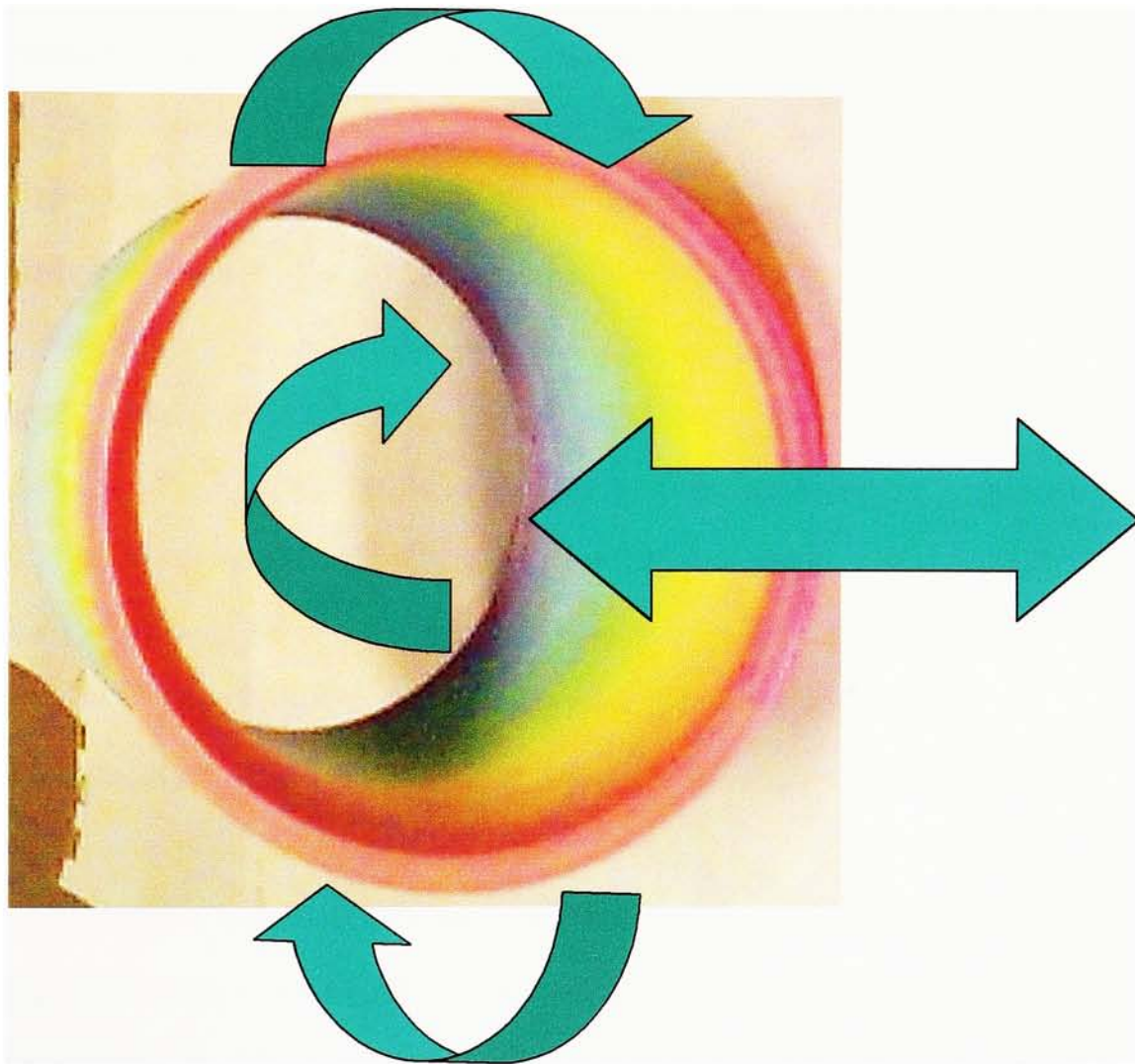
To make teams happen and in order for them to make a difference, it is critical that leaders create an environment that is safe, fun, creative, and non-threatening. Note that a prominent theme that developed through the research was the critical need for leaders to be able to create and sustain an environment conducive to teams. This may be the key to an organization's ability to successfully transition to teams. The benefits of fostering a positive work environment conducive to building cohesive relationships will result in increased effectiveness, efficiency and quality. Initially, it is the role of the

leader to create the stimulus for this environment to happen. As this new organizational culture develops, it ultimately becomes the responsibility of all members to sustain it.

How do leaders create an environment to successfully implement teams? A model, developing from the research, elicits a continuum of commitment, communication, and change. Although a model is used to visualize a concept it generally is characterized as a static snapshot. The model developing appears to be more dynamically interconnected similar to a motion picture where there is always action related to the previous movement. Visualize the spiral illusion of a slinky as pictured in Figure 3. The interconnectedness of the spiral movement is demonstrated when one part moves the whole is impacted simultaneously. The whole unit has the capacity to expand and contract quickly according to the nature of the actions. Response time is critical to meeting the internal and external demands in the environment. The spiral is continuous with no endpoint. Once the race has begun the journey is ongoing. The spiral is a continuum of integrated forces capable of producing simultaneous outcomes. This requires readily accessing and adapting a custom blended mixture of resources and processes. A total systems approach will continually reposition operations to the changing environment. As the analysis continues attempt to visualize the findings in this 3-D model.

First, one must recognize that transitioning to teams is a change process. Since teams are always evolving this implies that change is a constant part of the environment. Managing change requires transforming leadership first and then the organization. When we speak of hierarchical structures and organizational charts we often refer to the management structure. Managing and hitting the numbers is important but corporations

Figure 3. Spiral Team Model: The spiral (slinky) is a continuum of interdependent forces capable of producing simultaneous outcomes. The system will continuously reposition operations to the changing environment.



of tomorrow need to seek out leaders who are able to balance program skills along with process and people skills. As one moves away from this traditional concept of management towards leadership of organizations, one also must move from an environment of control to creating freedom and creativity.

Case 11 indicates that, “the key as a leader, is to set up a climate and environment for those ideas just naturally to bubble up and be addressed.” Case (13) illustrates an example of individuals having difficulty giving up control and having to learn to communicate and relate to team members to meet objectives successfully. It was repeatedly indicated in multiple examples that the inability to give up control or the fear of losing control was a major reason for teams failing. Often this failure occurred at the level of middle management where there was never true commitment. Again we are dealing with the fact that we know that commitment is essential at all levels to succeed but the key is creating the environment to make this happen. Part of this entails developing trust and converting skeptics into visionaries. This requires that leaders not only believe but model this behavior.

If the goal is to develop a learning organization, a safe environment that reduces the risk of failure and promotes and supports its people to experiment and practice new concepts is essential. Knowledge management along with process management must be fostered by these leaders to create a dynamic environment. Organizations struggle with being centralized versus decentralized but the goal of developing a team environment is to become systematized through process management and humanized through knowledge

management. In the transition process the whole of the organization is impacted. Every person is touched and every process must be realigned to match the business goals. Improving the system will be an ongoing quality project. Incorporating a total systems approach supports an environment that builds teams.

Communicating with your people and expressing the behaviors expected in a team environment takes time. Several cases demonstrated that these behaviors began to be fostered one and a half to two years prior to any team implementation. The research consistently documented that the importance of communication cannot be emphasized enough. Case (3) documented that no matter how much you communicate it is never enough. To create a positive environment one must be able to communicate, communicate, and communicate. Ask lots of questions, and make sure that what you're looking at changing meets the needs of the people you are serving. Communicating the restructuring through newsletters, lunch hour round tables, staff meetings, and focus groups were some of their avenues to increasing communication through the transition. Communication must be effective, continuous, repetitive and presented through many different means including verbal and written.

In order to change to a team-based organization leaders must communicate the business need for the change, voice and model their commitment, supply the needed knowledge, and provide the process for it to be practiced. At the same time leaders must begin to work towards adapting the culture and its environment to reflect the new structure. Involve as many people as possible in the change process. The key is to keep leading the change and celebrate the small steps because waiting for the ultimate goal will lose the opportunity to keep people motivated about what's happening now. The

statement, “Success breeds success,” is true. Creating opportunities for people to feel successful creates a positive environment, increases morale, builds trust and confidence which provides the impetus to take on more risks and challenges. Establishing processes within the system will enable individuals to become their own leaders and use these interpersonal skills as situations arise that encompass their expertise. Informal leadership can work if systems are in place and individuals are empowered.

In traditional organizations managers managed people. Successful leaders understand the importance of spending their energy managing the culture and the context of the environment but not the people. Leaders recognize the teachable moments and encourage the personal and professional growth of their people so as to be able to tap their strengths and develop their weaknesses. They recognize that each individual is unique and that they need to adapt their leadership style to each individual in an effort to foster the optimum growth of each relationship. Situational leadership involves recognizing that for every leadership style that is successful there is still another individual that responds differently. The key as a leader is to set up a climate and environment that addresses those differences and naturally allows ideas to flow. A successful leader was described in case (11) as one whom can create this environment and continually ensures that teams are able to accomplish their goals. They are able to create an environment that challenges people, drives performance and hopefully inspires, motivates and allows people to grow.

The difference between a mediocre team and a champion team is the ability to develop this human element and create a continuous learning environment that people can thrive in. There is nothing that creates as much satisfaction as the camaraderie that

teams experience when they succeed at a task that no one thought was feasible. It is definitely an absolutely outstanding feeling and has much more impact than any monetary value could provide. Effective leaders are not seen as the boss but supply the energy, share the risk, provide the focus, model positive behaviors, set examples and focus on continually improving the dynamics of the team. Finally, they recognize that teaming is a journey, not a destination and that there is no room for complacency along the way.

Continuous improvement needs to be incorporated within the cultural environment of an organization and requires changing peoples mindset. To focus on continuous improvement people must believe that their work is never finished. One can never stop questioning systems or the way work is approached. High performance organizations recognize the importance of involving every individual through teamwork to increase the potential for creative solutions. Continuous improvement becomes a part of the model of the change continuum. As systems are improved simultaneously they change. Continuous improvement equals continuous change. Continuous improvement means not becoming comfortable or satisfied with the present and always looking for ways to do things qualitatively and quantitatively different. This involves creating measurement tools to ensure that change is beneficial and adds value to the business need. If the output of the team makes a measurable difference, people will be motivated to continue to work hard. Continuous improvement requires measuring the performance of all systemic processes to assure quality and customer satisfaction.

Performance measurement is also an evolutionary process. As organizations convert to teams they will need to adapt processes to measure teams as opposed to

individual performance. Addressing the process of recognition and rewards becomes a natural extension of the discussion on performance measures since its goal is to reinforce positive behaviors and outcomes. Performance measurement is an organizations reality check of where they are in the process of reaching their goals. Is performance leading towards their vision and how is it being measured? In analyzing the interviews a recurrent theme arose which reflected that many cases were advocating teamwork but continuing to assess and reward individual excellence. A majority of the cases described their frustration in not being able to adequately recognize and reward their people. Consistently, they felt they could be doing a better job and often viewed recognition as an afterthought. Extensive planning went into the process of attaining goals but often the goal was the endpoint instead of utilizing rewards and recognition as a key motivator. Insight into various techniques of measuring performance and rewarding teams are described in the following cases.

Case (1) felt comfortable with measuring its key result areas since that was very quantitative but had difficulty with how and whether to qualitatively measure individuals, teams or both. From there experience the distribution of merit dollars caused divisiveness among team members and seemed to disintegrate the point of teamwork.

Case (2) implemented an outcomes based measurement tool to document that individual's contributions were actually making a difference. This example illustrates accountability and its measurement being driven by the customer. They wanted to know both quantitatively and qualitatively how their dollars were being utilized. It was no longer enough to just say that so many dollars were allocated but now they needed to document the impact of how they made a difference in the community.

Case (3) spoke to measuring the organization's performance from a global perspective that would impact all systemic processes. Measurements were being done but they were sporadic and independent of other processes that may have an influence or be impacted. The impact of the results will be more conclusive and representative of the big picture if performance measures are viewed systemically. It is equally important to measure both the quantitative measures of the organizations key result areas, as it is to measure qualitatively the satisfaction of internal and external customers.

This case also emphasized the need to continually evaluate performance standards before, during and after the transition to teams to demonstrate the progress and document the outcomes attainable as a team-based organization. Another key point addressed the positive impact of implementing a change based on the qualitative outcomes obtained from a survey. Management became very cognizant of emphasizing the fact that the shift from how they were doing something, to the way we're going to do things was in response to something they told us. This sets the ground for the smooth implementation of a change because the people were already actively involved in the process.

"If everyone shares in the work, then everyone should share in the rewards."

Case (4) expressed a concern of trying to find ways to reward all levels of people. One option is to consider offering employees a profit sharing and/or a stock purchase plan so people feel they have ownership in the company. They also described that in the annual performance review process employees must be evaluated based on established standards of what's expected. It becomes management's responsibility then to ensure staff receive the training to develop the skills needed to attain the expected outcomes. This infers that

performance management is inter-related with managing the knowledge of your people. This reinforces the interfacing of processes within the organizations system.

After having been team-based for four years, a variable pay system was instituted by Case (5) in an effort to drive team behaviors to meet business needs. The organization took five pillars including quantity, cost, safety, quality and team development and established a baseline for each. Teams that produced above the baseline split the positive cost variance between the company and employees. People realized an immediate reward for their performance and took ownership in the company. At max, each pillar was worth two hundred dollars so an individual could potentially receive a thousand dollars quarterly. This had a significant impact on changing behaviors and people became more responsive to corrective actions so as not to impact negatively their variable pay that had replaced the general wage increase. They also instituted a “pay for skills system” that encouraged team members to acquire new skills needed by the team. To earn additional money the requirement was to not only acquire the skill but also use it to continually add value to the business.

After much resistance from the quality staff, Case (5) incorporated quality control measures into teams. There always existed an adversarial relationship between production and quality but finally after three years and much pain they were able to incorporate quality control measures into the teams and make them solely accountable. They developed an accountability system where each quarter all teams in the plant send representatives to present the results of the five pillars to the other teams in their area. Depending upon the team’s personality, their presentation may be in a skit form or a traditional format. Each team is then ranked from one to five on each of the five pillars.

The winning team is the team with the highest score and receives either a banner or trophy to keep in their area for the next quarter. This accountability system has each team present what went wrong as well as what worked and allows teams to learn from each other in both times of success or failure. If things went well, they needed to describe how they would keep it going and if things were sour, what were they doing to correct it. These sessions gave teams an opportunity to communicate with each other and share both their best practices and their war stories. Many people dislike being held accountable for business results but eventually understand the value of sharing experiences. People especially dislike having to present when they have a bad story to tell so this becomes an incentive to work hard to reach goals successful. It's an opportunity for management to reinforce that when failures result often learning does occur and it allows people to let go of the anxiety produced and move on to a new challenge.

Several cases emphasized the importance of providing meaningful recognition. Recognition can be very powerful as a motivator if taken seriously and when it demonstrates that you know what makes your people tick. If used inappropriately, its impact can be diminished from misuse or repetitive actions that become commonplace and have no significant meaning. If people are always recognized with coffee and bagels eventually it will lose its impact and almost becomes an expectation. Another interesting dimension of recognition is to have leaders reposition the concept so that it becomes natural in the environment for individuals at all levels to become comfortable recognizing each other. Traditionally recognition has always flowed from the top down but as the organizational structure flattens it advocates recognition at any point along the

continuum. Case (7) described a thank you note system that worked very effectively. Throughout the building there were simple construction paper notes readily available so anyone could simply say thank you for someone's support and assistance. The idea is that recognition needs to be fostered, to be both spontaneous as well as planned, if it is to become a part of the culture of the organization. They also struggled with how to recognize folks for doing great things without breaking down the concept of working together as a team. Again, the concern is expressed in regards to how and when it's appropriate to measure and reward individual versus team performance.

Case (7) also described the need to recognize that people may be threatened by the idea of measuring performance especially if it may demonstrate poor performance and lead to negative consequences. Many individuals may have lost jobs in the past due to poor performance, so one needs to recognize that introducing measurement tools needs to coincide with educating staff to its use and business need. This case actually established a measuring tool for its people to practice, that would reinforce that no negative consequences would result in an effort to gain their trust and have them experience the process.

Case (8) emphasized that corporations need to develop compensation systems that reward people for their performance and not the number of teams that they are on. Everyone within the organization needs to be linked to performance measures that are important to the company's growth. This involves establishing baseline standards to measure against in performance reviews and teamwork needs to be incorporated into the process.

Case (7) and (10) both expressed the need and desire to eventually incorporate selection of members and peer review into their team models. This process is unlikely to happen until teams have matured which may take up to three or more years. This time factor allows people to become comfortable with the concept and recognizes the evolutionary stages of team development.

Case (10) describes the purpose of recognition as a means for organizations and peers to show their appreciation of each other and as an excellent means to foster employee retention. It highlights a healthy work environment and one that people want to be a part of. It reinforces that the organization values its people and responds to their needs both financially and emotionally. Recognition allows creativity to flow and encourages finding new and different ways to motivate people. As the composition of the workforce continually changes the means to satisfying their needs will also change. Traditionally, organizations have recognized employees of the month or year but if organizations are going to benefit from this process they must realize the importance of continually creating new ways to drive new behaviors in a positive environment. If leaders can create a fun, relaxing and rewarding environment it may ultimately stimulate the creativity, learning and freedom necessary for employees to solve problems and perform optimally. They have created two programs called “Customer Hero’s” which recognizes individuals who have done something outstanding in support of their customer and “Totally Notable” where individuals are thanked on the corporate web page for their contributions to a need.

Case (11) utilizes a 360 degree review process. This involves obtaining feedback on an individual’s performance from their peers, management and the customer. This

system provides a good cross section of the strengths of an individual and identifies areas of opportunity for development or improvement. The goal then becomes determining what training or career development is needed to promote learning and growth of that individual. Generally, performance reviews are done on an annual basis and many cases expressed a need for establishing baseline standards, adding further dimensions to include teams and increased frequency of reviews.

Case (12) provided examples of performance measures that were more team oriented and systems that drove both daily and long term behaviors. They utilized a daily scorecard system that measured quality, profit, safety, cleanliness, customer satisfaction, training and continuous improvement. The scorecard was the tool that drove day to day behaviors, which then ultimately drove the key result areas.

The scorecard incorporated the team's objectives for the day and they were then held accountable to their performance. The scorecard worked well because it clearly defined the daily objective and instead of working as individuals they worked together to figure out the best way to accomplish their goals. The teams also had input into revising the scorecard to better meet the division's goal. They might decide to place a heavier weight on a particular variable in order to drive that behavior. As an example if the key factor to be driven was cleanliness they might reduce the points for training and increase the points for cleanliness on the scorecard. The key to driving performance is that there be an incentive and a reward for high performance that's real to people on a daily basis.

The incentive program that was initiated was called a POG system. A pog is a ball that represents five dollars that is put into a bin for every time there is a scorecard that's a hundred points or better. When the pogs total two thousand dollars, everyone on

the floor splits the money. Another weekly incentive was designed by the teams to drive the scorecard performance. If the average score for all the teams at the end of the week was a hundred and ten percent then everyone enjoyed the benefit of perhaps going home one hour early on Friday with full pay or whatever incentive had been predetermined. It is important that the teams themselves establish these incentives because that creates ownership into the process and what incentives will drive them to perform may be different than what management might think.

A daily incentive is also utilized to drive performance as the work day progresses. The day begins with a team meeting and the daily goals are communicated to everyone. They may decide to reward themselves with a ten minute longer lunch break if they reach a certain point by half day. This process increases their awareness of their progress as the day proceeds and encourages flexibility so that teams readily can make adjustments to help each team reach their daily goals which ultimately ensures them reaching the weekly goal.

Another example of the beneficial use of the scorecard is its impact on continuous improvement. If a team is to acquire fifteen points for continuous improvement they must document each day their number one problem. In addition, they need to document what they would fix that would have the greatest impact on solving the problem or they need to determine an improvement on the line they are working to make it more efficient. The idea is to foster problem solving within the team that is actually experiencing it. Teams are also given the responsibility and freedom to implement their ideas to resolve these problems.

The performance review in the environment of case (12) is based on their own training initiatives, the number of people they have cross trained and their contributions to continuous improvement efforts. In addition, they are reviewed by three of their peers on more subjective issues of attendance and attitude. Their environment is unique in that there are no positions, no job descriptions, no levels and this fosters learning because there are no limits to what people can do. Everything in the plant has a protocol. So as far as human development the more procedures that someone can learn, the more marketable and valuable they are as an employee and the more equipped they are to get another job at a higher skill level than when they walked in the door.

These multiple examples illustrate that the key to driving behaviors appropriate to the business need is to link congruently performance, its measurement and the reward process within the total system. The measurement tool must be able to accurately measure the current position of the company globally in order to continually address improving its position within the market. At the same time measurements are needed to address the more immediate behaviors of your people on a day to day basis. The reward system is designed to act as an ongoing motivational tool so its design needs to incorporate both short and long term means of recognition to be effective. Within the model of team development it's the celebration phase that encompasses this process of rewarding and recognizing teams. Celebration provides the opportunity to create an environment within the organization that fosters the continuing maturation of teams from mediocre teams to championship teams. Celebration is also a key to advocating a learning organization. Learning only takes place when the knowledge is actually put into practice. As teams celebrate, their stories become living examples of what transpired as a

result of their actions. Teams can learn from actively listening to these stories and visualizing others success or trials may provide just the incentive needed to move them forward in their own journeys.

Analyzing these cases also documented that the processes of performance measurement and recognition were not as effective, consistent, or as thorough as is truly required to impact behaviors to drive business objectives in this brutally competitive marketplace. These two areas appeared weak because effective measurement tools were lacking or reward systems were not seen as a priority. If companies are to maintain their market share every process within the system is equally important because of their dynamic interrelationships. If they are not accurately measuring what it is they are trying to accomplish then it's no different than blindfolding oneself to reality. Eventually, it will disintegrate critical systems essential to surviving in the marketplace. If processes are viewed independently we are only seeing one piece of the puzzle at a time and not considering its impact on the rest of the system. The spiral 3-D model, reinforces the dire need for organizations to realize the relationships that exist internally as well as externally along the continuum in order to drive optimal performance, productivity, and profits. Organizations are receiving internal and external stimuli constantly and need processes in place to receive, screen, filter, respond, act, evaluate and reward human behaviors.

Earlier, references were made to organizations having difficulty putting theory into practice. It appears that in respect to performance management there may be insufficient knowledge and/or tools to effectively put this process into place and further development and experimentation is required. Those organizations that were further

along in the evolution of teams were also more progressed in their methods of measurement and ideas for rewarding and recognizing their people. Perhaps these processes need to be incorporated earlier in the development of teams and members trained to practice and learn the value of measurement and celebration. Benchmarking against more advanced team-based organizations may allow organizations in the early stages to understand the vital balance required amongst all processes within the system. Leaders can create opportunities to have teams follow the process through from crisis, performance, measurement, success/failure, celebrate and reward. As demonstrated in the cases studied, there is not a universal solution and organizations must customize their approach to incorporate their unique business needs, culture and environment into the processes to be developed.

Knowledge management is required as processes are modified or as new processes are incorporated into a system. Leaders must recognize the effectiveness of managing both the change in process or technical skills and its relationship to the people congruently in an effort to bring everyone along simultaneously. Organizational growth results as leaders and its people learn from experimenting with the knowledge they gain. People recognize the opportunity for growth as a motivational incentive to give it their best try and work hard. Creating an environment that fosters relationship building must value people, their diversity, and their capacity to learn. The outcome of building stronger relationships can result in the provision of stronger service. Developing a “we care” attitude amongst our people will transform into a “we care” approach towards our customer. Satisfy **“action”** results when we put our words into action. Continuous

effective communication is an intricately valuable tool to building and nurturing successful relationships.

In transitioning to a team-based structure, the expectations of the roles and relationships among management, employees, customers and vendors change. Values, attitudes, and behaviors must also change to encompass these new processes. This involves not only learning these new behaviors but also exhibiting them. The impact of these relationships was a theme that was uncovered in the research. Many of the cases emphasized the importance of building relationships internally and externally as a competitive advantage.

Case (5) expressed that, “What keeps us going is the different roles and activities that people demonstrate in teams and that their people are capable of performing beyond what they ever imagined possible.” “Every day I see people that I never thought would do more, or do things different, doing just those things very well. Case (7) also strongly encouraged organizations not to underestimate the value of people. “To not tap into people as a resource is a terrible waste of human energy.” Their own personal life experiences can be accessed to help solve problems in the work environment. It only requires that they be asked to participate. Case (8) advocates listening to your people. They are the best source of finding out what needs to be fixed. Don’t assume that you know what is important it is best to ask. Knowledge management understands that the intellect of the people is the asset base and the source of competitive power for the organization. Case (11) stressed that people can make any organizational change successful but the key is to recognize the importance of linking the whole team from both an attitude and communication standpoint. Otherwise, even the greatest plans in the

world will fail.” A powerful learning network was developed in Case (10) through the use of Camp Learning which was based on the concept that adults learn not from sitting in a classroom and having information fed into them but that they learn best through experience and from other people. This involved bringing people together for a weekend in an unstructured setting to have fun, but embedded in it was people teaching other people how to do their jobs.

Case (12) was shocked by the evolution of teams within their organization. “It’s amazing when you trust people, have faith in people and give people responsibility what they will take on.” Its’ flattened structure supports an environment for creativity and learning because with no levels or job descriptions there are opportunities for people to grow and not feel confined. People are motivated and have a vested interest in performing because they are being rewarded for performing. The challenging piece is for leaders and team members to create new and exciting rewards that will keep people motivated. Case (4) referenced the concept as building a, “Home Away From Home.” The same trust, loyalty, openness, and pride found within one’s own home is what fosters learning and establishing a strong caring work ethic in business and the community.

The 3-D model must be globally envisioned as extending beyond the organization’s individual capacity as a self-contained unit to one whose relationships impact society at large. Figure 4 illustrates envisioning the spiral team model as an active circular organizational loop. The center forms the core characteristics of team members and the tubular spirals represent the systemic processes that interact between the internal and external organizational environment. Organizations are, therefore, part of a network of systems with relational interdependencies. Imagine this model as representative of a

Figure 4. Sunflower Global Model: Team Based Organizations:

The spiral team model becomes an active circular organizational loop which extends globally beyond an organization's individual capacity to a network of systems with relational interdependencies.



head of a sunflower where the seeds produce the team characteristics that bloom into the flower petals as processes are systematized and knowledge is shared. Cross-pollination among other organizations becomes possible and creates opportunities for continuous learning. A systems approach involves organizations thinking more universally about the impact of its decisions. Case (3) exemplifies this model as its key to success is the fact that it has teams of people out working with not only its customers but in communities and in collaboration with other organizations. This makes not only the teams stronger but the organization as well.

The roadmap for organizations is to prioritize and make teams happen. To thrive in today's marketplace every case saw its future vision as continuing with teaming. Case (5) emphasizes that it takes patience, commitment, and understanding and that even when things are going well it's going to be tough because everyone is impacted and everyone's job will change as the transition occurs. The key is that people need to recognize that the goal is to always continue to add value to the business. Knowledge management looks for opportunities for people to learn business in different ways and recognizes that skills acquired from even a totally different venue is what enables employees to continue to add huge contributions to organizations even after working thirty to forty years. The biggest fear with traditional managers is that they won't be needed anymore. They need to recognize that they can add value in another way, but they must be flexible to trying new approaches and doing things differently.

Teams are here to stay if they want to stay competitive. Business cannot afford to keep decision making at the top. They can't afford to have only executives solving everything that needs to be done with the current pace of change. The focus on speed is

crucial. Case (1) emphasizes the need to develop tasks simultaneously versus sequentially which requires a great deal of coordination among a wide range of folks doing different tasks. Instantaneous communication is now available via the internet and this technology now allows individuals to have the impact of a team because the sophisticated business software is a tool that provides information that used to require teams coming together to solve. As technology advances and the speed of change races forward organizations must maximize all resources to capacity to remain competitive. Case (8) notes that quality has become a commodity and organizations need to be focusing on developing a strategic framework to identify key initiatives and operating strategies needed to accomplish the stated mission. In addition, learning organizations have become important and its' focus is on the continuous improvement of every individual which leads to the continuous improvement of the organization. Case (10) indicates that the shift in technology will change the nature of work to be done and will result in changing the nature of the social interactions that occur in the work place. This may create a need for business to support training and knowledge management in order to fill and maintain positions with qualified people. Many challenges that organizations will face in their future will be focused around technology.

The key to organizations surviving and winning according to case (11) will be those whose leaders maintain their focus on the entire system in terms of program, process and people skills and are keeping abreast of the pace of change. A five or ten year plan or vision is too far out now that the speed of change is so rapid. A one or two year vision is more reasonable and requires people to be flexible and agile to respond to

change quickly. The objective is to have everyone involved and to feel a part of a winning team.

According to case (5) “Teams bring out the “best practices” in people!” The best organizations are committed to each other’s success. They don’t talk much about “I” or “Me” but more about “We.” Leaders of high performance learning organizations focus on transforming people to transform their practices, to ultimately transform the organization. This involves creating an empowered organization where people are challenged to learn and live up to their potential. These “best practices” only become best practices if they work for your organization model. Recognize the need to customize quality processes to meet the needs of your organization’s unique environment. There are different forms of teams and the goal is to maximize the potential to the nature of the business. Leaders capable of creating an environment that supports an inclusive culture for both the internal and external customer will find success. Teaming is an opportunity to challenge people to continually add value to the organization and ultimately thrive. The evolution of teams is a journey.

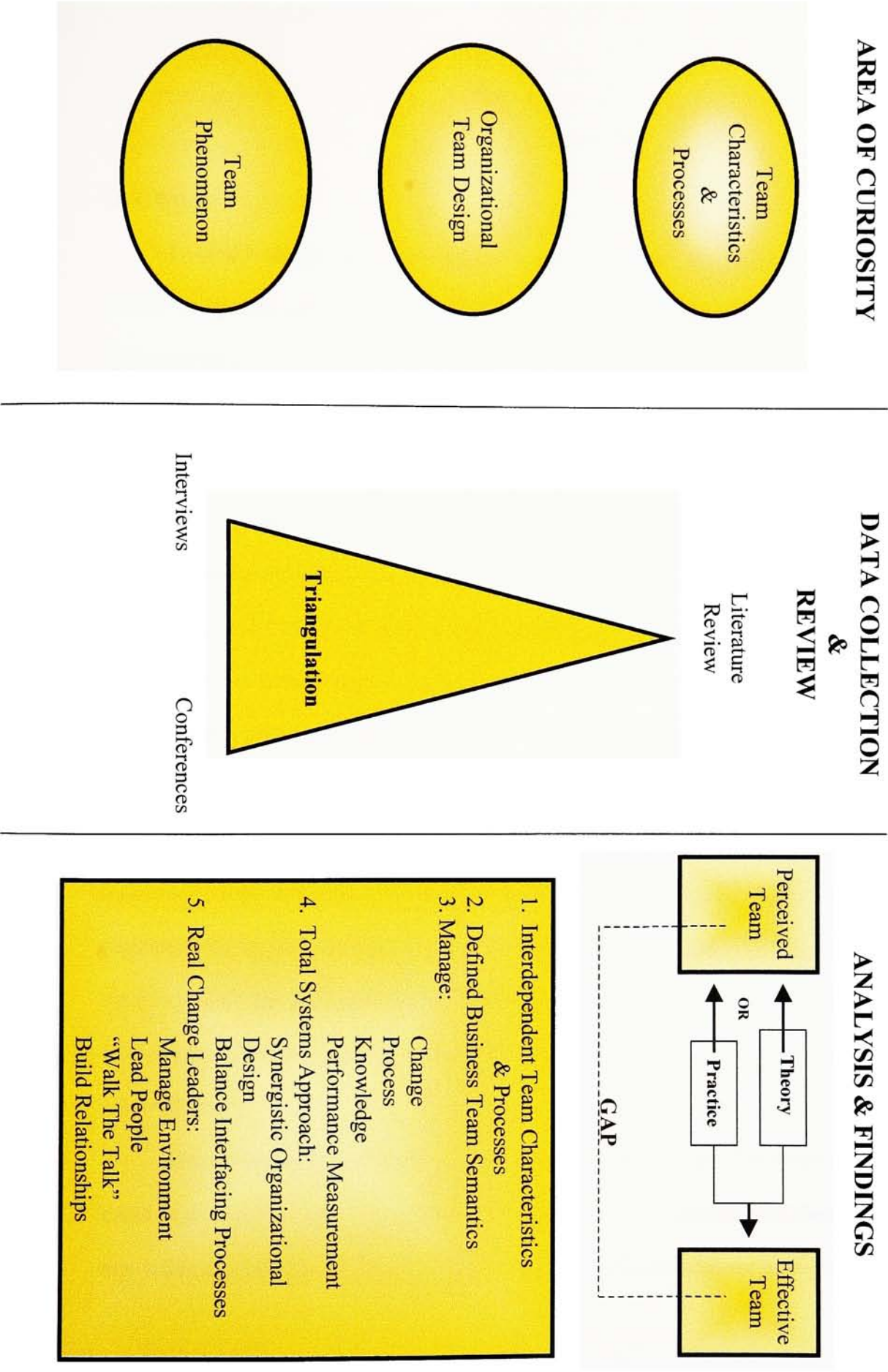
“Take Time For Teams, Before Time Takes You!”

Summary

Progressing through this mapping process, as illustrated in Figure 5, has produced several sequels to substantiate the unfolding story. The model presented depicts the motion picture as it visually develops and expresses the culmination of ideas and their dynamic interactive relationships. The learning that occurs is acquired through the experience of putting the theory into practice and recognizing the potential outcomes. The proactive leader is always in a position of previewing the next picture and being

ready to put their words into action. Competitive organizations will spotlight teams and recognize the value of actively listening to the concluding soundtrack.

Figure 5. Mapping Process & Gap Analysis: The model visually depicts the process utilized to develop and ultimately express the culmination of ideas and their potential outcomes. Effective organizational team learning occurs through the experience of putting theory into practice.



Chapter V

Conclusions

Constant change is a permanent part of business today and survival will depend on how companies optimize their present performance and create their future. Transitioning to a team-based organization is an evolutionary change process that involves being fully committed to the journey. It requires investing in the human capital of your organization as a primary resource and building relationships that foster learning, growth and profitability. The same team dynamics that promote performance also support learning and behavioral change and, consequently, teams will play an increasingly essential role in first creating and then sustaining high performance organizations. Setting direction across the organization involves inclusive participation in establishing goals to create ownership and developing processes that support the core business and focus on the customer. Systemically, it is critical to develop a communication framework that allows people to be knowledgeable about the organization's performance and their customers concerns and it in turn makes them responsible for making wise decisions. Team-based organizations require commitment, extensive planning, and patience, but the outcome of a more collaborative system has demonstrated progress towards measurable improvements in organizational effectiveness and profitability.

Organizational transformation begins with the personal transformation of its leader. Leadership is about forging new frontiers of accomplishments and then creating a new vision and mission for the organization that forms the cornerstone of the culture of

the company. Implementing teams and tools of continuous improvement represents a culture change. The best leaders realize that the overall capability of their organization is determined by its culture and are constantly reshaping their leadership composition and approach to reflect marketplace and workplace change. These new leaders are able to make a difference because they are learning approaches and creating environments for changing people's behaviors that will generate better results faster than their competition. They understand the importance of spending their energy managing the culture and the context of the environment but not the people. The workplace of the nineties requires leading people to perform versus managing people for high performance. Leadership roles will continue to evolve and requires mastering new skills to develop strong business relationships. The key is for leaders to develop relationships among individuals, teams, organizations, communities or whole societies, that foster the continuous creative development of its members. Participative management is not just looking at a change in the amount of participation but in the kind of participation, which involves a change of relationships, in general. A seamless system is executed internally as teams are linked across the organization by customer and supplier, and a seamless network of systems is possible externally between organizations and among communities. Leaders recognize that knowledge management involves capitalizing on the diverse mindscapes of people and building internal and external relationships as a competitive advantage.

Individual learning does not guarantee organizational learning. However, if teams learn, they become a microcosm for learning throughout the organization. The accomplishments of the team can set the tone for establishing a standard for learning together within the organization. The key to converting the theory of effective teams into

practice is to continually involve teams in moving between practice and performance and to build on ones own past experiences and benchmark against others accomplishments. Mastering team learning will be a critical step in building a learning organization. True learning occurs when the knowledge attained is actually put into practice. Corporations need to introduce and prioritize training programs that support adult learning processes. Being aware of the “teachable moment,” introducing a skill when it can be readily applied, will increase the learning capacity of an organization.

Learning and living become synonymous if we agree that the acquisition of knowledge relates directly to living and experiencing. Leaders that view their organizations as living systems are more apt to create an environment that continually optimizes the potential of their human resources to foster learning and growth. In addition, it adds a three dimensional model that incorporates a process for developing relationships and gives the structure of the organization flexibility and adaptability. Finally, we also begin to realize the interconnectedness of individuals, organizations and societies problems that need resolution. The key to survival may be recognizing the need for collaborative organizational structures that create linkages that take into account these complex relationships.

During the twentieth century we seem to have mastered the techniques of mass production, perhaps the twenty first century will analyze human energy forces that will lead us to a theory of motivation that has great applicability for improving the quality of life and work. Western society and its organizations have always emphasized quantitative business outcomes as opposed to considering the impact of qualitative measures. We have always been more comfortable with expressing numbers and

statistical data than in expressing the impact of emotions and feelings. Today's work environment and culture is different than it was during the industrial revolution. Times have changed and people expect individual acknowledgement as opposed to mass analysis. They expect to be valued for both their intellectual as well as their emotional contributions that they bring to the work environment. Therefore, leaders need to establish a balance of qualitative as well as quantitative measurements as the prerequisite for building successful teams and ultimately successful organizations. In addition, future research needs to acknowledge the value of qualitative research in analyzing business trends. Numbers alone have limited value unless that number can be interpreted and justify its impact on future business potential.

New approaches to organizational management practices and designs must be continually questioned and challenged if organizations are to survive in the rapidly changing marketplace. Qualitative research encourages individuals to continually question future possibilities as opposed to searching for a definitive answer. Consider the following questions posed in this research:

- What is your organization doing today to meet the challenges of tomorrow?
- Is your organization team-based? If yes, does your organization utilize teams to primarily problem solve or create change? If not, is your organization ready to transition to a team-based organization?
- Why should your organization consider initiating teams?
- How will the organizational leaders bridge the gap between the current structure and a team design?

- Using a systems approach, what will be the structure of the team within the design of the organization?
- What are the essential characteristics of business teams?
- What skills and processes are needed for effective team development?
- Are organizational processes supporting the systems mission?
- How will organizational leaders address the reality of mentally and physically transitioning its people to a team-based organization?
- How do leaders create an environment to successfully implement and sustain teams?
- Is performance leading towards the organization's vision and how is it being measured?
- How and when is it appropriate to measure and reward individual excellence versus team performance?
- Will you take time for teams, before time takes you?

These questions may help organizations determine their potential for transitioning to a team-based organization and to evaluate the resources and processes required to make it happen. Asking questions creates an environment that stimulates everyone to participate to try to find a possible solution or a best case scenario. The risk involved in considering new approaches may be less intimidating because there are no right or wrong answers and creative thinking becomes the norm.

The research indicates that leaders of team-based organizations need to focus on: defining team semantics within their organizational design, putting the theory of teamwork into practice, creating a risk free environment that builds relationships and

promotes learning, integrating processes to support the interdependent dynamics of a synergistic system, developing global performance measures, incorporating celebration as a team process and prioritizing meaningful rewards and recognition as a key motivator for taking on new challenges. Leaders need to modify their vocabulary to include such words as innovative, new, possibilities and breakthrough thinking to energize and create strong positive feeling towards work. Leaders of organizations must be visionaries, develop a climate of curiosity, challenge thinking patterns, tap human creativity, and scout future business innovations.

Teams are the roadmap for the future. Teams have the capacity to be effective in any type of organization. To create the dynamics of effective teams, members must be knowledgeable of the characteristic elements and processes needed to make teams happen and put them into practice. Developing teams alone is not enough and their success depends on aligning processes within the total system. Developing a strong and effective team-based learning organization in corporate America will require organizations to focus on leadership, process management, change management and knowledge management. Change leaders, continuous learning, constant communication, and total commitment throughout the continuum is required to sustain the teaming journey. The spiral model is representative of the multiple relationships and interactive processes that coexist along this continuous system. This system has the agility to process information simultaneously and is capable of producing multiple outcomes. Any change at one point has the potential to impact the whole continuum and creates the capacity to quickly respond to both internal and external stimuli. Organizations must develop a systemic design, unique to their vision, that has this capacity to respond to the

rapid speed of change and readily adapt to technological advances in order to remain competitive. Continuous improvement becomes a part of the change continuum and requires organizations to actively search for new performance approaches to continually add value to the business. Combining a “we” care attitude with teamwork will make a difference!

The title of this thesis is Quest for Survival: What Comprises An Effective Team? As the research process progressed this title gradually no longer justified or represented the concluding results. Applying the new information that had gradually unfolded led to the first title revision, Quest to Thrive: What Comprises An Effective Team? This illustrates that it is not enough for organizations to only survive but they must learn to thrive in order to maintain or advance their competitive market position. The final title revision reflects the concluding remarks that this is a process that once begun has no endpoint. A more appropriate title that shall foster continuous learning is, Journey to Thrive: What Comprises an Effective Team?

Recommendations

There are opportunities to continually expand this area of research. As team-based organizations become the wave of the future, as technology advances, and the speed of change races forward organizational leaders will need to modify their approaches to design a system that creates a cultural climate that continually supports the teaming structure. There is no time to reinvent the wheel and organizations just introducing teams must develop their model by accessing the current knowledge available on teams and learning from the experience of others on how to put the theory of teams into practice. As teaming is a journey, research will need to continually document existing

methodologies as well as unfold themes that will create new theory's for organizations to put into practice. Continuous learning and repetitive practice will ultimately distinguish the potential for developing high performance team-based organizations.

If this study were to be replicated one might consider developing a screening tool that would be able to identify true team-based organizations. However, as this study unfolded, the fact that it was difficult to identify where organizations were in their journey with teams actually resulted in obtaining valuable information. It was enlightening to recognize that perceptions of teams and their dynamics varied considerably among leaders of organizations. The benefit to conducting a study such as this one, where organizations were at different stages of team development, was its capacity to identify limits to growth and models of success along the entire continuum.

This research emphasized the need for team-based organizations to focus on the development of both qualitative and quantitative performance measurements. This is a prime area for future research. Developing measurement tools and establishing a process for performance measurements is a key factor to evaluating the effectiveness of teams and incorporates a means to assess globally the dynamics of all systemic processes. In order to drive performance we must be able to first establish a baseline standard. Measuring performance will then naturally foster the celebration process needed to create the energy to challenge teams forward.

Conducting this qualitative study created the opportunity to gain exposure to different organizational designs and leadership styles. It provided a live laboratory for benchmarking management practices and learning what works and what doesn't. Including both service and manufacturing industries in the methodology was a valuable

component of this study. The experience of listening to these stories broadens one's own recognition of the diverse spectrum of ideas, possibilities and alternatives that exist to put management theory into practice in a variety of different settings. The knowledge and inspiration gained from recognizing the potential that exists in the diverse workforce is a great motivational tool and has the capacity to cross-pollinate among organizations and between industries. Qualitative research comes highly recommended as it has the capacity to humanize relationships, expand thinking patterns and promotes learning from others experiences.

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APPENDIX

Appendix A: Case Interview Demographics & Transcripts

	Industry	Type Of Business	Location	Profit/Non-Profit	Union Status	#Employees	#Years in Teams	Type of Teams	Average Team Size
Case (1)	Service	Education	Rochester, N.Y.	Profit	No	110	6	Multidisciplinary	4-6
Case (2)	Service	Investment	Rochester, N.Y.	Non-Profit	No	70	8	Department	3-6
Case (3)	Service	Youth	Rochester, N.Y.	Non-Profit	No	46	4	100% Team-Based	3-20
Case (4)	Service	Hospitality	Buffalo, N.Y.	Profit	Both	700	2.5	Department	3-40
Case (5)	Manufacturing	Biomedical	Canaan, Conn.	Profit	No	520	4.5	80% Team-Based	5-20
Case (6)	Service	Hospitality	Chicago, Illinois	Non-Profit	Yes	300	5	Management	3-8
Case (7)	Manufacturing	Industrial	Rochester, N.Y.	Profit	No	38	3	Functional	3-5
Case (8)	Manufacturing	Imaging	Rochester, N.Y.	Profit	No	20,000	15	Cross Functional	3-24
Case (9)	Service	Retail	Rochester, N.Y.	Profit	No	NA	5	Cross Functional	5-20
Case (10)	Manufacturing	Office	Rochester, N.Y.	Profit	Yes	NA	15	Functional	NA
Case (11)	Manufacturing	Technology	Syracuse, N.Y.	Profit	Yes	400	6 months	Cross Functional	NA
Case (12)	Manufacturing	Packaging	Rochester, N.Y.	Profit	No	50	4	100% Team-Based	7-10
Case (13)	Service	Health Care	Rochester, N.Y.	Non-Profit	No	500	2	Cross Functional	5

CASE (1)

Can you share with me some of your experiences with teams?

I've been a member of a variety of teams and committees in the college since I became a faculty member. There's a great deal of collegiality when it comes to administrative oriented activities and so faculty here have a very large service expectation that basically you participate in some of what I call administrative aspects of the program which is tracking students, advising students, developing the curriculum. All of those things that move outside of your own individual research or teaching activities. So I've had a long history of being a facilitator of focus groups so I have some training in getting people to participate even relative strangers in tasks. So I've been a participant, a leader, and I've also been a manager so there's been a wide span of activities.

Can you give me some examples of the effectiveness of teams you've established here in your organization?

I can do that. I can also tell you about a team that well actually that was a committee. I'm not sure that was actually a team that worked particularly well that I didn't think was going to. Um... Teams that have worked particularly well here in the College of Business. That I've led or just been a member of?

Either Way.

We had a very effective task force; they come in many titles. Last fall when three faculty and myself assessed the effectiveness of the MBA Program. It was in a very short time frame. We worked intensively. Obtained a lot of quantitative information, processed it, analyzed it, made some recommendations based on it and came out with what I think was a very coherent and persuasive report to the faculty in the areas of strength in the MBA Programs and the opportunities for improvement in the MBA Program. I thought that was a very effective team.

What characteristics did you find of members on those teams that increased the effectiveness of the team?

It was a small enough team so I think everybody was clear about what your contribution needed to be. It was a ton of work. Everybody was motivated and realized the scope of the task. So there was a lot of individual commitment.

What roles did the leaders of teams have in the different teams that you've worked with? What characteristics would you choose for leaders of your teams?

I can tell you that there have been some leaders that have just been strictly delegaters. You know you do this...you do this...you do this...and then you come back, put everything together, distribute it, really add no value. It's just a group of folks that act independently. The work is kind of mushed together. The leaders that I've been most... You know that I hold in the highest esteem are those that really make contributions behind the scenes, from meeting to meeting, to either work individually with members of the team or collect information and distribute it to the team that helps move the group forward or do an analysis and synthesis that again they share with the team and helps move the group forward so there's a greater effort and focus and true leadership. You know setting the first draft out there, setting the agenda, guiding the activities.

Did you need to utilize any special tools or resources in developing your teams?

Early on in terms of our quality focus in the college and that was the result of the team change in our structure was the focus on quality. One of the early things that we did was training on interpersonal skills and how teams members should operate, the interpersonal skills in terms of what language you use, and what is the appropriate verbal identification of those utterances. I taught the quality concepts courses for our Freshman and Sophomores that reiterated those points so I got a pretty good grounding in terms of how to run meetings basically. It's generally around meeting skills, most of our team's focus.

Was your staff interested in the concept of developing teams?

Oh yes very much! I think unfortunately, they've forgotten the key meeting skills. So I think they could use a little refresher.

Is that something that is part of your agenda? To have continuous learning for your faculty and employees to improve skills?

Yes. We do some centrally and we also provide training dollars to have staff do it independently. We had a retreat this summer that focused on issues of quality and one of the sessions was for the staff to look at quality tools and quality planning. From that we found that people wanted more training opportunities collectively to retool or refresh our understanding. We haven't done that yet but with the new Dean we have to establish a credible reason.

Do you have any specific parameters or measurements that you're currently using to measure the effectiveness of the teams?

We have an annual report that the teams have to report. The teams have reports that come into the Deans office about this time of year. There is no assessment of the individual contribution of the teams other than saying so and so did this or so and so was responsible for that. Sometimes we see the effectiveness in their quantitative terms. The team saw 14 employers. Other times its much more qualitative: We worked on the new

curriculum. So there is a wide range of measure. A wide range of precision in the measurement.

Do you feel that your results with teams are any different than when you didn't have teams?

Well we've actually had a big evolution around whether we evaluate teams' performance. We started to do that and it became quite competitive team against team. We had identified six key result areas and they were very quantitative. Really, after a while it created a certain amount of equity within the college so it was very tough to differentiate teams when you're looking for finer and finer points. When generally everyone was doing a pretty good job. So we had a point along the way where we tried to do that but it didn't seem to benefit us the long run.

When you conduct your performance review on staff here is there contribution to teams assessed?

Yes it is but it's done in a very imprecise way. One of the agenda items that I had on our plan of work last year was to create a more precise measure of individual contribution to the team as well as the college. That was not supported. Folks said, "Why don't you just go talk to people and see what this person did." We'll do it with a real subjective measures.

How about in your hiring processes of selecting new staff. Is the skills needed for teams addressed?

Generally, in terms of staff the fit seems to be a measure of whether they quote were team players and think that has never changed. I think to some extent that still evaluation that we do of faculty that there committed to the university and not just to there own personal career. We do look particularly at for someone that is willing to give a little energy to the place more than just their own careers.

So both your staff and faculty work with a team concept and do they ever cross over?

Yes we have staff on our faculty teams that focus on students.

Are there any students on these teams?

No we have a few forums for students that impact. The dean interacts with the student advisory group and the MBA Program has a group that interacts with the MBA Directors.

Are there any organizational changes that needed to be adjusted to support the team concept in your college?

In the evaluation process, we try to... when the focus of the evaluation went from the individual to the team no longer did the Dean's office evaluate individual faculty member. They only evaluated the team. After that the team was awarded a merit dollar amount and then it was the teams responsibility to divide up among members based on the relative contribution of each member. So instead of asking the team to evaluate one another we gave them a pot of money and they evaluated them through the raise that they were assigned to each other. And they were able to do that in any way that they chose. The Dean's office had ultimate approval but basically everybody was given pretty much a free hand in how they were doing it just as long as there was some method and it was not arbitrary. That really caused a lot of divisiveness and so after three or four years we changed it and so now the Dean's office evaluates individual faculty with a component of service that's part of there individual evaluation.

So the financial reward is not as much a focus as it used to be with the teams?

There's no financial reward that is linked to the team behavior alone.

Any comment or experience that the teams might have had on more of a global scope in terms of the general community here in Rochester?

I don't know what you mean?

Other businesses looking at you as a model?

No.

One area I'm interested in asking about is continuous improvement? I know the College of Business has helped to set up the Quality Award with USA Today. Can you tell me how that was started?

It was started by our Dean, and USA Today. They wanted to have an award for quality that focused on the action of small groups of employees working together not just the overall performance of the large corporation, like the Baldrige Award or the Excelsior award as its major focus. And so they devised an award that would look at the contributions of these smaller units that were critical to their function of business. I think that was setup in 1993 or 1994.

Do you have many nominations for that?

Oh yes, I think we initially received four or five hundred and were down to about three hundred a year. There is a fair amount of interest.

Do you participate in that evaluation?

Yes I have been a judge on and off depending on where it gets in the years schedule.

Do you think that has an impact on the teams from those organizations?

I don't know what the ultimate impact is to the organization. I do know that teams are very excited about receiving it and it is a matter of pride for them. I don't know what the long impact is on the team or the organization when they are the recipient of the award.

Are there any initiatives that you take here within your own college in looking at continuous improvement or quality or any measures that you use?

Can you clarify the question a little more?

I'm interested in the concept of continuous learning and continually trying to improve performance and are there any strategies or goals that you have set up to try to accomplish that within your organization to continually improve performance?

Every year we have an annual review process that identifies and develops goals with individuals and invest in individuals that are in need of investing to achieve personal performance goals and we have that included in our performance appraisal system. We also have a lot of informal or non-required activities in terms of workshops that provide primarily faculty information on new research trends and teaching improvement, and new technology that they use.

Are there ever teams designed that incorporate other professors from other colleges?

Oh yes on tasks that span the university.

Could you give your success stories with teams or obstacles that you've seen in working with teams or any recommendations to other businesses that are looking at designing teams?

I think a key component is to get folks on the team to care about what you're doing. If you can select the members for your team and they are not assigned you'll have a much better success. I think having that individual personal commitment on the part of all the team works well. You also have to find individuals that are not running the time clock all the time. On occasion are willing to put in and go the extra mile. The need isn't all the time but when something needs to be done they willing to push, crank it out and get it done. I think those are the two, and I then I guess the third thing for me is to have the task focused and the time limited so it doesn't get dragged on. Having a leader of the team that is able to move the agenda, move the group and meet to accomplish the objectives and communicate with the group and keep on task. All those things are vital. You've got to stay away from people that have no incentive to perform.

Any recommendations that you could give to other organizations that are looking at implementing teams?

You have to give folks the tools. It really helps to focus on the interpersonal skills. People need to know how to run meetings and how to make that work. I think most people are frustrated with teams because they perceive that they are wasting their time so we have to be very focused on the activities and the way to move a group so that the training is essential. A lot of this is reflective of some of the readings I've done too. Time limited, there has to be a task relevant and important to the organizations mission. There is some perception to make it work. There needs to be incentive. It's got to make a difference. The output of the team has to make a difference to make people work hard.

What do you think the role or impact of teams in business will be in the future?

Oh, I'm not sure. I think there are sort of two competing forces. One is the force that technology allows the person to be a team these days. For example, in music they have these electric keyboards that have the whole orchestra in it. You've got an individual that can be a member of a very large band but its only one person that's creating the whole musical scene. So with this, sophisticated business planning software tools that we have right now, we have at our fingertips a lot of the capabilities that groups of individuals need to come together to solve. You have access to accounting information, you have access to the internet to get marketing data, you've got financial planning models all built in so you can calculate that net present value so you may not really need a finance expert. You have Pert charts or gantz charts so you can flow chart all your activities so you may not need any kind of expeditors. You have the internet or intranet that allows communication instantaneously so you do not need folks that are conduits of communication. The technology allows an individual to really have the impact of a team in many ways. But there is also a need to do multitasks. There is so much focus on speed these days that you need to work with and that's the other side of the fence. Of course the focus on speed means you are developing things simultaneously, not sequentially which creates a great deal of coordination work among a wide range of folks doing different tasks.

CASE (2)

Can you describe the teams that you have in your organization?

Well as I said I'm not sure that I have them fully identified as teams but in my department and as the manager of the department I tried to function as a team. I believed that if we were going to be successful in allocating donor dollars to the most efficient and effective organizations that we had to use the talent and strengths of every member of my staff. It was a huge job. It was about 25 million dollars to about 300+ agencies in seven counties and certainly couldn't do it alone and I needed all of my staff help to do the job. What I liked about my staff was that we capitalized on our differences our strength and our weaknesses and we helped each other when we had to. I never believed that we should have anyone out on a limb. I always believed that no job was above or beneath any level or title. That if I had to put budget books together as the director I would do that if the admin was ill. If I had to travel to Albion and allocate 300,000 dollars when I'm used to allocating 20 million in Monroe County then I would be in eastern Orleans. So we tried to validate each other, we tried to allocate our work, and we just believed it took all of us to get the job done.

How did you go about getting your team to perform the way you liked?

You tried to assemble your own team. So if I had the luxury of hiring, meaning there was a vacancy or there was a job opening, I would look for the skill set I needed. That's on the most basic level. Sometimes you inherit staff and so you have to take what you get and that means as a manager you have to learn about that person and see how you can best use what they bring. It may not be in your mind exactly the skill set if you were to hire the person but in any organization sometimes people are shifted to one department or sometimes people were they before you came and they are going to stay so I look for as I said earlier their strengths their interests. I'm a believer that we can cross function so even though there are basic components to every job if someone's strength is in public speaking maybe we can use another staff to do the presentation to the agency even though the job description per se says that you will do presentations to agencies. Again as I was saying I never try to put anybody out on a limb. However, I do also try to develop my staff so that if that is an area they are not comfortable or good at we can look at training opportunities or we can look at techniques and support systems so that were all growing and all developing. How do I develop my teams? I believe the manager as the role model, I set pretty high standards for myself for better or for worse and I have expectations that staff will do the same. We're all there to do a job and a good job. I try not to be unrealistic but I guess that's everybody's perception, I also have tried to maintain an open door and I make mistakes and I'd like to be told if they thought I did or if I wasn't being reasonable. I think one of the greatest compliments my staff gave me recently was that they said, when their in situations when I'm not there, the first thing they ask themselves is if I was here how would she respond? So whatever I am trying to

instill in them or teach them or help them to develop they're trying to think how would I respond in that situation.

What levels of responsibility were you able to give to your team?

A considerable amount. Before I became director I was pretty much the hands on operations person and when I became director I had to focus more on strategic direction and the policy aspect. So I had to let go of a lot of the day to day operations and that wasn't easy at first. That's when I really started to assemble and I had the freedom or the flexibility to start assembling a team that could run the operations and by that I mean keeping track of all the dollars and all the numbers that go into 25 million dollars. How much would an agency be allocated, why are they allocated that much, making sure that there budget proposals is balanced, analyzing their requests? So I had to give up a lot of it to my two senior associates. We were a great team the three of us and they had responsibilities for some of the other aspects of the staff functions.

Would they have been in the capacity of a team leader?

I don't know if I would call it that. Maybe on certain projects they would head it up or they would be the point person. I don't know if it was because we were small enough that I was always considered the team leader or if it was just the nature of the job and the function we were performing. But they certainly were project leaders and staff would depend and rely on them for certain aspects of the job.

Can you describe what those aspects were?

Well we were always struggling with how much should be decentralized and how much should be centralized or systematized. Again, the system is huge. Three hundred agencies, 25 million dollars. Does every agency have to submit the same material or should small ones submit less paperwork than the large ones just as an example. So one of my senior associates would help decide whether or not we could have reduced reporting for smaller agencies and she was responsible for making sure that if she decided we should have reduced reporting that we maintained accountability to our donors and to the general public. So then staff would work with her to say for input; yes I think it's a good idea, no I don't, these are the pros, these are the cons, these are the compromises but yes let's go with it or no let's not go with it. So that ultimately translates into operations because it's about what forms do you analyze, what forms do you reproduce, what information will volunteers be analyzing that really isn't about a policy or a strategic direction.

What kind of input did your staff have as a part of this?

They would have considerable input because they then would have to train the agencies with using whatever form or package they were going to be using. They'd have to think about their volunteer committee's if it was a change or a reduction in the budget information. How were their committee's going to view that? Would they think that

they didn't have enough information for decision making or it was O.K.? The staff would sometimes take it back to the committees for input. So it wasn't just staff input but volunteers and agencies as well. We have lots of agencies on our committees. We try not to do anything in a vacuum. It doesn't create very good public relations and ultimately doesn't help you to get the job done if folks are angry or anxious over changes in your procedures. So we try to cover the basis and make sure people felt they had input and ownership in decisions that lent themselves to the general public.

Was that structure within the teams effective?

I do. I do. I think sometimes process I don't know maybe Not For Profits, I don't mean to single them out, can overdo process and input and consensus and committee. I mean there comes a time when a decision has to be made and you use the information you have, you may not have it all and you can certainly make mistakes but you can go back and change them if you do. You want to make a good one but we're not perfect. So I think it was effective but my point was that sometimes it seems slow to making a decision and we have to be keen and learn when to act and when to move and when it is not time to act and move but that's a very delicate balance.

Did you ever have any particular training for your staff on problem solving techniques?

Oh we have had many training's. As a matter of fact one that is going on right now it's not problem solving techniques but it is the art of negotiations. I think it has to do with problem solving and how to act and respond in a variety of situations from hostile all the way down to a group or an individual that just doesn't care. So it's kind of the win win approach for our organization and staff or it could be an agency or the donor or the volunteers. So it is a series that I helped to set up with our training director. We have done a variety of things over the years, anything from public presentations, to effective leadership and now to negotiations.

With the large amount of money and organizations that you are working with it is necessary to make decisions, sometimes more quickly to move forward and that time can become an obstacle. Do you agree with that?

I do agree with that. That's why I think we're always trying to balance between what should be centralized or systematized versus when can you have exceptions or handle things individually or separately but for the most part the thing has to move as a system or it never would have gotten done. It's in a lot of ways like production, forms had to come in, forms had to be analyzed, there had to be procedures, there had to be timetables, there had to be schedules because checks have to be cut. You have to know when you need to make a decision so that the agency can receive their allocations.

Was there a need for changes to take place in the organizational structure to assist you in doing the job that you had at hand?

Yes that's a good question. In 1995, we totally revamped what was called the Allocations Department and Process and converted it to what we call Community Investment. And in order to do that we needed additional staff resources. We believed we needed senior level resources and so we actually had three senior managers join the Community Investment staff and they were assigned just like a Community Investment associate a group of agencies and a panel of volunteers to help us totally reengineer the way we distributed money. So we did need a change in the team. We needed horsepower, and we needed the benefit of senior level thinking and planning on how to pull this thing off. And so I had then, basically reporting to me in quotes senior managers who were not really my staff but who needed to function as my staff in order to get the job done. It was a real learning experience for me in a lot of ways, for all us. But we pulled it off. It worked. They still had their other jobs too I mean that didn't go away for them so this was in addition to, which created some interesting situations.

Would you say it leveled out that hierarchy?

Absolutely! Yes.

In some respects perhaps you were in reality forming another kind of team that would be supportive to your team. Designing something that would make your team more effective?

Exactly.

Is that team still in place?

No. That lasted about two years and we had a farewell party about a year ago. It officially had ended and needed to be assigned to Community Investment.

Within your organization has that kind of situation ever been utilized again?

Yes. About eight or so years ago the campaign department decided that we needed to handle our major donating companies with senior managers because turn over was not as much at the senior level of staff. We have a greater understanding of the organization and the idea was to service their needs either from an employee needing information about human services all the way down to making sure that the pledge cards get there on time. So about 8+ years ago all senior managers were given campaign accounts so even though I was just responsible for distributing the dollars that the campaign raised now I had two major accounts to manage. And to be honest with you in the beginning we all felt that it wasn't in our job descriptions. We thought sure I can do this but it was whole different language, a whole different structure, and a whole different job that I had to learn in order to service these accounts. They were our top accounts. So I basically had to become a campaigner or sales person all year round with these major accounts and I still to the end had accounts and all of us do even if you're not campaign staff. So we've I think we look across all department lines when we think about getting the job done in the best ways it needs to be done.

Did you feel that was effective?

I do! And it is still going on even to this day. All senior managers have the major accounts and I think these major corporations appreciate calling a director or vice president as opposed to a lower level staff. And also we don't turnover as much so they didn't have to keep getting used to a new campaign staff person every couple of years. I think it worked very well. It's called Major Account Program Map.

Do you feel that your organization talks about having teams or what did they describe their organization structure as? Did they have a philosophy or vision of where they want to be?

Well they certainly have a vision of where they want to be. I don't know, as I said when we started, that we formally think of ourselves as teams. Or even when the Map program started, that was the Map program, it wasn't a team of senior managers, it wasn't at least I didn't perceive it as coordinated or developed as a team. When the senior managers came to my department, I viewed it very much as a team again with different strengths, different levels of expertise, different skills, different weaknesses, and once again if I had my lower level staff sitting across the table from the senior vice president, how can she feel that she has something to contribute to him but she does because she knows Community Investment. He might know that vision and the strategic direction we are trying to take this thing but together we had to work to get it there. I have to say probably with some disappointment, again my perception that I don't think organizational wide we think about teams. It doesn't mean they don't happen, and it doesn't mean that I'm wrong but I just don't get that sense.

Did you find at any point that when you had people perhaps not at the senior management level, but on different levels coming into your department to work on projects did they easily work within your group?

I think they found it fairly easy just because of the way we work. I think there, is a high degree of trust in our group as I said you can make a mistake and it doesn't mean you're stupid or incompetent. We try to avoid those mistakes by using each other again so that we don't get into a situation that is not good for an individual or for the organization. I think it is important sometimes they see my weaknesses and my vulnerabilities. You know I might be the leader or the director but I don't always have the answers. I'm not always right so we're all in this together. They also don't have to trust that if I make the mistake that I'll help get us out of it but I do make mistakes.

In terms of evaluating your department, was the impact of working in a group evaluated or was it more on an individual basis? Was there contributions of the team evaluated?

Probably not in a formal sense because we did individual performance reviews but I certainly avoid or neglect the individuals contribution to our department as a whole when

I was evaluating them individually but it ended up on individual performance evaluations. But I can recall frequently writing because you know there are boxes to check but then there is also narrative without someone being a real team player or a valued member of the team, so it was not just about their own performance but their contribution.

Was there any reward or recognition system for employees?

No, there is only years of service. We used to but we really haven't resurrected it in a long time. There was one workshop that was on team building and your team had to draw something that represented the spirit of your team and somehow it ended up to be a champagne bottle with the cork flying and stars and glitter and it was very colorful and it was about celebration and we used it when someone did something like made it through a tough situation or did an outstanding job. We used to hang the picture of that bottle in their offices and we as a group we have to give so and so the bottle. It was great and now I don't know what happened to the bottle but we need to resurrect that because that was fun. That was just internal but it was to celebrate their accomplishments or the end of something dreadful or the beginning of something. It was a fun staff morale and team builder.

Do you feel that you were able to obtain the outcomes that you were hoping for in your department?

Absolutely! I've been there fifteen years and as head of the department for eight and loved the work, loved the job and if we weren't achieving then I wouldn't feel like I was helping my team do what we needed to do. I had challenges every day and as I said staff is different and you have to approach and deal with people differently and some are greater challenges than others are. You have to reach into your bag of tricks here and come up with what works but that was all part of my growth as well as my staffs. So I think we were very successful.

Can you give me an example of some obstacles that you came across and how you dealt with them?

With an individual or the team?

The team.

You know when we created the change, the new department, what came along with that was not only the unknown but also excitement about all kinds of possibilities now. A new way of doing business and you know everyone from the CEO to the Board President was saying yeah Community Investment, "Well Done," "Great," "Go for it." Well that was go for what?

Sometimes the staff was going a little bit to fast and going a little bit too far and we had the potential to create quite a tension within the organization. Our train was really

moving down this track and even though the organization applauded us in theory we hadn't really internalized it as an organization yet. It was just our small group that lived and breathed it every day and had for two years. So that staff could often sometimes go one way or went at one speed and me being in the middle listening to top managers saying, "What the heck is going on?" There was quite a clash, yet potential for clash, yet I didn't want my staff to be disillusioned or disappointed so it was quite a balancing act between their enthusiasm and this new renewed energy and this creativity going on with the dynamics of an organization that doesn't move so fast. It's a slow ship in the night. We had to think about our change in steps, not great strides. Sometimes I used to tell staff that as much as we always have our eye on the future you have to look back to see your movement sometimes because when your in it you may feel like you're standing still but if you look back you've really changed. So there could have been many obstacles thrown from management because of the fear of the unknown with a staff now that thought they had a license to go ahead and turn the whole system on its ear. So we didn't have that license but it felt like we did because we were reengineering the whole process which couldn't lose sight of the organizational goals.

Can you clarify by summarizing that change that you are speaking about?

For about 75 years the system was built on what we called agency deficit funding. An agency would come in and say our budget was 100,000 dollars we think we can generate 80,000 in other revenue sources so our gap is 20,000. Can you help us? These are our programs and this is what constitutes the need in our budget and it was usually a line item budget because health care costs are going up and our rent went up and we want to give out a raise. So with agency deficit budgeting totally budget driven. The donors started to ask us, "What difference does my contribution make?" I don't want to just know that you give it to agencies whose budgets are in order but I want to know that as a result of my ten dollar gift things got better in the community. More people were fed, more people have houses, and more children are graduating from school etc.... Our system didn't give us that information. Our system didn't tell us what difference the donor dollar made in the lives of the people served by agencies. It just told us how the agency used the dollar in the budget. So we moved from agency deficit to program outcome funding and that was a major paradigm shift. It is still going on. It's still in process when you go from a difference of how many people did I serve to what difference did my service make in the lives of those that I served. So it's not about 100 people who came to my workshop but as a result of my workshop 50% of them no longer do x or whatever.

When did that transition take place?

In 1995. We had been building up to it but the world didn't know that but it publicly was launched in 1995. From the subtle changes like changing our name from the allocations department and committee to the Community Investment Processing committee. I mean as subtle as that may sound that's major. You're not allocating funds anymore; you're investing in the community. The forms changed, the questions we asked agencies changed, the information then that they would supply us changed. One of the most dramatic changes was the composition of our volunteer committee's. It used to be

comprised of primarily accountants, CPA's and bankers because they were reviewing budgets. When we went to impact areas we realized that we needed a panel of experts who knew something about early childhood development, not just budgets. So for instance the chair of that committee is a retired principal of an elementary school, there is a pediatrician on the committee, there is a visiting nurse on the committee there is a whole different mix of volunteers on the committee. Our Helping Senior's committee they came up with their own sort of bylaws that 60% of the members have to be 55 years or older and that the chair of the committee will always be a senior citizen. I mean it didn't seem to make much sense to have a thirty-year-old chair the Helping Seniors group. Again, instead of bankers and lawyers and nothing against them or accountants I mean we now had a representative from AARP, we have care givers, who are taking care of elderly parents, we have our insurance companies dealing with Medicare and managed care. So the whole thing just changed and so now when agencies are talking to our volunteers there talking to professionals who know something about this particular service and not an accountant who knew how to analyze the budget proposal. So there has been a major, major change and you can imagine the anxiety and the resistance and the problems with the relationship now between us and the agencies. But it was driven by the donor because if I give you this dollar how do I know it was going to make a difference. We didn't have the information to give back to our customer the donor to say this is the difference it made. Again, you can imagine that this didn't happen over night. That was coming for years and we had to make a move, we had to change the system.

Is it correct to say then that it impacted your department the most?

Yes but it certainly trickled through campaign and through our communications department. They can't advertise anymore that your dollar is an efficient way to fund raise and that your dollar helps 200 agencies. No they had to say your dollar now keeps 25 homeless children off the streets and in stable living environments. So from the campaign sales training all the way down to some of our promotional materials everything is in the process of changes towards what difference it makes. But it was Community Investment that was the focal point because we were the decision makers of the money so we had to be able to say we put the money here and why, what difference, and what did the agency tell us then what that difference was.

You described the change taking place as your department going full speed and that management was at a different level. In hindsight are there any steps that could have prevented that or transitioned it more smoothly?

Probably but don't forget that there is always resistance to change and there are always questions about what is right. We called it how far, how fast. I think some of the things we did right though was the three senior managers and if we had done it in a vacuum just Community Investment we had the added benefit of their thinking and strategic thinking because they are closer to that vision of our future. They helped us craft and shape it, but its change, and I don't know if we might have done a better job of keeping our Board of Directors informed. We thought we did but maybe we needed to do it in a different way. They were certainly supportive of our efforts but if our effort met our funding change of

major magnitude which it has in the last three or four years. That seems to be the time when people say what's this and we say well you knew this. Well I'm not sure I knew this. Well you did and remember here was the presentation, here are the minutes... But yet, I think its organizations internalizing it, knowing it, and you can always do I suppose a better job to educate those who don't live and breathe it. Change is hard. We say the words but then when the words become operations or actions people start to second-guess themselves or the words. So very interesting. But for all the changes we have been through over the five years only one agency in one situation was publicly played out in the newspapers. And we think that's wonderful given the size of the system again that we must be managing the change and the relationship in a way that we're trying to bring everyone along at the right how far how fast. That's what it's been about. We know where we'd like to take it but that takes I'd say ten plus years to get it there. So what are those steps then and how do you know you're working toward that goal.

Does the organization have specific measurement tools that they use?

Some but they could certainly be better. But yes prior to 1995, it was 1992 and 1993 we went through total quality management for a year plus. We had the benefit of some real experts in total quality management help us develop our measurement systems, key result areas, and major improvement opportunities. Each department, ours included has tried to follow that system to know what we're doing is leading towards our vision. It's turning into now, I don't know if you're familiar with the new buzzword, logic model. That now you have goals and these are your steps and you're trying to assess whether or not the steps are leading you to your goals or whether you have a grand canyon, meaning you'll never get your goals with these kinds of outputs and inputs. So it's all the same thing but with different labels. But we try to measure whether or not our activities and processes are making a difference. We could do better at it.

Any recommendations that you would make since you just left your position to your successor as they work with your staff?

As a matter of fact, in my farewell remarks, I said this to my bosses and executive vice president. He had started coming to our staff meetings towards the end and he wasn't used to such a free flowing hour and he's used to structure. We had agenda's it wasn't that it wasn't a real productive staff meeting but the free flowingness of ideas and people saying we can't do that its too much, or what are you crazy and that's how we did our job. When the door was closed anybody could say whatever they needed to say to get the job done. So I advised him because in the interim he will be leading the staff, to let that continue because that was how we got the job done. If people had to sit there thinking we're crazy and couldn't say it, I wouldn't find that productive at all. That didn't bother me if they said you're crazy I can't do it, well why not. What is it about what I just said or what is it about this assignment that apparently is overwhelming you? We just try to get to the bottom of it and then if it made sense, either we'd get more support or we'd tailor it so that it could work or adjust a timetable or whatever. So I just hope he can live with that kind of an atmosphere because I think that's how we function the best. That is

how come we have been successful. It never bothered me. I think people, their initial reaction, can be things like, oh you're crazy I can't do it, but yes they can and we will.

Do you have any thoughts about where your future is in terms of teams? Maybe keeping this in line with your department because they more or less function that way. If you had stayed in your position what would you have wanted or tried to pursue in the future with your staff?

I think the next of the horizon is that we are in the process of rebuilding and redefining our relationship with service providers and ultimately for Community Investment to be successful we need strong partnerships or teams with the human service providers. We allocate funds, we're not a provider, so we bring the dollars and they bring the expertise. But once we both get to a level of sophistication and trust about this thing called outcomes and what difference I make, the relationship will be stronger and ultimately the service those individuals get will be stronger. But right now there is a creative tension going on and probably some mistrust because the rules changed. Ultimately we need to be at the same table together getting the job done.

CASE (3)

How long have you been utilizing teams?

We started doing some cross-functional teamwork in 1995, and worked toward some shared leadership procedures, and began training people about team behaviors about that time. In 1998, the Spring of this year actually -- January of this year -- we announced a new staff structure after a year and a half analysis of our environment and the organization. The entire new staff structure is team-based.

And what type of teams are you planning to develop, or have developed?

We have a management team, which are the seniors and department managers from all the departments: Business, Corporate Affairs, HR, as well as program training and adult development. We have teams that we call Geographic Support Teams consisting of program and training specialists who work specifically with volunteers, servicing geographic sub-divisions of the Council. We have all of the membership staff sit together on a Membership Team, all of the program staff sit together on a Program Team, all the adult education staff do the same thing. We have service teams, which are made up of volunteers, that include a staff person, or staff persons who work with them. So we're very team-based at this point.

Can you tell me how you came across pursuing the team phenomenon in your organization, and how it's evolving, and whether or not you've seen any outcomes yet, or . . . what you expect to see?

We've been in the new, we actually started the new structure on March ninth, so we've been seven months at this point. We, the year and a half before we went to the team structure, did an organizational self-assessment, called The Self Evaluation, that's done every four years. We examined and got information from girls, parents, community people, volunteers, board members about the strengths and weaknesses of the organization. In addition to that we did focus groups with all forty-three of our service units between October of '96 and April of '97. Then the Chief Financial Officers, the Chief Executive Officer and I met to do an on-going organizational analysis. So we looked at environment, history, resources, where the organization was, where we thought it needed to be, our formal and informal work processes, how we got feedback, how we communicated with volunteers and with staff, and looked at a variety of staff models from a variety of different places: other not-for-profit organizations, and began to develop an idea of what our volunteers needed. In the past volunteers had been primarily supported by one staff person, that was a Membership staff person. The program and training staff people were all housed at our main corporate headquarters, and really didn't interact much with volunteers. What we heard from the volunteers was that they needed more support in the areas of program and training. So analyzing all of the data led us to

believe it would be a better approach to have a team of people who would work with service units. So that each service unit would have a membership person, a program person, and a training person, who would be providing support to them. And then we out-based our staff. We now have three offices. Actually, we always have had three offices, but now we've moved program and training staff into each of those offices. So, here at the program center we have a team that includes: two membership specialists, a program specialist, a training specialist, and two part-time membership assistants. With a similar structure at our downtown office, and a similar structure, although the training and program people are part-time there, at the office in Batavia. So really, I think we came to the decision to work as teams based on what our constituency said they needed, services that they weren't getting.

How did you begin this process? How did you introduce it to your organization? What steps did you take?

Okay. We explored, as I said, the creation of the staff structure, and basically the CFO, the CEO and I did that, designed the structure. We announced it to our Board of Directors, who we had given basic information about the trends we were discovering, all along the way. In early January we announced to them, and showed them a model of what the staff structure would be. That same week we displayed and described the staff structure to the staff, and to key volunteers who were invited to a special CEO Round table to discuss the structure. Because the structure affected all of the direct service staff, all of those folks who were working in those jobs currently, jobs changed. So they were asked to reapply for positions. They had the option of choosing three choices of positions to apply for. Then we did another meeting with volunteers later in the month, we held lunchtime round tables with the management teams so the staff could just come in and ask questions about the structure. We gave everyone copies of all the full and part-time job descriptions. We started a restructuring newsletter that went out every Friday to tell people what we were doing, and where we were with the process. We clearly described for people what the interviewing and hiring processes would be and what the criteria was for making those decisions. We handed out a list of restructuring questions and answers, things people might typically ask about severance, continuing insurance, what if they chose not to stay. . . ., and we just tried to keep the communication lines as open as we could with staff and volunteers. The interviews were done by the entire Operations Management Team, the directors of Membership, Program and Training Departments, along with myself. So that everyone got a chance to hear how they thought the staff did during the interview process. The interview process was designed very carefully. We determined ahead of time the list of questions that we would be asking, based on position, and some general questions. We identified before we entered the interview process what the best answer to the question would be, and what the worst answer to the question would be, so we could quantify the interviews. All our internal candidates had a written assignment to do, in addition to their interview. So it was a rather lengthy process. Then the operations managers met for almost a solid week, trying to determine who we thought the best internal and external candidates for positions might be. We reached our conclusions about recommendations, and then met with the HR Director and the CEO, and discussed again our criteria for choosing the people that we'd chosen. We made

offers to staff, or indicated to staff that they would not have continued employment. We gave people three weeks notice to get ready, to be prepared to leave, or to get ready, to be prepared to stay. We started working a new way on March ninth. A long process. But probably a good process, because at least people had lots of information. Even the people who left the organization, either because their skills didn't fit the skills that were needed for the new positions, or because positions were eliminated or restructured out of the staff structure, left knowing that we'd been clear about what the purpose of the restructure was, and what the criteria for choosing staff was. We offered out-placement services to people who left. We offered a very generous severance package. We offered resume building resources for folks. We offered the Employee Assistance Program. So, we put the pieces in place so that if people were staying or going, coping with the change that was either their choice or not, they could get the resources they needed, and then they could feel good about the openness of the process.

Were the skill sets for these positions identified prior?

Yes.

And were those meant to incorporate the team?

Yes, absolutely. In fact, there's at least two or three essential functions on each position that require working together not only with their Geographic Support Team, but then in conjunction with the Service Team. So we were very clear about the expectations. People would learn about good team behaviors, exhibit good team behaviors, and there would be a team development process. Our goal eventually is to get the Geographic Support Teams to be self-directed. There are no supervisors sitting on the teams. Each team has a charter, and guidelines that they develop themselves. We have a charter that they've signed in commitment of the things they're responsible to do. We have a decision-making matrix, which actually tells people when individuals can make a decision, or when the group needs to make a decision. So we were very clear about the fact that being able to demonstrate, or practice good team behaviors was essential to having a place in the new staff structure. I think, probably, extremely clear about that. And we've been practicing some of those things, as I said, for a couple of years prior to the restructure. So, it's not as if we said, "Okay, tomorrow you have to behave like a team member." We'd been working with some cross-functional teams, we'd done some team training, we had identified team roles for meetings, and encouraged people to participate in those roles. We'd offered the opportunity for people to be involved in both internal and external customer service initiatives. We rewrote our Employee Vision. We had done lots of things to prepare people for moving into teams prior to when we actually did it.

The transition that you are going through . . . how is employee morale in that process?

I think things were extremely tense in January and February. Up, obviously when you find out that you may or you may not have a job that's a tense time for people. We, as I

said, did some lunch time things. We also did some lunch time non-work-related things. We had a massage therapist come. We had a nutritionist come. We had someone come and do stress-management. We shared a video tape on change. We had people come and talk about, because we're a primarily female organization, talk about women's life changes: things like PMS, and menopause, and how stress affects those things. So we did some of those things as well. To sort of ease the angst. February was an extremely stressful time for the operations managers and myself. That's the time period when we were doing all the interviews, making decisions about which staff were going to be staying and which staff were not going to be with us any longer. It's extremely difficult when you have a professional relationship with folks -- that you care about. To have to say to someone, "Gee, you don't have a place in this new structure. Good luck." That's a tough message to give people. So I think it was fairly stressful. I think we made a commitment early on that we would continue to serve the volunteers with the highest level of service that was possible. We also created for them a transition plan. We put some documents on paper for them, to describe what the new ways of work would be. We did a restructuring transition plan for the May to June period. We did a "What's Different for Fall" piece that we handed out to them in August. We'll be having a meeting with key administrative volunteers tomorrow evening. We will again revisit the "What's Different," and how they should be utilizing the staff. The Geographic Support Teams will be inviting their Service Team members to meetings this Fall to talk about the partnership, and to get some input from the volunteers about how they see the partnership between the staff and the volunteers rolling out. So, I think we've given people lots of opportunities to both vent, relieve some stress, talk about the issues. We've been very careful not to sort of be hush-hush about anything. The communication has been very up-front. We've encouraged people to come and talk to us at any point, about anything. We encourage the Geographic Support Teams to call on the HR Director for support. We're in the midst of defining the stages of team development for this organization, so that we can celebrate when teams go from level this to level that. So, I think that we're probably in a better place than I have heard some other organizations have been who have gone through similar changes. I think it's because we've been so focused on making sure people know things and it doesn't seem to be a secret to them, what we're doing.

Are their things that your CFO, CEO and yourself, as the main leaders in this process did in anticipation of going through this change, to prepare yourselves, that was helpful?

That's probably the weakness in the process. I don't know that we focused on ourselves very much at all. I think we focused on leading other people where they needed to go. And, while I can't speak for them, I experienced some fairly stressful moments in February, March and April. Just sort of overwhelmed with the whole process. One, maintaining the work while adding this other piece of the work load. I'm very excited about the model, though, and always was. And even staff who had to reapply for jobs, and who no longer had positions were very supportive of the model. So, I thought we did good work. I'm not sure we paid a lot of attention to how we were going to deal with it. We did review some materials on the stress of organizational change, and those kinds of things. But again, reading it in a book, and experiencing it in your life are pretty different

things. So I don't think we paid a lot of attention to ourselves. I think we paid more attention to how other people were going to be dealing with it, than we focused on ourselves dealing with it. That would be a key learning, I think. The other key learning is that because of budgetary constraints we put our full time staff in place in March, and put the part time staff in place in August. Were we to do that again we would wait until we could put all the staff in place at the same time. Especially teams who are sort of readjusting now, because they have so many people. So, that would be another thing that I think we've learned from the process.

Do your individual teams have team leaders?

Yes, but they choose them themselves. In many cases they rotate them. We use team roles on a regular basis during even staff meetings. There are team leaders for all our meetings. There are facilitators for all our meetings. There is a process guide for all our meetings, who sort of pays attention to how we're doing what we're doing. There's a time keeper and a scribe. People rotate signing up for those roles, and they don't necessarily have anything to do with their role hierarchically in the organization. For instance, recently our Council Registrar has been team leader at an operations staff meeting. So, it doesn't matter where your position is in the organization necessarily. We've been encouraging people to experiment with that. Sometimes it's successful, and sometimes it's not. But I think everyone's getting better at it.

Has there been any training for those roles?

Oh, yes. The first week we started the new structure, for instance. We did a week of training. The first two and a half days were only focused on working as a team. We talked about team behavior, about change, about problem solving, consensus decision making. We introduced the idea of guiding principles for teams. Teams actually broke up into groups, and wrote guiding principles for their teams during that process. We talked again about the decision making matrix. We looked at problem solving. Then we did some job specific things, like Intro 101, so that you'd know something about the organization. We broke people into groups so that they could go to their work site. We reviewed files and information. We've done some subsequent training, job focused training and some team training. And, as I mentioned, the HR person has been visiting team meetings to try to talk with them about how the process is going, what's comfortable, what's not comfortable, how are they working together. The teams, actually the teams have developed, generally, two of the three of them developed much faster than we thought they would. One team's having some difficulties. They had some difficulties previously because there were some clashes of work styles and personalities on the team. Now that team's the one that's under staffed. So, they have some additional challenges. So, I would say they're probably the team that's the furthest behind, process-wise. We've managed during this transition period to exceed our girl and adult membership goals, to accomplish the program activities we wanted to accomplish. Subsequent to our decisions about hiring we have lost two staff people. Actually, three staff people. One of them moved, one of them resigned. Actually one of them moved, two of them resigned, one for family reasons, one because she thought it wasn't a good job fit. So, we're still

going through some growth spurts. I would think it'll take us another year to a year and a half, to sort of feel completely comfortable with the new structure. I don't know how the volunteers are feeling about it. That tends to be a slower process for us to be able to figure out. We may get some additional information tomorrow. This will have been the first Fall, kind of very busy time, when the teams have been providing support. So, we should get some more stuff from them tomorrow on how it's working.

In the team selection process, did you use any personality typing?

Actually, we didn't. The people that we kept from the staff, we had some pretty clear ideas about what their strengths and weaknesses were. People we added to the staff, I think we sort of tried to determine that. We have subsequently done some work style things at a retreat. The entire staff has. Personality typing might have worked. I think the more difficult thing is not to work into the team structure so much as to be assimilated into the culture. Staff people tend to be very committed to the success of the organization. And many of our staff are former volunteers. So, it's an interesting mix to see the former volunteers, who believed in the organization before they became staff people, and the staff people who joined the organization without any history try to figure out how they fit. It's sometimes difficult for the volunteers to accept people with no background as well. So, I think that's the bigger challenge for us than is people's individual styles and being able to work on the team. It's more a culture piece, an organizational culture piece. It's hard to teach people that. It's even hard to tell people about. But, like most organizations I think we have our own values and belief system, our own organizational history, a sense of commitment to the mission and goals of the organization, that's at a variety of levels depending on whether you were a member. Whether you were a long-term member, or a short-term member. Or whether you've never been exposed to us before. We did, since we've hired the new staff, do an exploration and a review of our employee vision, and redrafted our employee vision and values. So that the new staff had a piece of that, so now it belongs to them. Which it didn't before. Because it was the previous staff who had done that. So, I think that's a good piece, and we keep talking about that. We spent some time at a couple of staff meetings talking about what things we needed to change, or look at over the next six months from the staff's perspective. Increased communication was a piece of that. I don't think you can ever communicate enough. I think one of the other key learnings we had is that there were some resource issues that we didn't think about when we started moving staff to outbased offices. We have an office that used to house one person that now houses seven people. So there are some significant resource things that you need to think about. So, we're a little behind in our resource process, but we'll be installing a wide area network with two satellite offices to link them here, which will make it a lot easier. Right now they are will modem in for things like e-mail and our shared directory, but the WAM [some device or system to resolve the difficulty] will remove that. We've identified some barriers, and figured out how to remove them. I think the staff's been fairly patient during that transition phase. There's still some things that we need to do. But we're probably in a good place for the seven-month mark.

Do you have any tools that you are using to evaluate the outcomes of your change to teams? Has there been any thought to that process of evaluation?

Well, one of the things the Operations Managers are in the midst of doing right now are doing a brief evaluation survey to send out to the Service Team members. One, to figure out if they understand how the support from the Geographic Support Teams is supposed to come to them. And two, to analyze are they getting the support they expected. Did they identify some gaps in the support and services that we're giving them? The Geographic Support Team did needs assessments with all the service units in the March through June period so that we could figure out what their services support priorities were. We've been trying to meet those. We use a meeting tool that we call, "How's It Going?" that identifies how meetings are going with teams. The Geographic Support Teams submit monthly reports to the Operations Management Team, and included in that is team development; what actions they've taken as a team; what they've seen, what results they identified what resources they need. The Operations Managers then give them feedback; "we have this we need this.... we wish you'd tell us more about this..." We as an Operations Management Team have visited each of the Geographic Support Teams in their meeting place to have conversations with them about how they think it's going. So much of it's been qualitative. We will be doing in October, a brief employee survey to talk about how people are feeling about the change. The Human Resource Department will initiate that survey and it will go back to them. It's as anonymous as it can be. We look at our tactical planning results. I think about the goals and objectives for the organization and are we meeting those? All the team members and members of service teams have been part of drafting what that tactical plan will look like. We're just about to do the year end report. Our fiscal year ends September 30th. So the year end report is due this Friday, so we'll have a better idea how well we accomplished last year's tactical plan while we're working on this years already. Other than that we probably haven't used any tools specifically. We did ask team members to indicate any decisions that had to be made that were not on the decision making matrix. So we could add those so that there would be clarity for people about who should and shouldn't be making decisions and who makes recommendations. I don't think we've used any other formal tools.

How about performance evaluations for individuals?

Every staff member has individual performance goals. They develop those with their supervisor. They're reviewed at least quarterly and the formal appraisal happens annually with the exception of new staff who have a six month introductory period. We have been working to figure out how to add the teams piece to this. I don't think we've gotten to the place where we can actually do it yet. We know that we need to add some sort of team assessment process in what we do, but we don't want that to be tied to performance. We think that would undermine the team development. We want teams to be able to assess their progress and to evaluate their peers. I think it's important for team members to do that; but to tie it to a performance appraisal which results in someone getting or not getting a merit increase seems to be the antithesis to building a team. So while we are looking for a way to do that it probably won't be a piece of the formal

performance appraisal until we can figure out how to structure it in such a way that it doesn't affect the morale of the staff. The team members must be able to feel that they can be honest with each other about their performance because they know it's not necessarily going to affect the dollars they get. We have been looking at a way to perhaps add to what the personal merit increase might be, something in addition to that, that might be reflected of team performance, but we're in the "working out" stages. So at this point the teams have done service unit plans of work and have identified what their goals are. They've included responsibility for the team goal in their performance appraisal, but they're still personal, not team based yet. That would be the next step. We are not sure our team members are ready to start assessing each other yet either. I'm not sure they are at that skill level. That's probably a stage three or four team and we still have teams that are in stage two.

As far as your outcomes as an organization, what kind of outcomes are you trying to accomplish with your new structure?

We really want to improve what we're calling customer satisfaction; a reduction in complaints as well as an increase in volunteers telling us they're feeling supported and recognized. We already keep what we use as a "Complaint Log," everybody has them and we turn them in once a month. We do graphs to see if we're going up or down with regards to complaints. We will be doing this for a survey with service team people and again in March we will do an assessment evaluation of the structure with service teams. We've been focused on whether membership is up? Is program participation up? Is training participation up? Is summer programs participation up? Are we hearing from people qualitatively in meetings and groups that they are more satisfied with how things are going? We are very cognizant of the fact that when we make a shift from the way we do things now, to the way we're going to do things, that we indicate to people that it's usually in response to something they've said to us. For instance, in the past, we've completed our shop inventory at the end of September. The last two days of September, because that's the end of our fiscal year. It's also the beginning of our program year which makes it crazy. It's a crazy time to close the shop. So we have just identified with our auditors that we can do the inventory in July. We don't have to do it at the end of the fiscal year. That is a direct response to the fact that folks needed to get into the shop and we're not happy. So when we promote this to people, this change, we will say, based on your concerns and comments, we've made this shift. If you want people to know that we're listening to them and that's one of the ways we can do that. I don't know that we do a whole lot of other outcome-based assessments except for specific programs where we do some outcome based participatory evaluations, but we don't necessarily do that in the organization now, globally. Although part of our tactical plan responsibilities for this year is to develop an evaluation plan for the agency so we're doing some timed and regular evaluations of girls and programs, parents, adult volunteers. We will be looking at it more globally. It's been very segmented in the past. People evaluated what they felt they needed to evaluate for their own department and we'll be shifting that. We probably won't have the plan done until the Spring, so it won't affect us much until next fall.

Do you consider your volunteers an internal customer or external customer?

External customers. We consider the staff internal customers. We believe that how we function with our internal customers has a direct relationship with how well we can serve our external customers. So, primarily, of course, ultimately, our customers are the girls, but we as a staff have the most interaction with the adult volunteers; so they are our primary customers. We need to be able to meet their needs and give them the support and services they need so that they can carry out the program.

Is participation increasing?

Yes. Actually we're in the midst of doing a five-year trend study, but it does show that membership has increased over the last three years as an average of about 3 percent a year. Adult membership just took a 5 percent jump this year. We are not sure whether that's in response to our ability to meet people's needs better or are we just getting better at recruiting folks. That would be hard to measure. Our adult retention is also very good, so that to me would be a factor that would indicate that we're serving people better. Our adult retention is probably around 76 or 77 percent which is really good. The national average is 67 percent, so we're doing much better. If we can keep that level or raise it a little, I think that it will indicate that people are pretty pleased with the services we are able to give them. I guess that's another outcome issue.

As far as continuous improvement, for your organization do you see teams as one of your means?

Oh, absolutely. Continuous improvements are the mind set. You have to believe that you're never finished with something in order to focus on continuous improvement. There are a lot of folks who want to revise something or look at a system and say, "Oh it's done, now I can put it on the shelf and put it away." In continuous improvement, you never stop looking at systems or processes or the way you're approaching your work. So for some people that's very uncomfortable, because they never feel done. I'm much more comfortable figuring out how do we need to make it better? How do we need to reduce the anguish and the anxiety and the paper and all the things people have to deal with? So, I think, sort of a mix. Some people are okay about focusing on revising and revising and revising. Other folks are a little less comfortable with it. But I think we all understand the concept, the idea is to make it better. We actually have a pretty clear definition of continuous improvement that we use here in the organization. We have a customer service statement, so we really tend to be focused on making it better. We just started looking at a couple of internal systems which we think would help the internal customer service be better. Things that you don't usually write down, you know, the inherited processes that everyone thinks they know. Then you ask your people and they all describe the process differently. Which led us to believe, "oops, maybe we're not clear?"

Can you give me an example?

Sure, we have a room reservation system to reserve the rooms downstairs for internal groups and external groups. We do a lot of programs and trainings out of this building but we also rent the facility to other nonprofit and profit making organizations. Some of us are very lax about reserving rooms so at the last minute we'll say, "Oh gee, I need a room, is there a room?" and we'll post a little paper sign which looks really tacky. Others of us are very good about always going into the system and reserving a room, and our receptionist has responsibility for assigning a room. Now in a conversation with the CEO, the CFO and myself we all said that the council register who registers the outside groups had to be going through the receptionist to schedule outside groups into the system because that's how the process works. The CEO however, had a conversation with the receptionist who said, no she never got them from the council register. So what we discovered is that the council register was using one method to reserve rooms while we all thought she was using something else. It's amazing to us that we didn't book someone or over book someone in the last two years. We've redefined the process and we wrote all the steps down. We're ready to prepare a document to be passed out at the next staff meeting so people are clear about what you do. It's those kind of internal workings that people sort of get all confused about if you don't write them down. We've been notoriously bad about writing those things down. We write everything else down, but we don't write the things for our own staff to use. It's really hard now that we have new staff from the restructure and from rehiring that it's confusing for them if it's not on paper. So eventually we'll end up with a little stack of manual things that tell people how to reserve vans and rooms and what you do about servicing out supplies and all those things that you sort of take for granted after you've been here awhile.

Would you have any recommendations for other organizations that may be beginning this process?

Communicate, Communicate, Communicate, Communicate. Ask lots of questions, make sure that what you're looking at changing meets the needs of the people you want to serve. I think one of the mistakes organizations sometimes make is that we assume we know what other people want and we don't ask them. It took us 10 months to do focus groups on all our service units but it was worth it, because it clearly told us what the trends were. There were some pretty similar things and I could have probably listed part of them without doing the surveys. The key, I think from doing the focus groups was that people said how nice it was to have people who were not their membership staff person visiting them. And that was sort of the unintended outcome of our evaluation. What we discovered was that they want to see more people. So, I think, asking folks what they need and involving as many people as possible in the input in the front end about the change is important. Then I think the key is to just keep leading the change and celebrating the small steps that you make as you're making the changes. If you wait until you get to the big thing, you will have lost the opportunity to keep people motivated about what's happening now. It's tough work. People are not necessarily comfortable with change and some people run away from it. So it's important to be able to make people understand where they fit and give them a chance to celebrate that they've gotten to where they've gotten to at that point. We're still defining how to celebrate. We had a survivors party last week for all of the people who survived their instructor. It was fun.

It was a time to get together and have some snacks and relax and think about how far we've come since last January when we announced the structure and just help put the information out to people. I think its just important to ask questions and share information.

And where do you feel the future is going to take you?

Oh I think we will be the best known program and I think part of how that will happen is the fact that we have teams of people out working now with not only our own volunteers but in communities and in collaborations with other organizations. That makes us stronger. I think the teams will get stronger. I would anticipate that within a couple years we will truly have self-directed teams. I think we're in a good place. I think that we probably are a model for other programs like ourselves specifically, but nonprofit organizations in general. A process that works, that's clear, and crisp and took into account people's experiences and feelings and fears. We're in a place to tell other people how it works and give people some hints on what they should do and not do. Probably at some point we'll publish all this somewhere so that people can actually know what we learned. If we were to look at it, there's some things that we'd do differently. Overall, I think we probably did it about 93 percent correct, you know, you run into the things you didn't think about. On the whole we've got a good process and it works. I think we'll be in great place in a couple of years.

Can you elaborate on your comment about partnering with other agencies?

I think things are more likely to happen when you have a group of people who can focus on a particular jurisdiction and that's what happens with our Geographic Support Teams. They focus on a particular part of our council and it enables them to figure out what community resources there are and in lots of cases the better way to collaborate with other programs. So for instance, our team that works in the City of Rochester is going to begin a collaboration with another girl's program. So we are going to train leaders and bring resources to them so they'll use our program to serve the girls on their waiting list. That's a much better approach to finding the girls and adults who need what we offer. What we offer is a small group methodology for delivering programs which involves growth, decision making, values development, communications development, and service. While we offer the program and there are people who have girls who are in need of programs, it's the perfect link. And I think more and more we're discovering how to collaborate and with whom to collaborate, because these teams are out working in neighborhoods talking to girls and adults, and talking to colleagues and saying, "oh gee, we can do this together." I think that's an out growth of the fact that folks are focused in a specific region rather than trying to be more general.

CASE (4)

Would you like to expound on how your organization has come upon working in teams, how they've developed in your organization, and whether or not you're obtaining the outcomes you expected?

Well, I think the teamwork concept is something that is -- I don't know if it's new, but it's something that's been brought back into the corporate environment, I would say, in recent years. I think that it has been part of allowing team leaders and team members to be more responsible, and accountable for their individual operations. I would say that our teams would be broken up into individual unit operations. When I say, "unit operations," it would be a specific location, where you would have a manager, which could be a team leader, and then a group of hourly employees, which could be anywhere from two or three up to maybe thirty or forty. They're each responsible for their contract, client relations, customer relations. They may allow individuals within their group, depending on how big their group, to pick up some responsibilities and have sub-groups, or sub-teams, individual teams within their own structure. If you have an organization or a small unit operation, where you have a manager and maybe four or five hourly employees, then that would be one small team. Then the structure would be that each individual hourly employee or associate would be responsible up to the unit manager or team leader. They each have, as I said, the responsibility to clients with their contract, the financial responsibility, and of course their customer responsibility would be the service of their food every day. And then, oftentimes within those organizations we end up having our unit managers be parts of teams with our clients where you might have a focus group. So they would then in turn become a member of another type of team within the client structure, that they would participate in primarily relative to food service or whatever services were provided.

Do you have any teams that would go across units, to learn from each other? Did that ever occur?

We do. We have what we refer to as a Chef's Guild, for one. And that, basically, picks members from various unit operations and brings them in, and cross pollinates, basically. You'll have team leaders that will head that up, and then we'll bring in key individuals from the other groups. They will come in and participate in various types of training. We do a similar type of thing with marketing, where we'll have groups, again, to cross-pollinate. They'll go around to various unit locations, and work on marketing themes. We have a similar theme with safety. Each individual operating team will have their own safety group, which will be a sub-group of the entire group. It'll be made up of maybe two or three employees.

And are people assigned to these teams, or are they selected specifically or do they volunteer ... ?

Generally the Chef's Guild is a volunteer. We'll have assigned specific people to head that up, and then we'll ask for people to participate. We've always had very good participation in that. That's probably a little bit more exciting than maybe talking about safety. But, because of the world that they're in, it's an opportunity for people to gain more knowledge, and work with others, and see what's going on in the other operations. We generally will provide them a little entertainment, or a meal, or something like that. So, the enthusiasm is there, and it's more likely we'll get a bigger turn out for that kind of group. So, that's volunteer.

Do you have any specific tools or resources that you use to train your employees, to develop skills?

Primarily we would have two different types of training methods or tools, and they would be geared for the management group. Then we have tools for the managers to take back. There're manuals for teaching safety, to learn more about food-borne illness, ... things that are relative to our industry. And it'll consist of maybe video tapes, training manuals, short tests or quizzes, and things like that for the hourly people. Similar type of things for management. Probably a little bit more in depth, and it may be something that would go for a longer period of time. I would guess that often times when we'll do something for management we often will bring people in from out of town. So we'll have a marketing coordinator, a safety manager that will come in from our regional area office, and will help do the training. That could be a full day, or multiple day training.

And is your training required, or voluntary?

The management training is required. When we get into the unit levels, everyone that's working in the unit would be required to go to it. Yes.

And, what kind of systems do you have in place in terms of performance review?

We have a performance review process that goes from the top of the organization right down to the hourly level. So every hourly employee should be reviewed, based on their performance, progress, and development. It's done by the individual unit managers, and it's done on an annual basis. For the management people, or administrative-type people, I would be the one that would do that process, and it is a written process. It's an evaluation based on specific objectives that are set at the beginning of the year. We have a series of criteria that's developed, be it financial, be it operating standards, anything like that. It's laid out, and then they know what their objectives are, and then they work towards those. So they're not as subjective as they're objective.

Are there any team skills evaluated in that process?

Well, there are, because I think that, again, you go back to the team skill aspect, and that is, you know, working in the small groups. So, you're only as good as the group you have working for you. To help develop the individual hourly associate that's working for you,

it's important to keep them working on all the items we need those people to be up to speed on, whether it's introduction of a new marketing program, or something along that line. So, yes, the management people, the unit-level management people, would be evaluated on those types of skills. How well they've been able to get their people onto those programs. Because your end results and your standards for your operation contain various pieces of all these programs that we're working on. How well you introduce what we call our Crossroads Program, which is an in-depth food program, or our Sun Creek Breakfast Program depends how well we've trained them. There's manuals, and there's video tapes, and things, and we have to put our people through that so those programs have various meridians or standards that we expect them to be a part of it. We would be evaluating those people to that standard process, and that's part of their overall evaluation.

Are your front line people held more responsible as these units develop? Is that the goal, to make them more accountable, and able to make decisions at that level?

There's no question that each individual manager is held accountable for everything that goes on in their operation. You're really accountable to both your customers and your client, as well as you're accountable to your corporation. You're accountable to your corporation from a financial standpoint and from a standards standpoint. You're accountable to your client relative to a financial aspect as well as overall objectives that were set with a client at the beginning of a contract. And then you're accountable to your customers on just how well you're providing them what they're coming to your facility for, be it for breakfast, lunch or dinner, or whatever. Their responsible for whatever the process is, or whatever the part of the contract that we have, that we're providing to them. Each individual manager, or you may have a general manager with a series of four or five next level management people are all accountable at various levels to various people of both the client organization, and of our own organization.

And that filters down through to the staff.

Yes, basically.

And back up.

Yes.

What particular characteristics do you look for in terms of your leaders in these units?

Well first, I think, and foremost, I look for somebody that really does show leadership skills, that they're able to handle the pressure situations. Let's face it. In our business, you're in a constant pressure situation. You have people that aren't showing up for work, you have client demands, you have customer demands, and you have your own corporate demands. So, if I was interviewing someone, I would be asking them how they would respond to various situations. I would also look for someone that has the skills of the

industry. I think it's important that, in our business, at the unit level, that they've got good knowledge of food preparation, service, depending on each individual unit. Each one's a little bit different. Some might have a little bit more of a dietary needs, and others have more of a catering need. There's a variety of needs in each one. If I was interviewing someone for an operation that was rather large, with forty or fifty hourly employees, and maybe they would have a management staff of four or five individuals, and this organization did food service, and it also did convenience stores, and it did catering, and it did vending, then when I was interviewing someone I would ask them if they had any background in those kinds of skills. Chances are that a lot of people that you interview wouldn't have every one of those skills, but the key is how well they can adapt to new environments. So, I would ask them questions, and see how they would respond. Basically, I would look for those kinds of skills, and try to see how they would respond to questions that I ask.

What would you describe as an effective team?

I would say an effective team would be a group of people that had enthusiasm for the job that they were doing, with a great deal of flexibility, and always taking the interests of the customers that they are serving as a primary objective. I think that if you have that then you can make everything else work. But, if you don't have that enthusiasm, that drive, that need to achieve customer satisfaction, then you're missing the point because we are in the business of customer service. Whatever we're doing, be it food, or vending, or any kind of product that we're selling, it's customer service. Customer satisfaction is the ultimate. Without that your business is going to go down, but with an effective team you have every opportunity, then, to meet your other objectives, which would maybe be financial, or whatever. So those, I would say, are key areas.

What do you think are the organizational structures or processes that need to be in place to support the teams?

The way that we're set up, because it's a corporation, we have an entire building that takes care of all our accounting needs, be it Payroll, Accounts Payable, Accounts Receivable, and those kinds of things. Those things are all in place for us. So we have that as a support group. I think that you have to have a level of support in place to allow these people to know that they can run their day-to-day operations, but know that if they run into a problem or have a special need that there's going to be a support mechanism in place for them. At my level, I would probably be the immediate person that they would come to for support. Then what I would do is, if it's not my expertise, or I need somebody that's has good computer skills, or I have somebody that has good marketing skills, or whatever, I would bring those support people in to help resolve any of the immediate needs that they would have. Then they would know in the future that they could go that same route. So, generally what happens is, they would come to me, or I would go to them and realize that they have a special need, and then I would put in place the individual that I could get to bring in to them, and help them. You know, you're going to have situations where say we'll be negotiating a union contract and I would bring a Labor Relations person in. If it was strictly a benefits issue that employees had

and wanted to understand more I would bring a Human Resource person in for that to the unit level. I think overall, the support is knowing that they have something that they can fall back on, that they're not out there alone, and that they don't have to just try to make things happen on their own.

In terms of measurement, of meeting the objectives of the organization and tying them in with organizational strategies is there any particular measurement tools that you use to see whether you're really accomplishing the outcomes that you set out to do?

From a financial standpoint we work from a business plan, which then develops into an operating budget. The budget is set up and structured to meet corporate needs as well as the client needs. The way our contract is, we can have a contract where a client is subsidizing an operation, or we can have it where it would be a straight P&L operation. But we would take both those things into consideration, and then establish this business plan which would turn into an operation budget.

Each unit manager would know what their financial objectives are from the beginning of the year, and they would know that by the end of the year they need to meet those objectives. And then, when we go through our annual review process that becomes one key element into their overall success, so-to-speak, from a financial standpoint. We also from a customer standpoint have satisfaction surveys that we use as a measurement tool to see that we're meeting the needs of the customer. So, those are the two key things. You can be successful at taking care of your customers, and you have very high grades on your customer satisfaction, but if you're not successful financially, then you're really not successful. You can have the opposite of that, and have a very strong financial organization, but if you don't have customers that are satisfied you will soon die because you're not going to have any customers. So, you may take an approach at some point where you're going to slash your costs, and drive your sales to the bottom line. We're fortunate because often we have a captive audience. However, that's a very short term goal. What we strive for is to have high customer satisfaction, and then high returns for the corporation, or good financial results.

Can you describe for me any particular obstacles that you've encountered with your business in terms of forming teams, implementing teams, having productive teams?

I think in our business, one of the difficulties that we run into are getting good qualified people, and still pay them at a relatively low hourly rate when compared to heavy industry. We are a minimum wage industry, like it or not. That doesn't mean we pay minimum wage, but when you're paying people five dollars and fifty cents an hour maybe up to seven dollars an hour hourly rate you're on the low end of the pay scale. So to try to get qualified people, and then try to have them have enthusiasm and be dedicated to their work so that you can obtain this customer satisfaction it's difficult. Because oftentimes we have a lot of turnover. You go through a training process, and you get somebody trained and all geared up and you put them in uniforms and you've trained them and you've done all this -- and you end up keeping them for a year, or less. It becomes a very expensive proposition. I'd say that's a major obstacle. We're in a

business where people need to understand food safety and sanitation. There's a certain amount of skill that's involved. We expect our people to know the technical pieces, and yet be very strong on customer service and sales on the front line. It's tough to find those people, and still pay them, and expect them to show up for work every day for five or six dollars an hour. So, that's a major obstacle. I've often thought that maybe what we should do is determine how many dollars we can spend in an operation on in labor. Then the idea would be to pay those people higher hourly rates but yet have less man hours, and you would get maybe a better skills individual that would want to dedicate maybe a little bit more time to a career. But, I haven't had a lot of success at making that work, especially in an environment where unemployment is now pretty low. Generally what happens is that the people that we get that apply for jobs are not often the most favorable of our population.

When you hire those front line employees, what are your basic requirements? Do they need a high school education? What do you require?

That they can walk and chew gum at the same time, basically. I don't think we specifically look to see that you've got a high school education. I would look at their experience. I would look at their work background and I would be interested to know if this person has worked for six months or a year, and worked at twenty different places over the past ten years. That would tell me something. That would tell me that I would probably not be interested in that individual. I would try to look for somebody that's fairly stable. I think oftentimes we tend to hire people that are women, that maybe have their children in school, so they don't have to be home all day long. They don't need to be on a high end of the pay scale. They're looking to supplement a family income. With our hours they need to be flexible, and we aren't always looking for full time people. We're oftentimes looking to plug holes. We're looking for somebody who can work four hours or five hours, that can be there when our service line is open, say from ten in the morning until two. They can be cashiers, they can serve on the line, or in the deli, or something like that. So, I think flexibility is important. It's always nice as well to have people that are pleasant in appearance and in how they speak because they have a lot of customer contact. It sounds like we're expecting a lot. The ideal person, we want them to be effective, clean, have good skills both from a technical and customer standpoint, and all this, and we'll pay you five-fifty an hour. It's pretty incredible. We actually get a lot of people. I think that one of the interesting pieces is we do get a lot of people, and we do end up hiring people that are maybe slightly disabled, or have some restrictions that they maybe can't go out and get a real high-skill job in a high-tech industry. We bring a lot of those people in because they've already been trained in some sort of a rehabilitation program or something like that. So we create a situation where those people can kind of fall into that. They often will have job coaches that work with them for a period of time. It does two things. It provides us with employment, and provides those people with a job that they may never have an opportunity to get. Melding those two things together really works well. It works well for us, and it works well for them. It's nice to see those people end up being successful.

Do you think there are incentives other than financial, to keep these people on board?

I think that, yes, we're fortunate because we have what I think is a very attractive benefits package for our full time hourly employees. Oftentimes in the industry that we're in you will get an hourly rate, and then there's nothing beyond that. We provide a full array of benefits which I think is good for many people. You're still paying part of the premium, depending on what you partake in, but we also provide profit sharing and stock purchase plans so that they feel like their part of this organization. It's more than just getting a pay check. I think again those are also somewhat tangible. I think the fact that you can provide somebody with a career opportunity, that those are things again that you might have people who may never have an opportunity to go out and get a job that's going to pay them ten, twelve, fifteen dollars an hour. We can provide a safe, pleasant environment for people to work in. They can make a reasonable salary. They can feel good about themselves. You allow them an opportunity to be part of a team within the organization, be it a Safety Team, or a Marketing Team, or a Culinary Team. They feel like then this is home away from home. It gives them an opportunity for career growth. They feel good about themselves. Especially the people that have come through some of the organizations like the Niagara Frontier Vocational Rehab Center, or other various organizations that we work with. These are people that may never have that opportunity. We can create that for them. We work with them. So, I think that there is some intrinsic award that they can achieved.

Do those individuals on the front line receive cross-training? Are people usually trained in multiple positions as opposed to one specific task?

Well, I guess, fortunately and unfortunately. Unfortunately, we've always had to cross-train simply because of turnover and just plain absenteeism. You're always thrown into a situation. You have a staff of eight, and you have on a Monday two or three people who call in sick. All of a sudden you need to be able to be more than just a dishwasher. You have to understand how to operate a slicer, or maybe you become a cashier, or you do something different for the day. So, what we've found over time is, it makes a lot of sense for people to cross-pollinate their jobs so that they can understand, in the event that, that's going to happen because eventually it's going to happen. And your going to end up having to figure out how to do not only another person's job, but you're going to have to do your own job also. So, the cross-training is very good because it does oftentimes provide someone with an opportunity to grow into another job, at a better level than just, say, an entry level position. It works for everybody, and it works well.

If you have a line running. . . . Are those employees held accountable for the tasks that they are conducting? How much of the responsibility ends up on the front line employee or is it the responsibility of the team leaders?

You would find that individual team leaders are more prevalent in some of the larger operations. Those team leaders may be responsible for two, or three, or four hourly employees, and then ultimately it's their responsibility to see to it that each of those

individuals working for them takes care of their job responsibilities. Each job should have the various requirements, with a description of what you're to do from the time you start to the time you leave. And then it's up to the team leader person to go back during the course of the day to see that, that process is being done, and at the end of the day, before they leave, to make sure that everything has been completed. You'd have a certain amount of preparation, and then pre-preparation for the following day. Or clean up, set up, clean up. So, in the larger facilities we would have those people that can go around and check and in the smaller operations it would be the unit manager that would be responsible for all of that. I think that it's nice in the larger operations because we've got more people that maybe you'll have some hourly supervisors that can manage, or supervise individual teams within a large structure. When all of that's working, according to plan, it really makes for a very fine-tuned operation. Theoretically, that's the way it's supposed to work.

Are those team leaders in those kind of operations appointed, or selected by their own teams?

Generally, they're appointed. They could be appointed by a level of management. It's oftentimes somebody that seems to stand out above and beyond the call of duty within the hourly ranks, that they may have been elevated from the ranks to become a supervisor. Or it might be somebody that we've hired in to create that position. But, generally we like to try to give people an opportunity from within so that they can feel like they can take a little bit more pride in that. It is also good too because it gives added incentive to the others to have an opportunity to see that, hey, I can move up, and I can move up the ranks if I really put in the effort and show that I'm interested in helping this organization as a whole to get better. So that would be what we'd prefer to do. We try to elevate somebody from within, with an opportunity for growth.

In theory, when they talk about team leaders, often they talk about managers in a traditional organization becoming team leaders whose role then becomes more of a coach to their staff as opposed to a supervisor. Do you feel that kind of structure is within your organization. That they're more of a model, mentor, or coach as opposed to a supervisor, manager?

Well, you know, I think everybody has a little different style sometimes. I think that it's nice to think that maybe. . . I mean a coach, you could be a coach, you could be a supervisor, you could be a manager. I think that the terms kind of interconnect to some degree. I think you'd have some managers or supervisors that probably watch you a little closer and actually supervise you a little more hands-on. Or you can have the coach style that is constantly encouraging positively to get the job done. I think you need a balance of both of those because for every style that you've got that may be successful, you've got a different kind of employee that accepts direction in a different way. Some people need to be supervised a little close, more closely. Some people are more self motivated and can accept the coaching style. Bottom line, that person that wears the manager's hat, whether it says "Coach" on it, or "Supervisor" or "Manager," they're accountable for everything that takes place in the organization. I think that you can have a mix of two.

I've always felt that, when I was coming through the ranks, you know it's nice to be liked by people, but it's not necessary to be successful. You can be respected. You don't have to walk in a room and have everybody bow down to you, and be fearful of you. I think if you want the team to work, you have to have a little bit of each. I think they have to know, because everybody -- not everybody, but a lot of people still use that, "When the cat's away, the mice will play," routine. That's going to come into play. I think we're all humans, and we all know that. There's times when you have to turn up the heat, and there's times when you can relax it a little bit. I think when you have a good mix of that, I think that's when you can really be successful. I think that it's important that the respect works both ways. I don't think that the manager, or general manager, whoever it might be, walks in the room and demands respect. I think you have to reverse that, and you have to respect the people that are there doing all the hard work every day, working in the trenches because those are the people that are really taking care of the customer, or taking care of whatever the situation is. There may be a person that's working in the dish room that never sees the customer, they may be washing pots and pans. Those people deserve respect as well. I myself like to see a good mix of all of that. The person that wears that manager's hat is a unique individual because they do have all that responsibility. They need to know when they have to be a pal of somebody, but they also need to be the one that has to tell that person face-to-face that something's not working right. They need to do this, or correct something, or whatever. And then still go out and face the customers and smile, and remember everybody's name, and that type of thing. I don't know if I've really answered your question, but you know, I think that you need a good mix. The coaching style's great, but I don't think that it works alone. I also think being a strict hands-on supervisor, where your kind of an ogre, that doesn't work either.

Well, change is a constant in our environment these days, and being able to be flexible and modify and adjust to those situations is achievable. How about the future? Where do you feel the future of your organization is with teams? What direction do you feel it will take?

I would guess, because the responsibilities that everyone has, and the expectations that corporations and clients have, and customers have that teams are gonna continue. The need for teams will continue, and be necessary for long-term success because each of us has greater responsibility. I think that when you give other people ownership that's going to allow you to be successful as an entire group. If you have a unit, and you've got a general manager with several food production-type management people in a group of thirty or forty hourly employees, you can't just have one person be successful. It can't be just the management people that are successful. Everybody shares in the work, everybody should share in the successes. I think that what we need to do, and it's starting to happen as an industry, is find ways to be able to reward all levels of people, every member of the team. At times we've done some of that, where we will give people, be it tee shirts or logo-type items with the company name on them, for reaching certain achievements or goals. But I think that everybody needs to share in the successes, and I think that's one of the nice things about our profit-sharing program that we've got. If people feel that they're part of the team they'll put in that effort so that the whole team will be successful. So I think that teams will continue. I think you'll see more and more

sub-teams of larger teams. It's no different than in a, if I can relate it to a professional football team, where you have the entire team but you also have an offensive unit, and a defensive unit, and a special teams unit, and so on and so forth. You have the same kind of thing within our organization. You have the entire team, and then you have people that work on marketing, that work on safety, that work on whatever the goals and objectives are that you've set. I think that long term you're going to see more and more of those types of things.

Have you experienced in your career in the food service industry any other organizations that work with teams or any that were model teams? Do you think the food service industry is behind say, the manufacturing industry in terms of their instituting, utilizing teams as a management tool?

I think that what I've seen in, be it manufacturing or in some of the environments that I have contracts. You may be in a plant where there's twelve or fifteen hundred employees, and they're all housed under one roof and I think the team development probably maybe works a little bit better. Within our organization we seem to be smaller groups, and you're going to end up having lesser numbers of teams I think within our organization because we're split up differently, and fragmented. I've been into some pretty large industrial type facilities where you see work teams or groups meeting on different things. We do an awful lot of catering for that kind of thing. So you always see these group teams meeting but it seems that it probably works a little bit better because you've got a larger population housed under one roof. So, I think it works better for that. I think we've got to try to make the team concept work for us the best it can work. I've also seen situations where we have people within our organization that become parts of teams working with our clients. You get a little more interaction that way. But I guess, from what I can see is maybe we are dragging behind the rest of the corporate world.

Any other comments?

I enjoyed this. This gives me an opportunity to really think a little bit more about what we do. When you just do it, you don't always think about it that way. But I think that your questions allowed me to really think a little bit more about that team concept that is working. You don't always think about it every day. You've given me some things to think about. Just to go back and make sure that we are really doing daily all the things that I was telling you that we do in an ideal environment.

CASE (5)

Is the entire organization team based, or only a certain percentage of it?

I would say eighty percent of our facility is team-based. All of our trades: plumbers, carpenters, electricians, are not team-based yet. I work in Human Resources. I have responsibilities in Human Resources but I'm also aligned with the Product Team. So I support that Product Team in any way I can and H.R. issues as well.

How long have you been working at teams in the organization?

We started the design process probably at the end of 1992. We didn't really start formally with teams until September of ninety-four and that's when we rolled out our first teams.

What led your organization to decide to use teams and pursue that phenomenon?

Well, we had some issues meeting customer needs and the demand for our products. We had back orders. Morale was very low in the plant. We went to continuous operations in 1992. What that means is we went from a traditional five day work week, eight hours a day, to a seven day operation, which consists of working twelve hours, working every other weekend. The employees are very, very unhappy about that. So we tried to look to teams to help us first get the employees involved in business because we went to continuous operations because of a business need. They didn't understand the business need, so naturally they're discontent. We needed to satisfy the customer and we needed to run the machines more, and we needed to work weekends to increase capacity by twenty percent more. We needed to run those extra hours to satisfy the demand for our products.

How did the team process evolve? Could you tell me the history of it and how it has transpired to where it is today?

We had a Design Team. We came up with a design that would satisfy our customer demands plus control all the key variances within our processes, from the molding process right straight through shipping. We organized teams around controlling those key variances. We rolled out the teams. We had an Implementation Team, that helped with who goes where and how to process for that. We really made a mistake when we first started the teams. People were so discontent and at such a low morale, that we concentrated on making everybody feel good about each other, lovey dovey type stuff. We found out that everything we tried to do to get them to talk to each other and make them feel good about being a team wasn't working. We concentrated on our social

impact, but our technical aspects, the key variances, we didn't focus on that. This was a key contributor to their irritability. They're there twelve hours a day, and the machines aren't running and systems weren't working right. This was just rubbing them the wrong way. One of our goals, as I said, was to help the people feel better about themselves, feel better about coming to work, and it wasn't working. So, we tried to balance working on the key variances, and the social. With that in mind we changed the systems. Hiring systems have changed to where employees select their own people, or de-select them if they have to, or fire, whatever the right word is if they needed to. They review each other on an annual basis. If they're in another system they do it whenever it's required. They're involved now in the budgeting process for their teams. I would say in 1995, the first year after we rolled out teams, there were three people involved in the manufacturing area in putting the budget together which is about a fifty million-dollar budget. I was one of them. There were two other people. Last year there had to be at least seventy-five people involved in putting together that budget. We do that so people get more ownership in the outcome. They know what goes into the numbers. Oh, I can't buy that part. Or they think that there's an open checkbook being it's a big company and they must have a lot of money. Now they're starting to realize there's cost pressures externally that they didn't realize before. They understand that there are reasons why we can't spend money, we can't buy that new piece of equipment, or we can't work all the overtime we want.

Was that a budget team then where you pulled individuals from a whole bunch of different teams?

There's six teams in hypodermic. In lab ware, where we make the tubes, there's four teams. What they do is they have representatives from each team that works on the budget and they prepare it. On the teams that have a Process Engineer, they have an Accounting representative, they have a facilitator, and they have a Quality Engineer. So they have all the resources on the teams now to help make the budget. Those representatives get together as a group. They could have a budget team. Each team does it different. They could have representatives from each crew get together and do the budget. Then the plant manager schedules budget week, where the teams individually come up and present their budgets to the plant manager. The plant manager just checks to make sure that the boundaries are met. Because we are a plant the boundaries are set by our corporate office in Bracken Lakes, and we have to live within that. Our plant manager communicates that information to the teams, and then they come back and present it to him. That's just the budget process. One of many things.

When they do performance reviews within the team, are the teams also recognized in some way as a group as opposed to individuals on the team?

Yes. For hourly associates we have a general wage increase yearly, which we're trying to eliminate. Let me just tell you how we're trying to do that. Last October we

instituted a variable pay system. We took four pillars: quantity, cost, safety and quality. We took some historical data, developed a base line, and then the teams that produced above the base line, whatever positive cost variance there was, it was split between the company and the employees. That was another way to drive their behavior.

Everything you do needs to drive their behavior to satisfy the business needs. That was another way to get people to own up, take ownership in their own business, and say hey if I do this I'm going to have an immediate reward. We had quarterly pay outs. If we max out all four pillars each employee would get eight hundred dollars a quarter. Each pillar's worth two hundred dollars, or thirty-two hundred dollars a year. We put a cap of ten percent of their salary on that. That has really changed a lot of behaviors.

People are more responsive to corrective actions now. Whenever there's a safety incident -- we never used to hear somebody hurt their finger, hurt their back, or whatever. Within five minutes after the incident happens now it's through the whole plant. Hey, so-and-so just had a reportable accident. That means our variable pay is going to be affected. A lot of people follow up on what's the corrective action, or what can we do to prevent that from re-occurring again, so it doesn't hurt us. So that's a variable pay. We had the general pay increase, which we're hoping the variable pay will take the place of the general wage increase. Then we also have a pay for skills system that as team members acquire new skills that the teams can utilize, they earn more money.

Who determines whether they can develop those skills? The individuals?

The individuals. It's up to the individual if they want to do something. Each team has a team vision skill: we need so many level three people that can operate and repair machines, we need so many skill level two people that just have to operate machines, and then we only need so many skill level one, which is just push a button and do a very manual, less technical type of work. A new team member coming in can say, all right, I have a clear line path of where I can go on the team now, as long as I utilize those skills. The teams get together, and they say whether the person is utilizing those skills. You can acquire the skill, but then if you don't utilize it you're not contributing to the business and you're not adding any value. Why should we pay you the extra money, cut down on our variable pay, because we're putting more labor into the product that we're shipping out the back door? So, the teams have control of that as well.

How do they measure whether someone is utilizing a skill?

How do they measure? They know. If you do it once while you're assessed, and you pass, then you're okay. But then, if you don't utilize the skill, you know, the saying is, "You don't use it, you lose it." So, it is evident quite quickly if that belt breaks, and all right we want you to go over there and to fix that, and you're stumbling and you can't do it. Then it shows quite readily.

I would think that people become motivated with the team structure to try to improve. Does it ever become a point where it's difficult to keep those level one positions filled, that maybe there aren't openings for levels two or three, for people to continue learning?

We have not yet found where we had too many skills on the team. Everybody has been able to acquire skills and utilize them. We have not come to that level. Quite frankly, if we get to that level, we're going to be pretty happy. We definitely have a skill deficit, especially in the higher end. And, on the contrary, we have some people that do not want to learn the higher skills. They're satisfied with the entry level position and just doing the less technical tasks that are needed on the team. They're not looking to make a lot more money. They're just happy with what they've got. So, their individual needs are satisfied as well.

What kinds of quality or continuous improvement type initiatives do you encourage in your business.

Well, we have defects per million that is a goal that we have, customer complaints we track, and we have outgoing quality audits, which is part of our variable pay. We use that as a test to make sure we're not just shipping all this product to meet our quantity pillar in order to make more money. We do a quality audit once a week. They track unusable syringes and tubes. The teams, have the Quality Engineer, that is part of the team structure, that works on eliminating unneeded inspections or checks of the product. We have been traditionally a very conservative company. We check things six ways to Sunday before we let it go. Sometimes we do checks, and if you ask them, "Why do you do that?" they'll say, "Well, I don't know, we've always done it." You can't one hundred percent inspect forty million syringes a week. It's impossible. So, we have our safety plans, and things like that. We're slowly, this has been a big struggle for us, integrating the quality skill or the quality organization into the teams. They have been holding on for dear life. They like being on the outside, separate from the machines, and being the traffic cop, or the policeman, you know, the person that says, all right you did that wrong, go fix it. Let me know when you're done. We have integrated, through much pain and those people are now on the teams.

Quality people?

Quality people are part of the teams. They were saying, we can't let the teams do their own quality inspections. We can't trust, they'll ship out bad product, and all this stuff, we see it all the time. There always was this adversarial relationship with production and quality. And speaking from twenty years in that role I can attest to it. It was a very adversarial relationship. But now they're finding that most people, sure you'll always have problem employees or team members, want to do a good job. If they're putting their name on the product, or the inspection, that I inspected this product on such and such a time, this date, they're going to make sure that's right before they send

it out. Our primary focus, in a roundabout way to get to your question, is that we're always looking to reduce our defects per million, our customer complaints, and not send out any unusable components, or syringes, or tubes.

How long have the quality people been involved at the team level?

In process inspections they have been part of the teams since we rolled out the teams. The auditing processes and some inspections that took more time were always done by the separate quality organization. We've been in teams full time for over four years. So I'm saying it was three years before we got everybody in the quality organization integrated within the teams.

So, are most of the team members then accountable for the entire process, from start to finish?

The teams are accountable for five pillars. Five pillars, start to finish in the accountability system. I'll tell you about that in a minute. They're accountable for quantity, quality, cost, safety, and team development. You say, why team development? Most people say why should we have team development? Well, that's part of continuous improvement: taking on more skills, doing things different, becoming more self-sufficient, and not relying on somebody external to the team to help them satisfy the other four pillars.

What would you say is an effective team?

An effective team? A team that can communicate, be accountable, own up to their mistakes and move on, and satisfy the customer needs.

If they do make a mistake how is that handled? Is it accepted? Is it cured?

Yes. Yes, and yes. It depends on the team's maturity. Again, teams mature at different rates. We have teams that have really taken off, tried different things, and we have other teams that are just, you know, moseying along. It's natural. So the teams that are more mature and taking on a lot of new responsibilities have come to realize that if they do make mistakes nobody has chopped their head off, for lack of better terms. Because they have stretched that box, and they have made a mistake, they've found out that, hey, I'm still alive after I made that mistake. The only thing is that you've got to know what you did. You know, analyze what went wrong, and then try not to do that in the future. Other teams that have not stretched their box and taken on new responsibilities in all areas are still operating in the old regime before teams, where, if you did something wrong, you got in trouble, were written up, or whatever. A lot of it is actions. They have to find out for themselves that they will not be hung out to dry before they take on new responsibilities. You can talk until you're blue in

the face, you know, you won't get in trouble, you can try that. They look at you -- yeah, right.

So, until they experience it

Especially when you're in a traditional manufacturing environment. That's all I know, a traditional manufacturing environment. Then you transform yourself into this high performance environment. Especially long term employees, they have to experience it because they don't take your word for it. That's the bottom line. They want to see some action. A lot of times they've seen people who have made mistakes, or teams who have made the wrong decisions, but to the best of their knowledge they made a logical decision with the information that they had, and they didn't, they're still working here, they didn't get fired, or whatever. Eventually they start to pick up on that. Then there's employees that, or team members that no matter what you do, they will not believe you. But they don't want to believe you, because they don't want to stretch their box, or try and do different things. You have that mix throughout everything you do.

Do you have any creative ways of trying to move teams that are in that holding pattern?

Threaten them. No. You've got to just keep challenging them, and pointing out the positives, and showing examples. This team did this, and maybe they made a mistake, or this team -- it doesn't have to be a mistake. It even doesn't have to be a mistake, it could be that this team tried this, and it worked, why can't you. You've been struggling with that same issue, why can't you just, you know, try that? Now I know what I was supposed to tell you about: our accountability system.

That's right.

Once a quarter we have all the teams in our hypodermic, where we make the syringes, and all the teams in our lab, come together. The teams have representatives from all crews present the results of the five pillars to the other teams in their area. They can do that by skit form, or just a regular dry presentation depending on the team's personality. Then the teams rank the team on the five pillars, one to five. One to five on safety, one to five on quality, one to five on quantity, and so on. You add up all the scores, and then there's a winner. In hypodermic we have a banner that we call the Hypo Cup, that we put in their work area for the next quarter for the winner. In lab ware there's a big trophy that they display. This fosters accountability where they see examples of what worked on my team. That's part of the criteria, to share what went right, or what went wrong. If things worked well for you, what's your plan for keeping it going. If you had a bad quarter, what happened, and what are you doing to try to get out of it. Then there's a question and answer period where teams can talk to each other and ask questions. That's really helped out a lot as far as communication

between teams, sharing best practices, sharing war stories, you know, things like that. But, even with that, the team members just dread going up there, especially if they have a bad story to tell. We have not yet convinced them, not all of them, that there is value in communicating and sharing information. A lot of people don't like to be held to business results.

How about leaders on teams? Do you have leaders?

We have informal leaders. We have a facilitator for each team, but they predominantly work daylight hours. So at night and weekends the teams are pretty much on their own. But you can't just say, all right, head out there and be a team. There's got to be systems in place that they can follow, and make sure things are right. What happens if there's an emergency? What do we do? What's the process to handle an emergency? Everybody has to be educated to those things. What happens if a fight breaks out? Something.

So, as far as roles on the teams, you have this facilitator that's the so-called coach or leader. What kind of job titles do you have in your organization now?

Well, we have the traditional titles. We have the traditional external job titles. I'm the Training and Development Coordinator. But, I don't have a job description. We have facilitators. We don't have a job description for facilitators. The Quality Engineer we have on each team, but if you would look at the Quality Engineer job description, it's probably twenty percent of what that person does now. Everybody wears two or three hats. The H.R. manager to the outside world is the H.R. manager, but internally to our plant she is, sure she has functional responsibilities for H.R., and she's also the business team leader for shipping and our sterilization area. Here's a lady that has never had manufacturing experience, and she's the staff representative for that area. Our accountant or plant comptroller has functional responsibilities for accounting, purchasing, our information group, and our product line. That ties everybody into the business. Everybody comes to work to make syringes or test tubes. I don't just come in to do accounting work, or I don't come in and just do H.R. work. Everybody is there to satisfy the business need and are held accountable that way.

In the selection process, do you look for people with team experience, or what characteristics are you looking for?

We're looking for people that can communicate. What happens when you have a problem? Can you resolve that? The hiring process for external employees is: H.R. pre-screens them, reviews the applications, and then calls in people to do a pre-screening. We approve of them after a one on one interview and then we pass the applications onto the teams. The teams decide whom they want to interview, and they make the final decision. So we try to keep a pool of applications in Human Resources. The pre-screening process that I do, and the other woman that does it with me

predominantly follows the same path. We look for communication skills. Can they communicate easily. Can they handle conflict. We like to give them examples: what would you do in this situation? We modified our application to have some behavior-based questions that we can try to make a decision on. One of the behavior based questions is, "Have you ever had trouble working with a fellow employee?" I would say ninety-nine point five percent of the people who answer this question answer, "No." So, my comment back to them is, well, "I guess you're not normal because we're all human, we're all different, and we're bound to have an issue." Oh, well yeah, I didn't really, and they go on. So, tell me about an example, and how did you get out of it. If they say, well, I had this problem and I told my supervisor and had him, or her take care of it, they don't go on the top of the list, at least in my book. Then the teams, they develop another list of questions, and there could be four or five people. . . . It's very intimidating. You're coming in and there's four or five, even more people, just throwing questions at you. They're hammering these questions at you, and you've got to try to answer them. So it could be very intimidating.

Have you ever done any personality typing?

No.

Do you feel that the team environment that you've established is meeting your expectations in terms of outcomes for your organization?

Now we are. Yes, now we are.

How long do you think it took to get to that point?

I would say almost two years before we started seeing some good results against our initial objectives; reducing costs, eliminating back orders, improving quality, improving safety. Safety was a bad thing for us. And now our plant is, I would say, one of the best performing plants in the company.

Are other companies also team-based within the whole organization?

Other plants within our organization? There are several that have been in it as long as we have but as a whole they are just starting out. They are just going through the transformation now.

Have you been a model to them? Is their goal to convert in reference to that?

We have until the past two years. Our performance was not good. We had an external environment that said, "What are you doing teams for?" They didn't see the value. Whenever your plant has a corporate headquarters, and if the people in corporate headquarters don't see the value of it, you're really taking a risk by doing something

different. We took this on ourselves. A huge, huge money investment when you first start out. A lot of people, if they don't see the value, especially if you're in charge of the purse strings, you get a lot of resistance.

How did you get corporate interested to be able to move forward with teams?

How did we get the person interested? What do you mean?

Approval to go ahead.

Approval. Okay. Well, we went in and said that we're going to improve our customer satisfaction, reduce costs, improve our safety record, and all that stuff. Our first year we fell flat on our face. Flat on our face. Like I said before, we were concentrating on making people feel so good about working together, we forgot about those key variances that were really what was upsetting it. So we woke up and did another redesign because whenever you redesign, you're never done. You never get there. Even though we're happy now, you can't get comfortable, we have to keep looking ahead. What can we do different, what's next? It's a never ending battle. You have to realize that when you first start out. You think that, all right, if we only get here our job is done, and it's easy street from then on in. No way. No way. This is where management support comes in. Our plant manager said, I see the value of this, even though we had very unfavorable results our first full year. Give me one more year. He convinced the stakeholders down in New Jersey to give us one more year. We turned it around that next year and it's continually gotten better. This past year, our year ends September 30th, has been our best ever.

So, do you feel that the trend with teams will continue?

Yes, if people or companies want to stay competitive. They have to. Have to. What keeps me going is the different roles and different activities that people, that used to say, aw, you can't do that, they'll never get up to speed, or they'll never be able to solve that problem. Every day I see people that I never thought of doing more or doing things different. Doing those things they're doing very well. I tell you, that's really what keeps you going. Teams are here to stay if you want to stay competitive because you can't have all these engineers, all these supervisors, high ranking, high paying employees making all these decisions. You don't have enough of them, you can't afford to have enough of them to solve everything that you need to solve or work on.

Did you have a difficult time when you divided into teams, with those managers?

Oh, yeah. Yeah, you're going to because they have to give up control.

How did you help them through that process?

How did I help them? Get 'em through that process?

How did they buy into it?

It's almost like working with the quality organization. You try to reduce the threat. You try to tell them that they can add value in a different way and that their respect is for what they know, and that they're needed. You know, the biggest fear, at least with managers, in the old traditional supervisor, is that you don't need me anymore. I'm going to lose my job, or I'm going to have to do something different. You have to work with them and tell them that they have to do something different and that they can add value in another way. Every position except for the one I have now, in my twenty-four years has been eliminated or has gone away. But I'm still here and I'm still adding value to the organization. This is the best opportunity I've ever had. You've got to be willing to be flexible, and try new and different things.

Were there any resources or tools that your organization used when they decided to implement teams?

We used an outside consultant, STS(Social Technical Systems) International, that helped us with the teams. We used a social/technical approach to teams. That's not the only way to implement teams, but that's what we chose. Now our corporation is using that.

Can you just explain what a social/technical approach means?

That's where you work on all the social variances and the technical variances, and you balance them out. Social Technical Systems International worked with us. They had several workshops. There's a week-long experiential workshop for teams. I would recommend that for you. It's really unique learning. The best week of my life. It changed my life.

Now, what is that workshop called again?

"Work Teams That Work." I facilitated our in-house one. It is amazing what people can do. You challenge the people, you know, they're ready to strangle each other after a couple days, and they dig down deeper, and really, the outcomes and creativity, it's amazing.

So, do you mean, you put a team together, provide different scenarios, and then have them try to work it out? That kind of a workshop?

Yes, pretty much. It's pretty organized. It's organized, and it's not organized because you aren't given many answers. The teams have to formulate their own answers. The goal is to get the communication working on different things, and develop the technical aspects, feedback, environmental needs, individual needs, and all the things that the

teams go through. It's really compressed, or turbo charged. I call it turbo charged, a scenario of the different stages a team goes through.

And did all your employees go through that?

We had three hundred and thirty out of the five hundred and twenty go through it. We have a critical mass that's been through it. We want to start something similar again because we have some new employees now that have come on board and an overnight crew that we want to do also. So we used them. That was one thing that they brought with them. They have a Performance by Design workshop which helps you when you redesign your plant, or your facility, or your team. At work it helps you set a process up for redesigning your work environment. There's a work simulation in there and all the bread board electronics that takes you through the four rounds. The first two are very traditional-type rounds, and actually there's no outcome in the first two rounds. Then, the second two rounds, you reorganize into a high performing type situation, and amazingly, all these results come in. People say, "Aha!" The big, "Aha!" We still use STS International, even though we're in teams. We use them once or twice a year. They come in and they do almost like an audit of us. We ask them to challenge us, to see, what are we doing right, what are we doing wrong, have we slipped, or are we still challenging ourselves to move forward. That's the third party outlook. We call it, going to the balcony and take a look at the big picture. It let's us know how we're doing. When you're involved in day to day activities you get wrapped up, and you really don't see the growth that you're making, or the decline that you're doing. Sometimes you beat yourself up needlessly, and then sometimes you pat yourself on the back thinking you're doing great, when you're really not.

Are there any recommendations that you could give to an organization that might be thinking about developing teams?

Patience, commitment, understanding that it's not going to be easy, even when you are doing well. It's still going to be tough. For all those people out there, their jobs are going to change and they need to find some other way to add value to the organization. If they don't, they'll be on the outside looking in.

CASE (6)

Could you give me the reasons why you decided to use the team phenomenon, how it has evolved, and what outcomes you're seeing from it?

I believe it was in 1993, five years ago. We had an outside consulting firm in that advised us to flatten our organization structure, remove layers of management, put the decision-making closer at the point of service, and empower people. So, administration decided to implement this concept in a hurry. As a matter of fact, I was contacted and asked to come up with a plan, with a structure, within two weeks. Now, at that time, within this department we had six layers of management. Very hierarchical structure, I must admit. You had the Director, you had the Associate Director, you had Assistant Directors in charge of production, or in charge of food service and in charge of clinical. Then under those Assistant Directors you had Unit Managers. A manager in charge of the patient Food Service cafeteria. A manager in charge of In-Patient Services, and In-Patient Medical Nutrition Therapies and Out-Patient. Then under those people, at least in Food Service, under those managers, you had assistant managers, and you had supervisors. Six layers of management. We did need to eliminate layers of management. No doubt about it.

The three layers of management that we eliminated were the lowest, the supervisory rung and then the Assistant and Associate Director. So the Director dealt directly with the different Unit Managers, and then there was another layer of management under those unit managers because of the skill level of our employees. We needed that in terms of the non-skilled people. In the clinical area there isn't a need. You've got a manager, and you've got dietitians. That's it. So, when we did that, we were asked to implement this fairly quickly which was a radical change, because we took out management positions and people in management. Now, I must admit, we had a number of those positions that were vacant because we already recognized there were some opportunities for streamlining there. So, we had begun working on that, but we had not worked all the way through it. This was kind of a "do it now" and "hurry up." So, as a result, there were managers who were laid off. They lost their jobs. A number of the positions, though, were vacant. So, that was good.

In my opinion, what really happened was that you could draw the structure in a traditional manner, with the Director, the Unit Managers and the Assistant Managers and the employees under him. But what really happened was, you had an administrative team concept, where the Director and those Unit Managers really were the departments administrative team. Then each unit, like Central Kitchen, that manager and his assistant managers were a management team in terms of managing that unit. The same thing with Clinical, the Medical Dietetics, etc. So, you ended up with,

literally, teams of managers spinning off as the department administration. We met frequently in terms of communication of issues, and exchange of information, and knowing what was happening. So communication was extremely important.

We also realized that in implementing such a flattened structure in such a short period of time that there was no way that we could identify all the issues that we needed to attend to, and that there would be some surprises. We recognized that there may be things we didn't know were going on, and once they no longer went on somebody would, if they were important, it would be a crisis, or there would be a problem. That happened, and we responded very well. The team approach with management is just, that's where it really began. Not that we weren't working together as a team before then, but our structure before then was so rigid that the flattened structure really lends itself more to a true team and even to a project basis. People come together to work on a project as a team, and then go back to their positions.

Our labor force is unionized. A unionized labor force shouldn't be a negative thing. It really should not. But about two years ago we realized that we had some people in our department, union employees, that had the idea that their job was to come to work and do what they were told to do. If management asked them their opinion of something, or asked for input to a process, or whatever, that was not their job, that was management's job. Management's job was to think, and to tell them what to do. Tell me what to do, and I'll do it. That's it. Don't ask me to do anything else. The other philosophy that seemed to be very strong was, "don't trust management." Which is typical in a union. I mean a union has to survive in terms of convincing people to pay dues to them in order to protect them from poor management practices. So, we had a real adversarial relationship. It's not turned around completely, even today, but we're working toward it.

What we realized was that management was spending a lot of their time in activities that were nonproductive, negative activities that I call policing and babysitting. So I sat down, with the blessing of the Vice President in charge of Human Resources, a meeting between me and the Business Manager of the union. What I proposed to him was that the number of patients that we are serving is diminishing, that population is slowly shrinking, we are looking at being a five hundred bed hospital, and maintaining that academic facility here in Chicago. As the number of patients that we serve diminishes, the number of positions that we need are going to diminish also. What I would like to do is to eliminate the babysitting and the policing function of my management staff by developing teams with union employees. For example, if a team member was absent in my dish room, where I had a team of people, four or five people, that were dedicated to that function, who worked together as a team for whatever shift, who were responsible for the functions of dish washing, we would come up with a contingency staffing plan, where the other four could get the job done, or if not we would know that we would need to pull from another area to compliment that team. To do this you really need a team leader, not a supervisor, but a team leader. Someone that the other people can go

to for some direction, assistance, etc. The union Business Manager bought into this. He loved it. He thought it was a great idea because he could see that as volume goes down positions are going to go down also. This became an opportunity to take some of those positions from people who aren't paying him dues. The number of people that pay him dues that go down impacts his pocket. So, taking it out of management would be to his entire advantage. He agreed to that, and it was negotiated into our contract that was ratified just recently. We've got team leader positions now that are union people, and they're paid at a slightly higher wage than the other people. They do not supervise, they do not discipline, but they are responsible for assuring a coordinated work effort.

Now, we anticipate that with those kinds of teams that there will be peer pressure, and not negative peer pressure, positive peer pressure. In other words, you work with a small group of people, and you work with them daily to accomplish a job, and you get the job done. Hopefully, there will be a positive response to that in that people will want to come to work. They will not want to be absent because that puts more work on their colleagues, their friends and their buddies. Hopefully, it will be positive. I'm not up on the literature entirely on teams, but I know I read several months ago the Levi Corporation issue in Tennessee, where the same concept just kind of went to heck in a hand basket. It just was ugly. Do you know what I'm talking about? It was in the Wall Street Journal, and they were describing how peer pressure almost amounted to violence in some cases, as far as people were concerned. I read that, and I realized that with some of the people here that we would have to be very careful about that. We have been working toward that structure, in terms of that team leader. We have tried, for the two years, now that it's in the contract. But even before it was in the contract, the union was willing, we could have put it in place, and done it. Management wanted to start in the patient Food Service area, and we thought about the dish room. That's a small group, and that would be a good place to start it. We have not yet been successful. Management of those units has not yet been successful in terms of being able to put that together. What they tell me, though, is that, okay, fine, we don't have a team leader, but basically the way work is done in that kitchen, it's a team effort. It's people supporting each other, working together in order to accomplish the goal of whatever their area is. So, informally, we have a lot of that happening. As a matter of fact, one of the managers was saying, why formalize it since it already occurs on an informal basis, and if you attempt to structure it, and make it a formal structure you could upset what good we've got. So, that's kind of where we are.

Are you saying, then, that you do have some teams, but no team leaders in any positions? And how does the union perceive that?

That's fine. I mean, that's the way they work. So, we don't have structured teams with union employees, at this time. But the step that has been taken is that the contract includes a new position, called a Team Leader, that gives us the opportunity to put together a structured team with a designated team leader and pay that person more.

If you choose to?

Yes.

At this point you don't have that other than informally?

It's informal. There is no designated union Team Leader. There are informal leaders throughout our organization. People automatically go to them in terms of what to do, how to handle this, etc... Before, they would go to management. It's just the way that group is.

Of these informal groups how many would you say there are within the operation?

I couldn't even begin to tell you, because I've got more than two hundred (in fact I just was looking at that), I think I have about -- I couldn't even begin to tell you. Thirty-five percent of my work force is part time, and I have under three hundred employees. So, I know that the dish room and the Patient Food Service area are one, the wait staff in the Atrium Court, our restaurant, they work together. They help one another. That's a team if ever there was one where the back of the house works together. Those are two distinct teams. Same thing in my private club. Wait staff is very much a group of people that cling together and interact and support each other, and help each other in terms of accomplishing the goals and back of the house is the same thing. The cafeteria is sixty-five FTE, and there are, in production, fewer people than on the service line. I would think, in production, you would probably have the cooks and the cold food prep as two very distinct teams. The service area upstairs for service to patients is such a spread out physical design that servers have a station, and they interact with customers. So their opportunity to interact with one another as servers is rather limited. I wouldn't call that an informal team. The physical design prohibits, really, people coming together and, you know, being able to support or work with one another. Patient Food Service, though and the dish room would be a team, the bakery would be a team, production would be a team, the cold food prep area would be a team, and the ingredient room would be a team. They definitely work together. But beyond that, I don't know.

What would be the average size of a team in terms of numbers of people?

I'm going to say, with production, bakery and the patient Food Service area four, five, six people. My goal was, okay folks, let's do dish room first, because that's a smaller number. The tray line, we're down to about eight positions on the tray line. There's a position of porter, that keeps the tray line replenished and that person works between production and the tray line, but they're critical to the tray rate, because we do five point five trays a minute on the line, with a very extensive menu. So, people are working fairly hard down there. I'd love to try to put that together as a team. The

problem that we have is dedicated people who work together for breakfast, or lunch, or dinner. Our dinner tray assembly crew is mainly part time high school students. They are much more efficient. The menu is no less complicated than it is at noon, but the evening tray line goes much faster and is more accurate than the noon tray line. There could be a fatigue factor, because the people who work on the tray line at noon are full time. They've come in at six o'clock, and by twelve o'clock, you know, they've worked three-fourths of their day. I think there's a fatigue factor there with that, but it's not a team effort and it should be. What I would love to see it is there where it's most critical. If all eight of those positions felt accountable for how quickly they were assembling those trays, and the accuracy and the appearance of that tray and if all eight of them were equally responsible for that, and could work together as a team to accomplish that it would be great. As opposed to, this is what I put on, and this is how I put it on, and I'm not looking at anything else, or doing anything about anybody else's problem. So, I see a team there but, I don't see that happening right away. I'd love for it to. We have worked on it. It's been a real interesting, like I said, with the employees, with their attitude of we're not here to think, we're here to do. Also, we don't trust you because we're union, and you're management. So, automatically, you're trying to take advantage of us type of thing. It's fascinating to develop teams in a union environment with that kind of a philosophy. Have you seen it done before? Have you seen that work?

I don't have any experience with that, so I couldn't tell you if it does or if it doesn't.

Our union is part of the Teamsters and their office is just right across the street here. So, it's just really kind of a strong traditional union from the standpoint that management takes advantage of labor and is suspicious of management. If you're suspicious of management, it's hard to buy into a team that management is trying to put together.

Do you see any improvement in those two parameters with the informal teams?

Well the informal teams just happen. It's the way the people work in their environment, and what they're doing and how they relate to one another, and how they decide to relate to one another. Of course, we foster as much as possible, and nurture positive working relationships. The informal team we've not structured. It just occurs.

Do you see any improvement in that attitude towards management in those informal teams?

Actually, no. Actually, no. Even with the informal teams, even though people are working together, I still see an overriding.....If they're a member of the union they pay more money in dues to the union than I do in professional memberships that I hold and

they make significantly less than I do. They are convinced that paying that money out on a monthly or annual basis is very important to their job.

Is the union in the whole hospital?

No, nurses are not unionized. It's strictly service employees including Food Service, Maintenance, Housekeepers, and Unit Clerks. Basically the service workers. Those people come predominantly from the west side of Chicago, and also minority immigrants. It's unskilled, first level job entry type of positions.

Does the hospital, as an organization, have any goals to try to change that culture in an effort to implement teams?

I wouldn't say that there's an overt attempt to change the culture for teams. There is a real focus on changing our culture to make us more customer oriented and quality oriented. We were one of the first hospitals on the Total Quality Management band wagon in the late eighties. They really did this push on TQM, and quality improvement and the whole thing which has in terms of measuring quality and monitoring quality has still continued very strongly since that time. A customer focus has always been a part of that. I don't see an overt attempt by administration to say we want a team customer, or team approach to doing this. What we're looking at is, in fact, we're in a major project right now. We call it Rush Two Thousand. What we're looking at doing is eliminating some bottom line costs. A major chunk of change, bottom line cost. We're into the second year of this program. Our target was a hundred and twenty million dollars to eliminate from cost. We have forty million left to go. And we are going to do that forty million through redesign of some processes. I think that if a team approach to something is a more efficient and effective manner, that it is something that we're going to be looking at because we're looking at how can we maintain quality, or enhance quality and increase efficiency. They do go hand in hand. By doing that you should be hopefully taking costs down. That's our approach to the last forty million.

Do you think that might be a goal for your department?

For teams? Well, teams, creating teams have always been a goal in this department. It's a matter of overcoming, it's not overcoming obstacles, well the obstacles I identified are very difficult to knock down. You do not go in and say, okay, trust me, and they trust you. It doesn't happen that way. People, my employees, are long term people. I've got people that have been here twenty years, thirty years. I mean, long time people. So, you don't change those kinds of attitudes overnight. But, they do change. They can change. That is definitely something that we're looking at. Like I said, my concept with the team leader, from the standpoint of eliminating policing and babysitting functions of management, that would provide a real possibility for me to eliminate management positions. If I had people who I didn't have to worry about

whether they came to work or not because there was peer pressure from the team to make sure people were there. If the person didn't come to work it was truly legitimate. You would have contingency plans in place to handle that. The team could either handle it, or know precisely how they fill the position or what they're going to do. I see that as efficient, giving us opportunities for efficiency through teams.

Like I said, from what I have read, teams can pay off in great dividends, or you can have your Levi Strauss situation. It's not a solution to all your problems in quality and efficiency. I just believe that in a work environment where you've got a large number of people you want to put them into smaller groups, so that there's identity and then they have the opportunity to interact, and they're not anonymous. It also enhances their perception of a quality environment. I'm trying to think of my behavioral science concepts here in terms of large group versus small group, and all the positive aspects of that. It's in the text book. So, I just believe that you're better off if people have the opportunity to work in smaller groups, work together, develop positive working relationships with each other, good communication, have the tools, have the skills, know what they're doing, and some accountability for producing whatever product or service that they're producing, and having input to decision making within whatever parameters have to exist. I just think that the more that kind of a working environment is fostered the more efficient the environment should be, and quality should be. Whatever your target is, you should be hitting it.

Is some of that accountability being shifted to those front line employees?

If we had that team in the dish room that's precisely what I want to do. I want those trays coming out of that dish machine dry. I don't want a stack of wet whatever. I want the silverware clean. I don't want somebody else to have to go through and check and make sure that the spoons weren't nesting and therefore you have debris. That team should be responsible for that, and accountable for that. If there is an equipment issue, then that's something, that's where management gets involved. In other words, if the dryer or the wetting agent or something is causing a problem with the output, management should be there to help them solve the problem, to provide the resources, to do training, whatever it takes to allow these people to produce that output. The output is very clearly defined. That's my expectation. That's what I'm looking for.

For example, on the tray line team, if we ever get to that point, the parameters I would establish for that team is, "I want less than three percent assembly error on any given meal and the rate has to be five point five trays a minute in order for us, within ninety minutes, to do our five hundred patients that we're serving." I recognize the fact, for the tray line to have that goal, the supplier of the tray line is production. Production has to also make sure that the tray line has all the supplies that they need. So there's a team effort there. Their production schedules have to be right from the standpoint that food is available when needed upon that line, so the line does not stop for supplies. But the line may stop because somebody can't read the menu, but if they're out of

something, then that's a production issue. So that's, yes, I see the employees being responsible for the output. With that being the case, management's job would be making sure the equipment supplies are available and that the skills that they need are there.

Where are these informal teams your unit managers have identified? Are managers taking advantage of the fact that these informal teams are there, and trying to implement some of these?

To a certain extent, yes, they are aware that they have these people in this area that work very well together, and their output is quality, and you're not having to oversee them a lot. Yeah, they recognize that, and kind of nurture and foster it. But again, it's informal, it's informal. What they attempt to do is to make sure that scheduling for these people are such that they are there, and they're there at the same time because they work so well together as a team. When you have people that don't work, who if they get scheduled back there, there is some disruption or whatever, they will try hard not to put that person with that group, to put them somewhere else. It's my understanding, from my observation and talking to management, that there is a recognition of this and there is an attempt to foster it because it's apparent that it does pay off. You've got higher employee satisfaction, which equates to quality and, in the long run, customer satisfaction. The recent Harvard Business Review article on Sears and the balanced scorecard, I believe, in which they were looking at the relationship between employee satisfaction and customer satisfaction, it's there. I think that we're attempting that, as much as we can be, to try to take advantage of it.

Do you think that those informal teams that seem to be working well could be a model for other people in the department to see that, this may not be a bad idea? They could share their stories.

Typically, yes, I think that would work. It's something that we could certainly try. We've got a real interesting group of people, particularly in our patient Food Service which is the largest group that we have. Setting one group of people up as exemplary would set them up as targets for everybody else. Now, in my employee cafeteria, setting up a group of people as exemplary possibly would encourage and motivate other people to emulate that, and do it. It's really kind of interesting. The employee cafeteria, though, is a smaller unit of sixty-five full time employees. The patient Food Service unit is a larger number of people about ninety full time employees. The environment is a very old kitchen that is being replaced. In fact we are supposed to begin construction in January or February on a new kitchen which is very exciting, and we should be in it within a year or so. The employees know it but they've been hearing it for twelve years. So, I think until the shovel is put in the ground, they're not going to believe it. I think that old environment, which is not aesthetically pleasing, probably helps to foster a more negative attitude.

It's a real fascinating group of people. I've had colleagues from Kansas State and Brigham Young University. I have a colleague right now from the University of Delaware who is with us, and everybody just kind of salivates at this issue in central kitchen with the attitude of employees being rather negative because they think, well, we just don't know how to manage people. We just don't have the right human resource skills. They come in and they work, and have worked, and tried and the whole thing. They've come and gone, and the attitude pervades. It's just phenomenal. I think it's the environment. I think a lot of it is just the physical environment which these people are working in because there's a large group, and in a large group there is anonymity. You can, you do things when you think that you are anonymous that you wouldn't do if you were, working as a member of a cohesive group. There's just a number of factors.

How about at the management level, when you design teams, are they working as a team?

Oh, yes. At the professional level, when there are specific projects, I will find certain people to go do this or whatever. I've been here for twelve years, and there is little professional staff (clinical dietitians and administrative dietitians and managers) turnover in that area. They work really well together. It's an environment where there's a lot of respect. There is not always agreement, but there is agreement to disagree and it's done in a healthy way. I think probably because we've got graduate students under our arms, and at our elbows, and you're role modeling for them. So, as a result, the relationships between the professional staff, working relationships, it's an environment I really like because we do not have, there are no prima donnas on our staff. There is no one who is attempting to build a kingdom at the expense of other people. It is truly a group of people working together for a common goal of patient food service, or employee food service, or medical nutrition therapies to patients. It works very, very well. What I'd love to be able to do is I'd like that environment and attitudes, and the whole thing to translate to the entry level non-skilled folks. We're trying very hard but it's not there.

Are there any tools or resources that you employed as you flattened out that structure, and went to the teams initially?

In two weeks time to come up with the structure with those positions, we did that as a team. It started out with me since our director was on vacation at the time. The administrator to whom we answered called me and gave me this news out of the clear blue, and suggested that it was not necessary to disrupt her vacation with this horrible news that she was going to have to cut fifty percent of her management staff. So he suggested that I go ahead and come up with a blue print for it, and then when she got back Well, I didn't do that. I contacted her, and let her know that this was happening but told her that I would come up with the blue print and for her not to worry about it and that when she got back this was something she would be facing. It

had to be done so quickly. We did it strictly by the seat of our pants. Possibly we had some tools and techniques that maybe other people wouldn't have in doing this, but nothing very sophisticated at all. It was just a matter of, okay, here's the first draft, and here are the positions that we think that we're going to want to keep. Okay, so let's bring in key people from those positions that we're going to want to keep, and let's let them start working with us on confirming that these other positions will be gone. So, eventually, the circle widened as we got closer, and closer to the details of what was happening here. That's how that structure was designed. It was not autocratic, it started out with my path in it to begin with, but it got bigger and more people had an opportunity to work at it. That was basically what we did.

Are there other service organizations within the hospital that utilize teams, or are you pretty much the only one?

Oh, no. Other services within the hospital do, in fact, in our quarterly employee recognition program we recognize a manager of the quarter, an employee of the quarter, and a team of the quarter. It may not be a formal, structured team. It may be recognizing a group of people who did something together for a period of time and accomplished something that was highly significant and now no longer work together. For example, there was one group that was recognized for responding to a fire on one of the patient units and what they did under that crisis was extremely significant. They were commended, as a group, for their efforts. So, yes, there are teams. There's a team philosophy throughout the hospital because we believe that it is efficient and effective. If it were not efficient and effective we would not be doing it because what we're looking at is quality, efficiency, and effectiveness. So, that's where we are.

Where do you hope to see the future of your department?

Well, I had the opportunity several years ago to travel in Europe and visit some hospitals and food services. Amsterdam was fascinating to me. I cannot remember the name of the hospital, I've got it in my file somewhere, but it was a hospital equivalent in size to ours and was also a large academic Medical Center. Everything was automated in their kitchen. Anything that could be automated was automated. The director of the department was touring us through the facility and I asked the director I said, "How many managers do you have on staff here?" He was a very tall man, and he straightened up even taller, and looked down at me, and he said, "I am the only manager in this department, there are no managers but me." What? For one thing, he said they hired only skilled people and only the people that might sweep the floor, or whatever are unskilled. As a result, they don't need to be managed. He hires them, here's your job, here's your work schedule, et cetera, and this is what you go do, and you go do it. That intrigued me a lot because I thought, really and truly, in fact that's probably where my idea of eliminating the babysitting and the policing concept of management came from. I guess what I'm saying is, that what I would love to see in the future in this department would be a cohesive, cooperative working relationship

between employees and employees with managers. I would like to see that babysitting and policing, and those non-productive activities of management related to employee behavior and employee works go away. I think the only way that's going to go away is if employees are put in an environment, and the environment is fostered so that they can work together cooperatively. They have the tools, they have the skills, and they are empowered to be accountable for the product and service that they are providing. That's what I'd like to see. I think if we could ever get there I could reduce FT in this department. I definitely could.

What do you think your road map for getting there is?

The road map is working, I would say first of all, with this team leader concept because the structure is there. We've gotten that step taken. The next one is to start to implement, to structure that dish room team with a team leader and really make it positive and successful. Rather than saying look how good this is, if we make it successful, I don't think we have to put the spotlight on it. I think people will see. In that environment, if we spotlight it we could also set it up for sabotage or negativity. I think that if we make it happen, and just let it happen, people will see. Maybe it'll be contagious. Maybe then we'll start with the tray line, next. But I can't do it. It's the manager of the unit, and the management staff who have to do it. We've got a lot of things on our plate right now in terms of other things, other projects that constantly take priority over some of things that we really want to get done. I guess my road map would be to try to prioritize, and make it happen.

Do you think the managers are ready for that move?

Well, obviously not because it hasn't happened. I'm at a loss to know why it hasn't happened because we've been talking about it for several years now. If I were the manager of these units, that's the only way I would know how to do it. The people that I directly report to, that's the way that we operate. They enjoy it, they're still here, there's something to be said for that. If I were the manager of any one of these units that's the only way I know how to operate, is with a cooperative, supportive working relationship. I learned a long time ago that it's more pleasant to get along in the sandbox than it is to kick sand at other people, or have it kicked at you. If you've got to work with people, do it in a comfortable way but I'm surprised that it hasn't happened. I don't entirely understand that. I guess that's something I'll have to work on, figuring that out.

Any other comments?

Not that I can think of.

I think it's interesting, being in the field that we're in, my question to you would be, have you come across any other food service operations that have been successful with teams?

Not in the formal, structured way that we're talking about, with a team leader. I have not. I haven't done a survey but I presume that you're going to do a survey of some sort? I haven't kept up with the literature and that, so I don't know whether somebody else has. I don't know of other places. I'm sure they exist, and it would be interesting to do a survey, in terms of where are people, and what are their beliefs about that. Is that what your research is going to be?

Well, it won't go that far. But, if I ever do a dissertation

There you go. You've got a good start on it.

Thank you for participating.

CASE (7)

You have used teams to deal with change or solve problems. Can you tell me how you decided to pursue the team phenomenon, how it evolved and whether or not you obtained the outcome that you expected from teamwork?

One of the difficulties that we had when we started looking at using teams is that typically when you read in the literature that companies are creating teams, they talk about creating teams of 12 and 15 people to go out and problem solve. This is all well and good, but if we try to create teams of 12 and 15 people and try to solve four problems at the same time, we have a lot of people on three or four different teams. Part of the wrestling that we did on how to best utilize teams was to deal with it in the context that we are a small organization. So our teams were, by virtue of that, going to be smaller. The other thing that made it a little bit more difficult was typically you are supposed to have cross functional teams. Sometimes people do a lot of different things anyway and we are not as rigidly cast into functional areas. So we wrestled a little bit with how to effectively do it and also how to work with more of a cultural change that said, we are moving from being a top down type organization to one where it is a lot more lateral and never had enough people to have a bureaucracy, but a little bit flatter in some regards.

The other difficulty I have with teams, the word teams, is that it implies that there are winners and losers. Most folks think of teams in an athletic context and so it implies that there are all sorts of winner/loser types of things that go along with that. That really did not seem to be an appropriate way to go about it. We are not really big on jargon and it gets in the way of normal English. As for jargon, it is particularly a problem when a significant part of your work force does not have English as a first language. So it is even sillier to use jargon. We have used task forces, getting groups of employees together to solve a specific problem or evaluate options that we can use to solve a specific problem. We do not have a warehouse team. We have a warehouse group. We do not have team leaders. We have area or group leaders. The implication being that in a group you should be working together and in a team you may be even competing with each other a little bit. We wanted to move away from that.

A lot of it is driven by our total quality training program which we refer to as our SC process. It is sort of a starting point for folks to understand the natural order of the quality process and the steps that one needs to go through. We have taken folks who have been through that process and as I say put them on a task force we had earlier this year. We took a look at what our technology needs in the next three to five years are likely to be and made some recommendations about some things we could do to get ready for some of those changes. The task force we had ... one of our field sales people, a director of quality, our information systems person, someone from inside sales customer service and someone from the shop floor, five maybe six people and a couple of people from the shop floor. They spent six months investigating what kinds of technology we might need to be looking at and all the issues related to that. There was a person who

facilitated that because this was also a part of a training of how a group of people gets together to take a problem and make it more understandable, manageable and divvying up assignments, working within deadlines and all that sort of stuff. It is a relatively new phenomenon here where the expectation would have been that senior management would come out with some pronouncement about what technology we are going to need for the next five years and so let's get to it. This was a much different way than they were used to working. As I say we have our work force organized into groups with group and area leaders.

How long have you been working in groups?

About three years.

Or am I correct in saying that you started working as a team and decided to change that focus to more of a group.

When we started talking about forming teams four to five years ago, I was uncomfortable with that word. I think that words are very powerful in the message that they convey and that while a word may have a very clear dictionary description of what it means, if the common usage of that word is different from what the dictionary says, what is going to prevail is the common usage or common understanding of that word. Even if you start every meeting with a description that says Webster says teams are or whatever else one happens to be talking about. You know again, that is why I think if you spend all of your time training and working with people to understand what a team should be, maybe you are using the wrong word. Maybe you should be just training people to work together and call it something else because if you are trying to dis-evolve people of their false perceptions and conceptions of what a team is then maybe big companies have training budgets that can afford to do that kind of stuff. I think it is silly to try to take groups of people and say even though you always think of the word being used in this context, we now want to use it this way. So we are going to train you to think about it as this way even though when you are out with family, friends and in common usage, you are going to talk about it this way? I mean what a silly waste of time, in my opinion, but a silly waste of time. Why not just say "Here is what we want people to act like. Here is the thing that we are trying to develop." Now what word in common language seems to fit that description and let's call it that. Then everyone will understand what the heck we are talking about. We are not going to have to retrain them into thinking about things different from what they already think of them as.

What seemed to fit better with less preconceived notion and not as threatening, was to use the word group because that is what they are. They are a group of people in the warehouse. They are the warehouse group. The fabrication group is the fabrication group because that is what they do and they are a group of people. There are no big preconceived notions of what a group should do, play music if nothing else. We actually were able to use that idea of playing music in a symphony sense to get folks to understand how everyone has an important independent role. When everyone is finally playing together, you get this wonderful piece of music, but if they are not playing ... if

they individually are not playing their piece properly then the group is going to sound awful. So therefore they are not going to be able to accomplish their goal. So I mean that is a part of where we are ... a part of it is reading and understanding what is working for other folks and then saying how can we use that here. Is it applicable to help us be more successful? What do we need to call it to make it work well for us because that is all I am concerned about is making it work well for us and not creating a lot of apprehension among people. There are all these new things we are suppose to do. We are supposed to go out in teams because ... part of my concern with doing some of the stuff may well be flavor of the month for all I know. It is when you stop doing it, then folks know that you have stopped doing something. It is like, oh we failed again or what did not work or whatever. There is always going to be a group of people doing fabrication or doing warehouse stuff. So even if the intent changes a little bit, I mean there is still a warehouse group. There is not this sense that gosh we did not get this team thing right and now we have another thing we have to try or whatever.

So well it is kind of a long way around to answer your question of when did we start. We started four or five years ago. It is not something we have always done. We didn't suddenly decide to call it something different. It had not been our practice to call it groups of employees together to help us solve problems. We were very much more traditional out in the shop floor. You had a supervisor and then you had the slugs who ran the machines. God forbid you ever ask them anything other than to work faster or something like that. That was certainly a mind set that was here for a while. That has changed and there is much more of a sense by the supervisory people that we have that again. We refer to them as either area leaders or group leaders to get away from that top down kind of thing and that they are charted with certain deliverables. I use that word in these four walls. I certainly do not go out on the shop floor and talk about their deliverables this month. They would roll their eyes back a little bit.

In the transformation process from a traditional organization to this new structure, were their processes or systems that needed to be changed to become more aligned with this new concept?

Sure. First of all I would be silly to suggest that the journey is complete. I mean we are still doing it. For folks who have been here for a long time... We have a couple of people who have been here for 30 years, 4-5 that have been here for 20 years, a number that are in that 5-10 year time frame, a number of people who were here before. You know when Saul was converted on his way to Damascus in having a different way of doing things. They are pretty freaking skeptical. It is like, right, we don't need to do this stuff. Are they really just doing this stuff and then when push comes to shove, we are going to revert back to that top down thing if they really do not like where we are going? It is real hard to overcome and undue that skepticism. If they have been here long enough, they have seen us try any number of things that just ... whatever portion of business week we are talking about at one point, that about one year later it has finally trickled down for them. It would be silly to say we did not try some of this stuff. We had the good sense to not try a lot of it, I think or did not have the energy to try a lot of it or whatever. Whatever the reason is, we did not trip ourselves up a lot. A lot of it is work we are

getting from our customers and our suppliers who are ... in a lot of cases we are working with Fortune 100 companies and seeing what they are doing and saying all right does this make sense for us or how do we break it down. It continues to take a lot of face to face times saying we are serious about this. This is where we are going to go.

There was an article that was written in the Harvard Business Review in 1990 about ... I cannot think of the guy's name now, the president of Johnsonville Sausage. It talks about his transformation of his company from 1980. He has a 300-person company. As a part of our SC process, the quality training process, the first article that every group reads is that article. It is something that I absolutely believe is a model of where I would like to see us evolve to. In that case, Johnsonville went to the extent of having peer to peer reviews, employees doing hires and so on and so forth.... I am not as comfortable with that. The interesting thing is that no one here could possibly fathom hiring their co-workers and having decisions about what compensation they got. That is a tough hurdle to overcome.

In terms of a model that we are looking to build, by the end of December anyone hired prior to January 1, 1998, will have been through that SC process. We have been doing it now for four years, about 8-10 people at a time. It is a 6-month process which is fairly extensive. To help drive that change you will work in a work group and you may be called upon to participate in a task force and you may end up with a group of people who will be implementing the change that goes outside your work group or whatever. They understand that is how we are going to run the company and that the days when the president or the VP, General Manager said "here is what is going to happen this week." That is not just where we are headed to. People cannot check their brains at the door when they come in, in the morning. We don't have time for that any more. There are a lot of skeptics.

A lot of the folks that we hire, even the new folks that we hire ... We are hiring folks that have come out of typically minimum wage or less than \$7 per hour jobs. Hiring a lot of folks with welfare reform and that are coming new into the work force and we are working with a number of programs at Catholic Family Services and Refugee Resettlement Programs where is a wonderful place for entry level people to begin because it is not highly technical on this level. We are dealing with a lot of people who are coming out of abusive relationships where if the husband or boyfriend were suppose to play golf and it rained that day, they went and kicked the crap out of their girlfriend or wife because it rained. We are dealing with folks who generally have fairly low self-esteem. For them to make a decision is a very visibly, physically painful thing to do because in their life when they have made decisions that have turned out wrong they had been fired, as I say had the crap kicked out of them, whatever, any number of other things. So for the boss to then say go ahead, but if you make the wrong decision nothing is going to happen. They are like, yeah, sure, I'll buy that. So it makes it a lot more difficult. If we are dealing with a group of college graduate Ph.D.'s who could internalize stuff better or just had a better basis to start from, maybe it would be easier. I should not be so presumptuous about that. I have never worked with Ph.D.'s before, but maybe it would be easier. From a self esteem point of view, from a life experience point of view,

these are folks that are not used to being asked to be a part of a decision making process that we are asking the groups to do without consequences being horrendous.

We spent one year asking a lot of folks in the company to measure a part of their work process. In some cases it was silly things we were asking them to measure that had no point, that really had no direct relationship to the profitability or the revenue generation of the company. I picked things that would both go up and down through the course of the year because I wanted them to understand that when their number went down, all we did was say "Why do you think that happened" and then we moved on so that the threat of measurement would go away. In most of these folk's lives, if you measured and it went sour, there were severe repercussions. We could not begin to develop a company and a culture that said we are going to manage by facts. If you manage by facts, then you need to have the data there and it means that you folks have got to help us collect that data. Therefore it means that sometimes it is going to be ... the line on the graph is going to go down as well as it is going to go up. There needs to be a comfort level that says there are not consequences to a declining line whatever it may happen to be or an increasing line if it is not supposed to go up, whatever happens.

We just spent a year doing that, having people stand up and report once per month where they were. A lot of these folks do not like to stand up in front of a group of people. So how can you have a group if you got folks who do not want to stand up in front up of a group of people. So that we could begin to have some folks that were comfortable and confident and not threatened by where we were really going. It is painful to go through the ... I equate it a little bit to the ... You know you want to paint a room. You want to have it done by Sunday afternoon, but to do it right by Sunday afternoon all you have really gotten done is that everything is taped, things are sanded, the patching is done and you spent three days without any visible manifestation that you got anything done. Then the next weekend you spend two hours and the painting is done.

More preparation. The same thing. You know we spend a lot of time saying "if we are really going to really be successful in getting groups of people helping to run the business, understanding what makes us successful, understanding why we want to do what we want to do, we have got to get them comfortable to working with each other. We have got to get them comfortable to the fact that we are not going to manage by anecdote, we are going to manage by fact. If we do not have the facts, we are going to have to go back and understand why something has happened. It is going to be their responsibility to understand it because they understand their part of the process, but there is not going to be a threat to developing or generating bad numbers. There is not going to be reason to fudge stuff to make yourself look good and so on and so forth.

That has taken some time. I think it is time well spent. I would love to have been able to dispense with it and just move full steam with the rest of it, but we would have been building on such a horribly shaky foundation that it eventually would have just collapsed in. I don't know if that really answers your question in a very round about way, but it has taken some time to change, to move through the cultural change that is involved in it. Like I said, there are still folks who are skeptical and it has not helped by virtue of the fact that there are occasions when for whatever reason that controlling tendency by

myself that is washing back over and all of a sudden I have to undo what I probably spent one month doing by coming in and saying here is what we are going to do boom, boom, boom, boom, boom. It is perfectly obvious to me what has to be done. Then all of a sudden this group of people that were nurturing to do that, sit back and say well here we go. That's what it is all about. It has been as difficult a change for me because what manager does not love control. That is what the whole gig is about for crying out loud. So the issue is how do you manage?

One of the most interesting things that I found coming out of that article is that you do not manage people, you manage things. That drives me nuts when people talk about managing people. It is cattle or whatever, but you do not manage people. The only thing I can do is manage the context. The reason I think most people choose not to manage the context is that it is too hard. It is too elusive. There is no one to understand it. It is very difficult, but the minute I try to manage a process or I start to manage the people then I have blown it because all the work we have done to get folks to think, act and work as a groups goes right down the toilet because I reverted back to top down managing, instead of managing the context that they are working in. That is the difficult part is managing the context. My opinion is that if I do not focus on having good folks here and managing the context, then we are never going to get to the point. Everyone is just going to say this is a window dressing. We got groups, but really back there is where all the strength is. I think that is why it fails and teams or whatever else fails in every other place is because of the supervisory management getting his control. People think it is a lot easier to control people than it is to control context or environment. I think the leaders that have been successful are ones who really understood how to spend their energy managing the culture of the context of the folks working.

Could you explain briefly what your training program is like?

Yes, we refer to it as our SC process which originally stood for steering committee, but now SC process. We use the Baldrige quality model to walk people through that has seven steps in the natural order of a quality process; leadership and vision, customer focus, strategic plan, work force development, the process involved, information and analysis, and then results. We walk people through over six months, meeting every other week for 2 1/2 hours in groups of eight to 10. We walk them through each of those steps in the process so that they understand at the end of it that you really need to do them in that sequence. That you cannot talk about work force development issues unless you have the context of a strategic plan which is driven by the customer focus which is there because you know very clearly what the mission of the company is. The expectation is that by the end of the 6-month process each group then does a presentation.

We do an annual town meeting on a number of different issues here. One we do on the financial status of the company and one in April on quality. The people who have been through the SC process have to give a presentation of some sort to a company wide meeting at the quality town meeting that we do. The expectation is that at the end of that six months they understand very well what our vision and mission are and what is our customer focus. They have a clear understanding of what the strategic plan is because it

is still not as clear and robust as it should be. They have an understanding that if you are going to change the process, you have to go back and retrain people and you need to collect information to make sure that your change has worked and that it is all driven by our vision and mission. So that when we sit down and talk about something we are thinking about doing, the change that we are making, a new product line we might want to take on, a new customer opportunity, a new vendor opportunity, we are sitting down as a group. They can understand better why that decision would be made or what some of the variables involved in it are.

It has been interesting that some of the earlier groups that have gone through.... as we are sitting and talking about something will see an opportunity and they will say, "yeah, but does that really fit with the mission?" "Is that really a customer that we want to be going to?" Those are not questions that they would have asked prior to that. They have a much better sense now of why we are in business and what we are doing it for, who we want to do it for and what strengths we bring to our customers in that market. It is a lot of hands on exercises. We give a number of ... the exercises also deal with some things in their personal lives. Not that we want to delve into their personal lives, but instead of having them as part of our process for understanding how a process works for example is to say, "Think of something you want to do five years out from now?" Okay that is your vision. It is a little harder to get a customer into it, but who else would benefit from doing that. Is it just you or is there somebody else? What is your plan? What resources is it going to take to do it? What is the process you are going to use to get to it? We have had a couple of folks, a couple of years ago, who said they wanted to go back to school and do something. Well, son of a gun, they are starting to do that now because ... where before it was just this elusive dream ... like they got it on paper and are using this process to also accomplish something in their personal lives which gives great validation back to the fact that it works. So I mean that it is a lot easier to convince folks that it is a process that works. It is not just lecture. There are a lot of exercise type things, homework that comes with it. It is something that we basically developed using a combination of the New York State Excelsior award criteria and some other stuff.

So you teach internally with people already in the company?

Yes.

Have you ever used outside consultants for any part of your reorganization or restructuring?

Yes is the short answer. We decided a number of years ago that if I wanted to grow to be a \$20 million company, I needed to have folks on board when we were at \$3 million who knew what a \$20 million company would be like. So rather than hire consultants per say, we have hired essentially what I refer to as advisors. We have a chief financial adviser. We have a human resources adviser. We have a quality process an ISO adviser. Essentially what these folks are bringing to the table is the equivalent of a CFO, VP of Human Resources, and VP of Operations. I have an adviser for information technology issues. Now we have an IS person and we have a director of quality and a bookkeeper

and whatever else. So what they are bringing me is one-half million-dollar worth of executive experience payroll, but I only need to use it once per month to keep us on track and make sure we are not looking at ourselves in the mirror to find the answer. If we are the ones who dug ourselves into a hole, we are probably not the best people to try and figure out how to get back out of the hole. I do not want the consultant just to come and write me a report and say here is how we get out of the hole. I want somebody to get down there with me and then get back out. It has been very successful. They are an integral part of our group of folks here for parties, company picnics and for whatever else. They are virtually part of the staff. But the advantage is that I only have to pay them when they are here. They go away and they go talk to their other clients and whatever else so that I get the benefit of them seeing how other people are doing things. It is a great cross pollination of ideas in terms of where we should be. Yeah we have used outside advisors to help us through this transition. I think successfully. If other people disagree, it is their opinion.

What kinds of recognition do you have within the company?

That is one of the things that we don't do well. One specific thing that does work well and that is ... I have many of them here. It is what we refer to as a thank you system ... Oh here is one. I am staring right at one. These are scattered all over the place.

Actually I saw those in your reception area.

Okay. What it is used for is just to provide a way for employees to give each other a thank you. You did a great job or customer service for me. We write a very specific thing that the person did and you hand it off to them.

So anybody could do that?

Anybody could do that. I try to do three or four per week. It is even if someone does something that is a part of their job description, but they did it well or they did it quickly or whatever else. It is not for extraordinary things that have been done. I think if recognition only comes from "the top" then that is a dumb way to do recognition. What makes sense is to have your peers say thank you for doing something for me. That was very helpful that you did that or whatever. That is a meaningful recognition that helps build the group. Part of the problem that I have is that teams have most valuable players and all stars and then everybody gets ticked off because gosh they came to work every day and they were busting their butt and why does thus and so get some recognition. I should get it too. Recognition is a real struggle. I mean if you read Deming and all the stuff he has to say about recognition. I don't know if you have had an opportunity to read it. It is an interesting book by someone whose name escapes me. He is an education Ph.D. He talks about reward being just the other side of the punishment coin which is that incentives are no better than punishment. To give somebody an incentive to do something is no better than punishing them for not doing it because they are doing it for the wrong reason. I know that is different than recognition, but it falls into that same category.

We struggle a great deal on how to recognize folks for doing truly good things, but without breaking down the fabric of folks working together. If the point is that we are going to get results from people working together and if you are always singling out individuals then the message is screw the group. You only get recognition around here if you go do it yourself and boom you are right back where you started. It is something we struggle with... If the groups are in these kind of elusive temporary alliances, how do you give recognition to the group. When the technology task force did their report and they presented it to the quarterly adviser's meeting in July, we did give recognition to them as a group of people who clearly produced a document. So we could stand up and say thank you to this group of people for producing this document. Very clear no one to one relationship. What do you do if this is the end of ... if our shipping is tomorrow. If it turns out that we really bust tail and get a bunch of stuff out of here. You can give recognition to the warehouse group, but what if a bunch of people from fabrication came over and gave them a hand to really get that push out. By singling out just the warehouse group for doing a great job, well maybe that is not the whole story. As I say, we are really struggling on how to do that. We try and do it with things like the thank you notes. We try and do it with things like doing a Halloween party tomorrow or just doing pot luck lunches now and then. On the first decent day of the year, we will do a cookout just to get folks to be talking to each other. I think it can be the down fall of the whole group team structure if you do recognition wrong because, I think, you end up destroying the intent of what you have been trying to do.

How about performance measures?

We are having the same kind of struggle with that which is how do you do individual performance measures if you are trying to get people to work as a group. Again I think that it can be done. It is just a really tough thing to work through. First of all it presumes that you can do fair measures for the group. We have gotten better at doing that. A part of performance measures goes back to the comment that I was making earlier that said we had to spend a lot of time with folks being comfortable with the fact that you can be measured without consequence. Which then says what do you do if someone is really starting to screw up and they are not hitting their measures. Maybe there will be consequences. Generally speaking if it has gotten to that point, all of their co-workers know that they are not meeting expectation and they are generally waiting for somebody to get this slug out of there so they can get on it and start doing what they want to be doing. So we are just at the point now where there is enough of the other level that we can begin to talk to folks about individual performance measures.

We do an annual review. The area leader does an annual review of all their folks. One of the things that makes that a lot less meaningful is the fact that there are no performance measures. So when it says produces work at a rate that is up to standard, well if there is no standard then who knows if it is up to standard or not. We are trying not to get overly burdened with all kinds of administrative stuff because there is no value being, at least in a company of our size, added to do it. We are beginning to be able to feel comfortable enough that we can start to talk to folks about specific performance measures without it

being a threatening thing in this way. Because now that everyone is through ... most of the folks here will have been through the SC process, they can understand that in order to be able to change anything you have got to measure it. If the performance measures have to do with a strategic plan which is driven by customers then it is not threatening. It is not just some ogreish way to make people work faster, da, da, da, da, da. It is actually driven by a very specific purpose. Does everybody buy into that? Of course not.

Do you think this group transformation is meeting your expectations in terms of outcomes over the past four to five years?

We really did not sit down at the beginning of it and say we think that if we move to changing our ... to begin to try and change our culture to one that is a more group participative type thing, we will then be able to have some measurable result. Either in terms of higher through put, lower cost or whatever else. I understand you can do that. That is not the issue. We did not do that. So to be able to say in a harder data sense, yeah we really know that this is making all the difference in the world. This is one case where it is purely gut and an anecdotal kind of thing. I think it makes us a better place to be and an easier place to be.

One of the things when we begin the SC process with folks is that I try to make very clear and presume it is clear that there are a lot of very successful business models. There are absolute dictatorships that are highly profitable. There are places where they hold hands and sing hymns every morning that are wonderfully profitable. The model that I am comfortable with in running this company is a model that says it is going to be based on the principals of total quality, breaking into groups, following this process through. If you do not agree with that, you probably should leave because you would be insane at the end of it. But it is what I think is a fair and just way to serve our customers and creates an environment that makes it both challenging, but fair to employees. Who the hell knows about if we are right. I could not operate in either of those other spectrums. It is just not what I am comfortable doing, but again that is not to say they are not successful. In some ways I think it is easier for them to be successful because it is easier to attract people that agree with that way of doing business because if they don't they will go away. Where we are in this kind of mushy middle ground. I think it is harder and you have to spend more time convincing folks that the way you are doing it is really a way that makes sense because it is neither dictatorial nor ...

Do you get a sense from your employees whether or not they are more comfortable or more satisfied with this new environment?

Yes. As a matter of fact we are about to do an employee satisfaction survey. Yes the census is that they are more satisfied because it does give them a certain amount of independence of freedom. Where they are dissatisfied is if we are not being clear about what expectations are. Where we have not done a good enough job of saying this is where we are going and this is why we are going. Now how can we all help to make that happen? From that point of view, that is often times a great frustration of mine because I am sitting here thinking I am spending enormous amounts of time talking to folks about

what we are about and why we are going there and you know all this sort of stuff and then it comes back to me on the satisfaction survey and I find out the big question that people have is what have we been doing here lately. What's the deal here? Obviously if there are a number of people who feel that way, then the approach or whatever that we are using is not terribly effective and I need to do something about that if I am going to be successful.

From the surveys that we have done and from hearing people talk, I think in general folks, once they are comfortable, that there is not repercussions. They are comfortable with the way we are doing it. It is a lot like how people describe democracy as a pretty messy inefficient process, but it is the best thing going. It is a lot of that. I think people get frustrated. The old days were easier. If you got a problem, you come in and you ask John. John gives you an answer and you go away. Now you come in and ask John. The first thing John says is well what do you think and who else should we get involved in this? It is like geez why can't we just get things done? Why do we have to do this?

It takes more time.

It takes more time. You know gosh wouldn't it just be easier like the good old days to say get it down. Get your butt in gear and go do it. We have to have a meeting. We've got to do this. That is frustrating to people, I think. At the end of the day, what it means is that for me I get to go away and I don't even have to check a voice mail because there is probably not going to be anything on it. For the most part these are folks who have figured out how to live their lives. They buy car insurance. They buy houses. They are bright people. In my view, and I realize this is off the topic a little bit, but anyone who can figure out the state and federal social service system, I mean anything that we throw at them has got to be a piece of cake. I mean a single mother with two kids trying to get rent, food stamps and day care taken care of and their kids in here and whatever else ... I mean you figure that part out and God knows anything we are going to do has got to be a relief. I mean these are bright people that are just not used to, in many cases, being asked to share that life experience, wisdom or whatever with the people that they work with and to help solve problems at work. To not tap into that resource is a ridiculous waste of energy and to be able to do it so that they are working with each other.....I don't know, it is ... I know as a company anecdotally we are better for it. I believe people will feel better about it than they did before because they have more control, even though it does not seem that way all the time. I think they know they have more control about outcomes than they did before.

CASE (8)

I understand that you have been involved in a lot of team initiatives to problem solve and come up with creative solutions? Can you share with me some of your experiences, how the team phenomenon originated and how it evolved? What kind of outcomes you have seen from using the team process?

In some respects that is a difficult question. When you said when did it all start. I am not even sure when it started. Certainly sometime in the 1980s, it became more in vogue, if you will, to start doing teams. The Japanese started something called quality circles a long time ago and it was in the early 80s that the Japanese really ... well they probably started it in the 70s, but in the 80s the American industry began to feel the impact of what the Japanese had started in something called quality circles. We tried a number of initiatives. One of them was called participation circles. We did not like the word quality circles because it limited things to just those things that were quality and we really wanted to get into something that was far more broad-based than just quality. We used things called participation circles, but they were, in a sense, the same thing as the Japanese quality circles. The premise was that when you had a problem to solve that you would form a team, set up meetings and go and solve these problems.

I recall at the time the people who probably took it to heart more than anyone were the people at in Tennessee. They got started in circles and one might even say they went overboard, but they had circles for everything. They created a lot of good will. The philosophical approach at was somewhat different than it was here in Rochester. They were a little bit more down homish and the work environment was different in Tennessee and teams seemed to work better in Tennessee than they did in here. We struggled with participation circles in our manufacturing setting. People felt that we had teams working anyway and why were we going through all of the structure that went into a participation circle. In fact the structure somewhat got in our way. We set up where we trained team leaders as to how you facilitate groups through things and what projects to work on and what the goals would be. After a short period of time, we basically abandoned quality circles or participation circles.

One of the things that we found out was that the biggest mistake we made was that we didn't listen to the people who had the ideas as to what needed to be fixed. We, management, knew what had to be fixed, told them what it was they were to work on and gave them a structure within which to work and struggled miserably. So that first attempt at participation circles in the 80s really failed miserably in my opinion and it was because we did not listen to the people and let people select their own projects to work on. Because of the fear management had that if we allowed them to pick their own ideas for things to work on they would work on things like painting the locker rooms, making sure the break rooms are in better shape instead of working on do we have the right defect

level in a product. I mean are we working at zero defect level and what are the things that we need to do to improve productivity.

Now in a sense both of those things happened. When we first realized that the circles weren't working real good, we allowed the teams to pick their own things to work on and, sure enough, they picked the locker rooms, the break rooms and some other things, but what we should have done is used that as a training ground for them to develop skills and then work into some different things, but we gave up on them because we found that they just were not working. They were too structured for what we wanted to do.

Some time passed and we got into the total quality management movement and we began something called quality leadership and teamwork was a heavy part of that. The teams we formed and the team building that we did within the confines of total quality management was different and we really tried to instill in the people the quality principles that had to be used. If you get to empowered teams, the whole word empowerment was not very well understood. People felt that you could go in and say to a team, we have this project to work on and I am empowering you to go do it. So people walked away thinking that they had an empowered team and forgot that empowerment meant that people needed to have the skills and the wherewithal to do what it was that you were asking them to do so that they could be empowered to do it. As a part of that, they needed to understand the business as well as you did. If you expected teams to be empowered to make the right decisions, then they needed to understand the business as well as you did so that when they made decisions they would make it based on the business that they were in. Now in the context of paper manufacturing where I was it meant understanding extrusion coating well enough to understand the waste, understanding the environment, understanding the things that we needed to do and what our competitors were doing. Having that understood, then the teams could be empowered to do the things that they were capable of doing. They were already very good at doing the things that they did. So training them in the business of extrusion coating and the business of paper support was the thing that we really needed to do. It worked very well.

We had teams that would go off I remember one particular team that we had and it was what we would have called a multifunction team or cross functional team. We had engineering people in there. We had operators in there. We had management in there. We had polymer research people in there. We had a problem that was called polygels. In the operation of extrusion coating if the polyethylene gets a heat history that is too long and too high a level of heat, it creates gels in the system much like having tapioca pudding instead of having clear jello. You would have these lumps in their. Some very, very tiny ones would not impact you, but if the heat history was such, it would create something that would then create a large enough gel that in photographic paper, it could end up on Aunt Suzie's nose or on her cheek and/or a bride and you would have it in the white dress and it would stand out. You would see it. So this became a real problem. We created this multifaceted team or cross functional team. We really hammered at it and there were people that would get upset in the middle of a meeting and storm out, but we gave everybody a chance to talk. Sometimes we would shake our head and say why

are you doing this. Through a long series of meetings, this team really became empowered to create something that would eliminate these gels. In fact a couple of us went to Tennessee because part of our process was the polyethylene that came from Tennessee. We went down there to Tennessee and we worked with them down in Tennessee and in fact, afterwards had people from the Tennessee group actually join us in some of our meeting here in Rochester. But together we found that, over a long period of time, we found one of the things that was hurting us was the maintenance of the equipment in Tennessee in a formation of our compounds for polyethylene. While they had a little trouble understanding it, the Tennessee representatives went back and said "let's take a look at the maintenance logs" and we did and from that we actually discovered that through their own maintenance logs, we were capable of proving that the gels were coming from their process. Had we not had them on our team, we probably would have never been able to convince Tennessee management that this was true. But having them on the team really did help and was instrumental in helping us solve that problem. So that is one instance of where cross functional team really went to work. We had the statistics about what the heat history was of this gel. I mean we followed lots of gelatin and had all the analytical data that you would expect. Many times the operators, they would just pick up on things and say, "you know I was running the machine and every time I would get a new lot is when I would see this problem" from Tennessee. So that right away, we started logging what was and what wasn't happening. It was kind of one of the operators that triggered us to begin to look then at the lots from Tennessee so everybody really contributed to finding the solution to this problem in a cross functional team.

So while we did not call these participation circles, they were really true work teams set up to help solve a particular problem. They worked much better for us than having participation circles which were kind of just generated to have teams to work as teams. This did not come without a lot of problems as well. I think it is true across the industry, but I will speak to our company because that is where I was associated, but many people got to the point where they did not want to be part of teams anymore. Everything that we did somebody had to form a team. There were teams for this and teams for that, teams for sharpening pencils, teams for solving problems, teams for sweeping the floors, teams for creating human resource policy, whatever. It got to the point where a lot of people felt that they were getting in the way of the real work. We tended to have too many team meetings and everybody was on two or three or four teams and the operators would begin to say things like, "When do I run the machine? I am on these teams all the time." It truly did become a problem. But when you really had a problem to solve, putting together a cross functional team of the different disciplines that had to bear on that problem did prove to be very worthwhile and I think they were the successful teams with respect to what we did right as opposed to the failure that we had with quality circles or participation circles that we knew them as.

One of the most famous teams was one I was not necessarily associated with, but I certainly knew of it. It was called team Zebra and the name came from black and white photography, black and white film and paper. It was a business that was a mature business within Eastman Kodak Company and had tremendous competition from

companies which made fantastic photographic products in the black and white arena, professional black and white arena. They put together a team and started working on the problems and they spent a lot of time team building, went to ropes courses, outward bound kinds of experiences with the different teams and really did a fantastic job in creating the environment for that team to be successful. Today the black and white industry at Eastman Kodak Company is struggling even more than it was then, but my guess is that Kodak would have succumbed to the pressures of that competition a long time ago. When you think about the people that were there, operators and managers alike, they truly were committed to resolving the issues there because they were in something together and their divisional manager made that happen. So I think there has been some tremendous stories about teams and successes and team Zebra is one that I believe is probably one of the best successes.

I was one of the people who designed our quality management system called the quality leadership process. We formed a team. There was about 24 of us, I think. Some more active than others. I say there was probably 12 of us that were the core team and then another 12 that were kind of adjunct to that. We created a process, taking a look of all Dr. Deming's work and looking at what other people had done. People who were in the quality arena who had done very well, Motorola being one at the time. We took a look at what Tennessee Eastman had done as well. Because Tennessee Eastman had done a little bit more work with total quality management than we had. At that time they were still a part of Eastman Kodak Company and they have since been spun off. We put together a team and went to work and actually created a process called the quality leadership process basing it on the five principles of total quality management of customer focus, leadership, team work, analytical methods and continuous improvement. The success of that team was the success in putting together a tremendous process that when we were done, we actually did some bench marking against the Xerox total quality management process, the Motorola process, Texas Instruments and looking at some of the work that had been done in Japan under the guise of total quality management or continuous quality improvement. We actually did some work in benchmarking and discovered that others had said the same thing, but we felt that we had a process that was as good as anybody's in the country. We began to implement it.

I became a part of another team which then it was ... corporate quality was the name of the team, but it was lead by a woman who helped in a marketing arena and had put together something she called a quality improvement process for a marketing kind of a deal. When she came to us and started talking to some of us who had been working in manufacturing we said, "This is good stuff, but it doesn't have enough meat, enough analytical teeth in it to satisfy our needs in manufacturing." She was open enough to say, "Okay well let's take this as a foundation and build on it." That is really what we did when we created the quality leadership process and it worked out very well. She was a tremendous team leader because she created the environment for us to be successful. She had a stick-to-itiveness about her and an openness about her that allowed her to get to be a Vice President. She was open to marching to a different tune and we started to use total quality management as a way of doing business. I enjoyed working with her for that

reason and I think she was very successful in launching the total quality management movement within the company.

In manufacturing, we already had processes in place, but they were fragmented. We were bringing in consultants from all over the place and we would try this one over here and we would try this one over here. She was able to convince our CEO that we needed a process within the company that would be "the process" for the company instead of using all of these different ones. We would take and look at all of the different fragmented pieces that we had and try to glean the good and separate the wheat from the chaff and put together a process which is what we did. Then she created a cadre of senior quality consultants that worked within the company to then work with the different organizations and business units to implement the quality leadership process. I think it was a tremendous success. Some would argue that it was not successful enough. We did not go far enough with it. Part of that is true, but part of that is true because of a word that I have heard used many, many times and that is the word commitment.

There are people who will say "if you want to have a quality improvement process in place, you have to have this CQI or this TQM or this quality leadership or this sigma or you have to use Ken Blanchard's One Minute Manager or you have to use Tom Peter's In Search of Excellence or you have to use Dr. Deming's Fourteen Steps. I am a firm believer that it does not matter what the process is as long as you have the commitment of top leadership that we are going to change what it is we do. You can pick any of those processes and run with that process with the commitment of the leaders and you will be successful. I have seen it over and over again. I think that one of the problems that we had was that our CEO was committed to the quality leadership process, but he allowed his management team to pick and chose whether they wanted to be committed to the same process.

At the same time Xerox had a process called, "Leadership through Quality." I think that was the name of the Xerox process at that time. Their CEO said, "This is the process we will use to run the company." The difference was that Xerox won the Baldrige Award in 1989 and of course again in 1997, but they won it in 1989 and the difference was that their CEO was committed and made sure that everybody else in the company was committed. He put things in process like you would not get promoted at Xerox unless you not only were a believer in the Leadership through Quality process, but that you were actually a role model for people in your organization. So he put the emphasis right where it had to be and that is on the shoulders of the leaders of the organization. So when the leaders knew that their success depended on them being role models for this, you had a very different approach to the total quality movement at Xerox than you had here. I believe therein lies the big difference between the two organizations. Again, my opinion.

Subsequent to that, I went off and became the director of quality for consumer imaging. We were going to use the quality leadership process, and I was assigned to make sure that it happened. I was you to make sure that everybody in consumer imaging understood and used the quality leadership process. Well consumer imaging started in manufacturing in Kodak Park where we made the film. So we set up a cadre of internal quality consultants

that I was the leader of and again we did very well. Within a year's time to maybe one year and three to four months, we did in fact deliver workshops to every organization within consumer imaging. I set a cadre of quality facilitators working with me. We took them through a quality facilitator course, taught them about what they needed to know about quality leadership and then turned them loose and worked in team teaching going around the country and delivering the message.

I think one of the success stories was ... we took it to heart and really believed in the metrics that we were using in order to deliver this and used the Malcolm Baldrige assessment tool to do some self evaluations. Don't hold me to numbers, but they started off the first time we went through this we did a self assessment of where they were on a Malcolm Baldrige score and it was like 110. The leader of that organization said, "Good we have a benchmark. The benchmark is not very good, but the good news is we have one now and we are going to improve." Six months later they went to work and set up teams and they went off to work on some of the things that they had discovered that weren't as good as they should have been in that assessment. Six months later they did an assessment and they had gone from 110 to like 250. He said, "This is good. We have made progress." In fact, the progress from the self assessment was important because the people in the organization sought progress. The score still wasn't very good. It wasn't anywhere near where it needed to be, but the fact is that they could see that we went from 110 to 250. They did some things, improved some things, set up some different teams and then six months later they were 385 and six months later they were 530. That was about when I left the organization and lost track, but they had gotten to the point where they were almost ready to apply for the Malcolm Baldrige award. I think they chose not to because it was a subunit of a bigger business unit. The business unit itself was huge and it just wasn't ready, but that part of the business unit had made tremendous strides using the quality process and using teams to go off and solve problems and do the things and take their weaknesses and create strength out of their weaknesses.

Then they asked me to go off and become a loan executive to the industrial management council and we took the quality leadership process and the Xerox process called the leadership through quality and kind of blended the two together, took good from both and had the blessings of the quality directors of both Kodak and Xerox to do this because they had both asked me to go off. I mean they were both a part of finding someone to go to the IMC and do this. So I had been given freedom to take and use the processes that were in place instead of generating new ones. We generalized everything. We took all of the quality leadership process and leadership or quality words out. We took Xerox and Kodak references out and created a document called the total quality management process for the industry. We developed a team of about a dozen quality facilitators that worked with us at the IMC. We trained them and they became an empowered team and went off and did the marketing and actually made presentations to different groups and went back in and actually helped a lot of organizations with their total quality management process. To me it was very successful. When we looked at the IMC, there was like \$40 thousand of total revenue in the quality process before I got there. In the first year we had like \$110 thousand in revenue so we had more than doubled it. By the end of the second year, we had another \$140 or \$150 thousand in total revenue so we had

increased it again. We had done this with some of the small businesses that were members of the IMC, but also did it for a number of not-for-profit agencies in town. We did a lot of good work. We also worked with the State of New York helping them put together, not so much the IMC, but Kodak and Xerox and some others that worked with the State of New York to put their total quality management process in place called quality through participation. Again teams of people who had the expertise, put in place to help solve the problem and put something in place. I just had lots and lots of examples of working on teams where this has really been helpful.

I think my experience at the IMC was one where I was the team leader and I was the one who had to create the environment where it was safe to do things. I was the one who had to try and make sure that they were empowered by understanding the business that we were in and what we were trying to accomplish. It was different, because in the past, I had been a team member, been a part of teams doing that and now I was the team leader. It was a tremendous experience for me and one that I will not forget. The twelve people that we put together were people that we sat down ... there were some that we were working with before I got there and they self selected out because I explained to them, here's what we are going to do, this is what my beliefs are, this is the way I want this place to operate and some self selected out. They decided they did not want to be a part of that, but the ones that did want to be a part of it were tremendous assets. They all had different skills. I mean we talk about teams ... the best teams are diverse teams. Diverse in thinking, in experience base, in expertise is what we are really looking at. Not diversity from the standpoint of male/female, races/religions, although all of those things are important. We brought together a team that was really a very diverse team of people that had skills in different places and who put together a great package, in my opinion. When I left there, after my two years were up, there were tears shed in terms of the parting because we had really built a team that was just very well put together and close knit and well functioning. I still see these people and occasionally do some work with them. We also can point to some organizations that have gone through the training that we put together and today are better for what we had done and so when you can feel that good about your team and see results of what you did, it is a tremendous feeling.

How were your teams recognized and how did they celebrate their accomplishments?

Well let me go back to the team of internal consultants I built when we were doing the quality leadership process. There were about six consumer imaging employees that we had selected who had the interpersonal skills to start with, for us to work with them to be good facilitators. Then we worked together and we taught them facilitating skills and then we gave them the content skills, if you will, of the quality leadership process. The Vice President of Consumer Imaging put some goals... had some goals set up for us and said, "What I want is I want everybody in my organization to be trained before the end of the year." We started sometime in March. The Vice President gave us the resources in order to do that by giving us these people who were selected by one or two of us that knew what we were after and wanted the skills. We went to them, the zone managers, who were high level middle managers and said, "We want X or Y and here is why we

want that person." In many cases they cringed because we were asking for their best people. And yet because the Vice President was committed to this process, the zone managers were also committed to it being successful and they agreed to give us some of the best resources. We trained them and we began to deliver. We put a schedule in place. We laid out when we were going to do this and we did it across the country. We tried to do it in a way that was cost effective by not having people from Rochester fly to California to do something when there was people in Seattle that could go. We tried to do this with people that were ... but we also selected some auxiliary or adjunct faculty, some people from the industrial engineering group or some people from the training organization that could go off and co-facilitate with the content experts to make sure that the process was being followed and good teaching mechanisms were in use. When we were done, they had a recognition dinner for the team of quality facilitators that went off and did that. In fact this little briefcase I carry was one of the tokens of appreciation that we gave to the quality facilitators.

But the Vice President who was one of my first customers as a quality facilitator, we did this top down so the Vice President was one of the first people that we worked with, his management team. Then we walked all the way through his ranks. I worked for him in this respect. When we were done and completed on time and delivered all of this, every one of his teams had a quality process in place and measurements in place that they would use to help him create or to accomplish his mission. I shutter to even mention this, but one of the things that he did was that we had a session where we talked about what we had done and at the end of that session we had done this, this is kind of a side line, but we had done his organization in Las Vegas. Because there was a show in Las Vegas and his management team was going to be there anyway for a consumer electronic show. So they were going to be there anyway and all it meant was bringing me out there to do this as well. It happened at a time where it was just before the Super Bowl of 1991 and he was a Giants fan. I started on a Sunday, we were suppose to start at noon. I got there and they did not even have my name on the reservation list. They luckily had a room for me, but when I got there, there was no room for me, there was no reservation for me when I got there. I thought to myself, here I am ... and this was my first attempt at working with a marketing organization ... and I thought what have I gotten myself into? I had a contact with that team who was my selected choice for the internal quality consultant of that group. He was my contact and I could not find him. I got in Saturday night. Sunday morning I got up early. I am down there looking for a room that we are suppose to work in. I cannot find the room we are in. I am asking at the front desk and, "No we don't know about any room." I started asking about the Vice President and he said, "Well yes he is here and he has got a room." So I went over there and stuck my head against the door and they were in their meeting and this was eight o'clock on a Sunday morning. There were having a full meeting going on there. So I waited around outside the door until my contact came out and I said, "John what is going on? You did not even have a room for me." He said "Of course we did." Well, I went down and they did not have my name right and so little by little things began to fall in place. But the Giants were playing football that afternoon to get ready to see who was going to go to the Super Bowl in 1991. That was going to happen that afternoon. So I am suppose to start at noon when the Giants are playing and the Vice President is a Giants fan and he did not want to do

that. So he was going to watch the game. So we delayed everything until the Giants game was over and I thought to myself what have I gotten into. Where is the commitment from this guy?

To make a long story short, we started at the end of the Giants game. At half time of the Giants game, I called him on the phone, went to his room and we talked about what his expectations for this session were going to be. So I got ten minutes of quality time from him to do this. We worked until about 10:30 that night. We were back at it at seven o'clock in the morning the next day and we worked from seven in the morning until seven at night. The last day we worked until about seven o'clock again and it was a concentrated and a dedicated effort by this entire team. They understood the commitment that the Vice President had, once the Giants game was over. We did a lot of great work and at the end of that session, the Vice President said to me, "And we will make this up to you. You have done a tremendous job and we appreciate what you have done." What he did do is that was the year the Buffalo Bills played against the New York Giants for the Super Bowl and I had a ticket. My recognition for that was a ticket to the Super Bowl from him. When I found out, I mean he could have blown me away with a feather. The reason that was so impactful was, I mean, he did not ask me or anything. He knew enough about me that I was a football nut number one. Number two that the Buffalo Bills were my team and number three that it really meant something to me. When he delivered that recognition to me, it was one of the best recognitions I ever had. I mean it was just so impactful that even today that has so much power when I think back to the impact that it had on me was just fantastic and it just demonstrates the power of recognition and the power of doing things in a way that you truly understand your people and know what makes them tick. So when you do give them a re-enforcement, make it meaningful to them. So that was one of the most impactful things that has ever happened to me in terms of recognition. We had a recognition dinner and gave away some token gifts to the team that put together the implementation process for our quality leadership in that organization. All the way down through it was done very well and very tastefully.

Sometimes we get carried away with recognition and, in fact, one of the things we did with participation circles and quality circles early on was every time there was success, we had coffee and donuts or we would have pizza and beer after hours. It got to a point to be a joke. The pizza and beer or the coffee and donuts had little or no meaning anymore because they were just given away so freely and that is something you really have to be careful of. To make sure that the things you are doing are the correct things and they are impactful and do not let them escalate. In terms of recognition and reward, those are the things that have to be well thought out.

What is your feeling about the success of teams in a large organization versus perhaps some of the smaller organizations that you worked with?

As I said early on, I am a firm believer that if you have a process and a desire to improve and the commitment of the leadership, anything will work. I truly believe that we have seen successes in the use of the teams in large organizations. I can point to some examples in some of the human service organizations that I have worked with that are every bit as powerful. In some of the hospitals you get the housekeeping teams working

together, you get the administration teams or admissions teams working together, you get the inventory teams working together with specific programs and problems that they need to solve and they are every bit as important and impactful in the human services industry as they are in Kodak or Xerox. To me industry organizational boundaries, and organizational titles have no, what is the word I want to say, they have no corner on the market in terms of successful teams and what they can do. I truly believe we have seen successes on both sides of that fence.

Did performance reviews reflect team work?

Yes they did. Before the quality movement back in the 80s, we used to talk about teams having an impact on performance appraisals, but did not do much about it. But one by one organizations were given the freedom to take a look at their heretofore untouchable performance evaluations and the Human Resource department finally began to realize that business units were being run differently. Therefore they had to have some freedom on their own and had the freedom to start looking at their performance evaluation systems as well. So they didn't all have to fit into the same mold, but one by one business units began to say, "If we are serious about teamwork and we want to bring people in who are on teams and perform on teams, we have to have teamwork as one of the pieces in our performance appraisal." In fact they did change the performance evaluation forms to include teamwork as one of the things that was important to them which I did not talk much about. But truly it was one of the big things that happened within the company.

Not only was the performance evaluation changed to include teamwork, but merit pay began to be impacted by teams. There were times when people would say the number of teams you are on had an impact on your performance appraisal and merit pay. Again I think it depends on how it is administered, but at times that kind of lost its value as well because people would just say, "What is important for me is to be on teams," and not what we were doing. So people would sign up to be on twelve teams, but nobody was doing anything on any of those teams that was of any value. Then we began to realize that. This was again going back to the participation circles piece. Slowly but surely we realized that we have got to start rewarding people for performance and in fact our entire management compensation system was changed to take a look at performance based management and started at the top.

Today we have performance measures that have been put into place and it says these are the things that we need to do. Those things cascade throughout the organization so that everybody is linked and aligned with the performance measures that the CEO says is important to the company. Certainly teams has been a part of that and some of the things that we do couldn't be done if we did not put cross functional teams in place to do it. This is philosophical somewhat, but you just cannot expect people to do the things that need to be done in a vacuum any longer. There was a time when the chief officer, the manager or the leader had all the answers. The world is far too complex and there is far too much change in this world for any one person to have all the answers. So the whole concept of having teams, diverse teams with different expertise coming to the floor is essential to our success.

I think when I discuss leadership and teamwork with people, the author and the book that I most frequently talk about is Max Dupries book on leadership as an art. That is because it embodies both the concept of leadership and the concept of teams at the same time. He says a lot of things in his book. One of the premises that he has is that there are hierarchical leaders and roving leaders. The hierarchical leaders are those people with the stripes, the stars on their helmets, the ones that have been appointed leader, appointed or elected or whatever. The roving leaders are those people who have the expertise in the moment. Now the hierarchical leader has to create the environment where it is okay for roving leaders to exercise their leadership when the time is appropriate which leads you to -- teams. You have a team leader and you have team players. A good team leader will relinquish the power to those that have the expertise when that time is appropriate. You may have ... in the medical profession, in the health care profession, you may have a doctor who is the head of a particular unit and you may have a nurse who has some particular expertise in diabetes that she has been studying or whatever. So when that subject comes up, the doctor needs to relinquish the power of the meeting to that nurse that has the expertise in diabetes because that is what it is they are talking about. So the leader, the hierarchical leader has to create the environment where it is okay and safe for the roving leaders to take over. To me that is Max Dupries work and it is to me one of the best tenants of what team work is all about and how leadership and teams work together so well.

Let me just clarify this. Often times in the literature it talks about flattening the hierarchy and this, as I am understanding it correctly, almost sounds like you still have the hierarchy as long as you are allowing that environment for those other leaders to phase in and out. We can talk about flattening the structure, but that is another subject for another day. Flattening it is one thing, but eliminating it totally is something else again. I do not believe you can ever eliminate it totally. So where ever there is a leadership position and people that are working in that arena, that is when I believe Max Dupries' work is so effective. When I talk about the total quality management principles, customer focus, leadership and teamwork being the top three ... when we talk about leadership, we talk about the leadership of the person who is the hierarchical leader, but we also talk about the leadership of every individual in the organization exerting the expertise and the knowledge that they have on the job that they are performing day in and day out. So when we talk about leadership in a total quality management process, we talk about leadership of everyone, not just the person at the top.

Where do you think the future of total quality management teams and leadership is?

Wow. I think the whole emphasis on total quality management has hit the apex and is sliding down the other side of the triangle. Not that quality is not as important as it has been, but quality has become a commodity. Quality has become table stakes. If you do not have quality in what you do, you are not even going to be at the table discussing this. So we've stopped talking about quality and total quality and really have begun talking about other things and important things by the way. We talk about having a strategic

framework in place. Having the strategy, an operating strategy for an organization that stems from all of the total quality management principles, but focuses on what is your mission, what are the things that you need to do to accomplish that mission, what are the key initiatives that you have to have in place and what are the strategies and the activities that you are going to drive in order to accomplish your mission. So we don't talk about total quality management much anymore, but it is at the foundation, the basis of everything we do.

Learning organizations have become important. What is a learning organization? It is really all about continuous improvement. It is continuous improvement in the organization, continuous improvement in every individual in that organization. It is important to us. You can argue that it is important at Eastman Kodak Company because George Fisher has said, "Every individual at Eastman Kodak Company will have 40 hours of training every year." It is a part of ... if you want to be an employee of Eastman Kodak Company, it is what you have to do. You have to agree that is one of the things you are going to do is get 40 hours of training. As managers and supervisors our job is to make sure that the training that people are getting are training that is helping us become a better organization, whatever organization we happen to be in. So it has to all be tied together in creating a learning organization. Peter Senge wrote a great book, The Fifth Discipline. It is far too complex for me. I have tried reading it several times and cannot get through it, but the tenants of that are very, very important and that is creating a learning organization.

One of the other things that we talk about beyond the learning organization is the issue of knowledge management. It is another, I think, buzz word in the American industry that has come on recently. It is worrying about the intellect of the people who make up that organization and understanding that the intellect of the people in the organization are where you get your power and is the asset base that you have. Certainly Bill Gates at Microsoft has created something that makes people begin to understand that. I think many, many, many organizations have got to begin to think more about knowledge management. So there is a couple of things that have happened and there is a shift taking place. The whole managing change is every bit as important to us today as it has been in the past. Change is happening so rapidly around us that if you do not pay attention to managing change in your organization, someplace I think you are going to lose it because you have got to get people to really embrace change and say, "I love change." That is not easy to do.

CASE (9)

Why did your corporation decide to use the team phenomenon, how has it evolved and are you seeing outcomes that you had expected from that process?

I would say, I have been in a management position since 1991. At that point in time, we started bringing in total quality management. So we started with total quality management. We started looking at process improvements in the company and then took it to the next step as teams; building teams, using facilitators, and using continuous improvement tools in team building. So, basically, you would have values and guidelines. You would set up a team with values and guidelines. Everybody is there on time, it is a fun team--those types of things. You talk about it and you say, there is amnesty here and we all need to bring what we need to bring to the table. So, we start out with values and guidelines-we talk about that and we put together a mission statement. Probably prior to that, we look at who needs to be on the team because a lot of things that we do, we do in the stores, but are affected by our merchandising group back here in corporate. So a lot of times, we have to bring both pieces and parts of the company together. We make sure that, for instance one of the teams that I am on right now, is looking at scheduling. Well, the stores can do all the changes in scheduling, but we have to make sure that the merchandising directors understand what changes we are making, so that when they come out and look at a department and look at how it is merchandised, they understand that the store may actually be changing some of the things they are doing set up wise; people are staying later, coming in later, and looking at how the customer is shopping. So, we need to make sure that both parties are on the team and they understand.

So, getting back to continuous improvement tools, these values and guidelines... We have a mission statement for every team. We determine who needs to be on that team and who will be affected. A lot of times the team members will change depending on what the direction of the team is from week to week, month to month, meeting to meeting. We have a note taker. We have a facilitator, someone who can make sure that the team doesn't get off the subject. We have a team leader, someone who leads and guides us through the agenda. We have agendas. Every meeting we can sum up what has occurred and what the next meeting needs to look like, so, we have the agenda for the next meeting, with assignments. People need to come back to the next meeting, having done something in the meantime.

Are the front end employees involved in teams?

Absolutely. In general, it would depend on what the subject of the team is on who was going to be affected, but we would need the expert, who is doing the work on that team. So, if it is scheduling, it is generally the department manager that would be handling the schedule and/or the assistant manager. So, if it is scheduling, yes they would definitely be on that team. If it's product stock for instance, that may involve the receiver, the

person who actually receives product in the back room. So you would have somebody in the receiving area on that team.

How much actual responsibility gets carried through for that team? Are most teams held accountable and able to come up with decisions that may be implemented?

Sure. Just to give you an example, the team that I am on right now is a scheduling team. Our goal was to develop tools, look at each department and by a certain deadline, come up with some good data, some good recommendations and then to act on that--to really put something together. This team would be CED or our Center for Employee Development, which is our Training and Development Department. Somebody would be on that team, who could take the information, move it through at the seminar so that we could get the information from the team and move it out to the other stores. So, yes. Some teams go on for a long time and maybe don't come--I don't think that happens every time. But, in general, people are very busy, the stores need resolutions pretty quickly. Most of the teams that we have, the store environment is involved because everything potentially affects the stores. So, things have to happen relatively quickly. There are generally deadlines for resolutions that need to come from the teams. But, there are some teams that you go, "Geez, they really aren't accomplishing anything. Do we have to go back and look at our mission statement, are we really moving towards this resolution and/or do we need to adjust our mission?" Maybe we happened onto something and maybe the original problem that we thought of as a challenge that was out there, has changed and we need to change with it.

You had mentioned a training center. Could you expand on what kind of training programs you might have that would impact team development?

The training center or CED, they actually have facilitators workshops, which teaches people within the company to facilitate teams, so that as the team develops, they might ask anyone who has gone through this workshop, to be the facilitator. Even though my background is pharmacy I may be on the list as a facilitator for the grocery department team. Basically, I would be there to make sure that the team sticks to the agenda and to the mission statement. If they get off on a tangent, my job is to ask them, "Is this what we are really here for? We can put that on our parking lot and at some point in time come back and resolve that issue. But, what we are really here for is this...and make sure that the direction is correct." That is one of the things CED does for us. I am trying to think what else... they hold "Right Way to Manage" seminars. That's really where the change first came from. I am sure that there have been teams all along. I am just talking from my perspective. When I became a member of a team was back when we brought total quality management here. I am sure that teams have been here for quite a while and I was out in the store for a while.

Does the training extend through all levels of the staff, as far as teamwork?

It is more at a middle management level, I think. Yes. But as people are moved into those positions, they do go through the "Right Way to Manage" and the course gives them a general idea about how teams work with agendas. I think a lot of people understand that and know that.

What would you say is the percentage of the organization that actually works on teams? Do you feel you are a team-based organization meaning that most of your problem solving within the core work of the organization is done in terms of teams?

I would say big initiatives, big challenges, "Yes." "Absolutely." The percentage would be hard. People do have things that they need to accomplish and a lot gets accomplished by having one person attack it and go after it. But when there is new strategies, new training, new challenges, new scheduling systems and new information the best way to bring that out is to get team members involved so that we are making sure that we assessed what this means to anyone that would be involved in it. So yes, I would say that anything new is really directed and helped along through a team.

Do you see a need to change any of the processes within your organization to promote the team concept in terms of recognition or the selection process of employees?

All of the teams that I have been involved in have really--and I don't know that everyone would say this but--have been pretty effective. So, I think that the selection of the people that are on it has been good. Recognition. I think any corporation can take a look at it and get better at it. I think a lot of times you forget or you just go along and are give this extra effort and you don't always reward it. So yes, I think recognition could be better. I think than in any corporation you would find that. I think the selection process of key members in general is very good.

Is team work considered in the general selection process for hiring employees for the organization?

I am not sure. I haven't been involved in anything like that, so I can't really say. I am trying to think of any kind of instances. I think in general we try to look at who is the expert doing the work.

Would you be involved in hiring the nine people that work under you? Are you involved in that process?

Yes.

So would that be a characteristic that you would look for as a component then?

Yes, even though they are going to be on teams and they need to have that, they also work a lot independently analyzing what is going on in their department. They do a lot of

work independently. So, they have to have that quality, but they also need to be part of a team. Yes.

Would your department be looked upon as a Quality Department or is there another department that focuses on that as well?

I would say that our department is looked at as the Continuous Improvement Department.

What are your strategies for continuous improvement in your organization?

Teams. I think we do a lot of R&D. Can you elaborate a little bit more on what you are looking for?

What processes does your organization have in place for continuous improvement and are they effective?

From the perspective of this department, people in general move out. We are looking for promotable people, people who can come in, analyze a department, get to understand the department that they are analyzing and then move out. Every couple of years we like to bring somebody in who has a fresh eye. So, we wouldn't generally say, okay, we are staffing for--in fact I am looking for a GM analyst, somebody who is going to come in and do general merchandise. I wouldn't necessarily look for someone who understands the general merchandise category. I would probably look for someone coming from a diverse--maybe for instance--could be someone from grocery, a grocery manager, who has some really good analytical skills, team building skills, and can work independently--things outside of the box within that department, to come in and take a look at GM from a different perspective. So, every couple years, we are looking for someone new to bring something new to the table and look at a department with fresh eyes. Sometimes it might be someone who is very--always looking for something new--and it could be GM, so it might be a buyer from GM, who just always thinks out of the box and can come and look at that department and give us some good ideas, some new process improvements. So, it depends, but in general, here, we are looking for someone to move in and out every couple of years.

And, usually that transition is moving people from within or is it both inside hires and outside?

Generally it is internal hires.

And then they go on to another position usually within the organization?

Yes. One of the things that we look for is a promotable candidate, someone that will come in here, understand store operations support and go away with that knowledge and be able to use it in their next position.

You had mentioned that you do measurements. Can you expand on what kind of measurement you do?

In general, this department looks at labor or payroll. So, when we look at new technology, we look at how that technology is going to affect payroll. Does it effect it negatively or does it positively? If it negatively affects it, is it good for the business? Is it because on the other side, we are doing something better with inventories and in general, all of our measurements filter down to payroll, labor and payroll. How does it affect it, does it make your job easier? Does it make it harder? If it makes it harder, is it because we really need to do that? For instance, for inventory, could you count up all the cans of cat food on a conveyer belt and say okay there are 25 cans here. Can I put 25 cans of cat food in or do I have to scan everyone because at some point in time we need to know that there were five cans of tuna, seven cans of chicken and liver...you know, that kind of thing. So, really, our measurements in general look at process improvement, how do they affect labor or payroll.

What do you feel is an effective team?

I think an effective team, first of all, the members have to include the people that are going to be effected and/or are affecting what is going on. So, if you don't do that, if you don't include one person and at the end of the project you say, "Gee, they were critical to this because this is going to affect everything that they are working on." Then you really haven't been that successful. That is extremely important. I think that people are busy. I think that agendas have to be followed and times have to be kept. If it's an hour meeting, it's an hour meeting--if it's an hour and a half, it's an hour and a half and you really need to move through the information. I think people need to do assignments. They don't come back with specifically what they left with. These people are going to come back, they are going to be on the agenda and they are going to present these five things. They are going to look into this and bring back some information and if they don't do that, your team can't be successful and you are not going to move through the process. You have to have a deadline. You have to say at some point in time, we have to decide #1 whether or not this team continues meeting its goals and/or at this point in time, six or seven months out, we need to come to some resolution. Because, you can analyze something to death and come up with fifteen different ways of doing it, but the team needs to say, okay this is what we have decided is the best method of doing this or meeting the challenge.

How does the organization perceive the team if it makes a recommendation and it's a failure? How is that addressed?

If it is a failure. I think what we would do in general. I am trying to think of something that might have happened. Go back, look, what did we do? What did we do right? What did we do wrong? Did we not involve the right people and if so, do we need to bring those people back, involve the right people and take a look at this and determine what did we do that was wrong and... I don't think that necessarily failures are bad. I think you learn from every failure. I think that sometimes the time is not right. The technology

can't support it. I am trying to think of something that would prevent---like you brainstorm and you come up with the best inventory system. However, right now, technology isn't up to where you need to be. So, you need to go and revisit that at a later time. I don't think even though that it might be considered a failure, you may have learned a lot through that and you may know exactly what you need, but you might not be able to do it or follow through on that right now.

So there is always that opportunity to realign things and try again?

Absolutely.

What is your process for the selection of a team leader?

I am trying to think about the teams that I have been in, how they have been selected. In general, the core group says that this person is right for the leadership role. This is the person that can affect or can follow through on some of the things that need to be done and that is basically how it is.

Along with the role of being a facilitator, is there training for people to learn how to lead the team or is that the same as a facilitator? Is that seen as the same thing?

No I think they are different. A leader is someone who is more of the subject matter expert, where a facilitator, the subject matter isn't what they are there for. They are there to make sure that the team sticks to their goal, goes along with the agenda, so it is two different things. But, the leader brings some subject matter expertise to it. They may have been assigned to take on this challenge because they have some knowledge, they have the time--this might be the challenge they have been asked to take on--so the facilitator and leader should be separate.

What do you think the future of teams will be?

I think larger. I think that they need to in general encompass, not so much larger as number of people, but need to resolve the fact that they may need to encompass more areas. Many times you get this, "Okay I'm pharmacy and this is the thing I want to accomplish." What you don't realize is that the department needs to have a representative to tell you that you are on the right track or not. What is coming up and duplication of effort--there might be two teams going at the thing or looking for the same type of outcome and it may not realize that they are working towards the same thing and there is a duplication of effort at some point in time. So, I think that communication in general, on what teams are trying to go after, needs to be better and it needs to encompass--you need to think more broadly about how the outcome affects other areas of the company. I think if you do that, you can be very successful. I can see that procedures and new technology--if you start thinking about who may be able to use this, you will develop a better product and you will meet the challenge better because you encompassed all the departments. You don't want to put two systems out there, just because we didn't think about these people over here, at the time when we were putting them together. So, I

think the big thing is to really think more universally throughout the company about who is affected by anyone thing that you do.

Are there some cross functional teams that you utilize at this time?

Absolutely. We are getting really good at that, I think.

For further clarification, “If we were to go into one of your stores would people working in the different departments understand the concept of working as a team on a day to day basis? Has it reached to that level?”

We do--it depends--it depends on how well the manager communicates. In general, we do have initiatives that are going on within every department. Benchmarking for instance, where you are not going to meet the benchmarking goal if the entire team isn't behind it and isn't working towards it. But, you know as well as I do, the quality of management differs. The type of communication that a manger will share with the entire department is different. So, I think that yes, you could go out to any given store and find out that the bakery department at one store understands what their goals are and what the team needs to move towards, if they are a part of this team that is going to accomplish this goal. You may understand that the bakery is all working at one goal and yet go to another department and the manager is just putting their numbers down, working on their goal, but they haven't included the rest of the people. They may just say this is it, but not really as a team effort. It depends. I think it is a quality management issue.

As a manager in the corporate level, might there be a long range goal for the organization to try to have the leaders measure management's performance by how effectively they manage that department?

Absolutely, we are already doing that, just not where:.... Can I talk in terms of benchmarking. I think that's easier to do. What we do in benchmarking is basically we have a group, say it is the bakery, okay. In a division there might be nine stores and the bakery comes in and we start talking about here is what benchmarking is and you need to affect your contribution through benchmarking. What we would like you to do is take a look at each one of those components of contribution and determine what you, as a department, need to work on. Now, if it is shrink, for instance, that encompasses--we want to get shrink down and we want to get it down from six to five percent. Who is going to do it? I mean, as a manager, you can't be the only one watching out for shrink. Now you need to get to your department and say okay, this is what I think the goal is, we really need to work towards this--lets start talking about how we are going to work towards--what do you see, you're the expert out there and I need to get your input as to how we are going to get the shrink level down. So, as a team, we are going to work on this. That is what we have been working on benchmarking for. I was involved in it probably three years ago out in the stores. We have been working on that and I think that is the way teams work towards your goal. Here's what we need to accomplish as a department and I think from three years ago to now, it is amazing the difference. Those

goals can't be met, if the team isn't working towards them, and the team is your department.

Do you feel that teams doing the benchmarking understand how that ties into the division of the organization as a whole?

I think so. Well, it really depends on how good the manager is at communicating but certainly we have priorities. If you look back at priorities--building contribution by simplifying everything we do and revising our process, sharing responsibility and taking risks... So, if you know that is corporate priority, that's benchmarking in the smaller more departmental team building. I need to build my contribution. We need to look at our processes but you have to go back to the people who are the experts out in the department. They are the only ones that are going to be able to do that. Yes we may be only increasing our contribution slightly here, but as a company, if everyone is doing that, we are going to get better, we are going to build contribution, and we are going to make our processes better.

And lastly, what do you think the organization's philosophy is about the people that work for them?

They are the people that are going to get the job done. They are the experts. They are the people everyone here is working for--to make sure that they are out there and able to get the job done, have reasonable goals and that we're always looking to simplify what they are doing out there. I think that this department does that a lot. I know when I was part of pharmacy, all of our projects were--we just didn't put something out there that didn't really help people to service the customer better. So, I think that they are the experts, the people that are going to say that this works, this doesn't work. They are going to be the people that bring their problems or their challenges to us. Our job is really to help them and help make their job easier, make it more enjoyable, and make sure that their performance is recognized. I mean. They are the most important people in the organization.

Is it the philosophy of the organization, to try to develop their employees and have them grow with the company internally?

Yes. If you look at our CEO, he has been here 50 years, of course he owns the company, but 50 years. Our vice president, who is going to be retiring has been here over 40 years. The new vice president that is coming in he has been here 32 years. Everybody brings something to the table, but if you work through the ranks you get somebody who understands what it is like to be out in the store, how the holidays run and they can really bring something to it. We do like to promote from within. You learn the business from within. Of course, at some point in time, you need to bring somebody with some expertise from other areas and that has happened too. In general, if there are a lot of people that you sit down with who have been here 25 years or have been here 30 years and they are still valuable and are still bringing a lot to the table and looking at things differently than they did five years ago... Just thinking about our meat department, the

changes that the meat department has undergone in the past few years--really taking a look at what they are doing, what our customers want has been significant. The person that is running the meat department actually developed this department 25 years ago but, it is really interesting to me that a lot of people don't get stale and how does that happen, how does a corporation.... It is very exciting for someone who has only been here for 10 years to look and see that someone who has been here 30 or 40 years is making a huge contribution and may have started out in a totally different venue. I think I am an example—I am a pharmacist. I was a pharmacist out in the stores and now I'm not. I am not working out in the stores as a pharmacist. So, it is neat how they look for that type of opportunity for people to learn business in different ways.

Would you say that employee satisfaction in general is good?

In general, like all corporations we can do things better. One of the things that we have done in the past year is a "You First" survey, where we have actually gone out and asked people to please tell us how well we are providing you with what you are going to need in your job and your job atmospheres. We are working on that all the time. In fact, this might be interesting to you, the "You First" survey was done corporately and store wide--each director or department manager or manager got the results and they were asked to work on the recommendations, whether it was team building or trust or better performance appraisals. What did your group of people need or say they needed from you from the survey and we would like you to work on that. So we put a huge investment into finding out what people needed and making changes. One thing this department did, the results came out in April-- "Okay we have twelve initiatives that we can work on within this department"-- and then of those twelve we can really say there are four major things and let's look at those. There are 25 people here, let's ask for--I don't know if they asked for volunteers or if they went to people and said we really think you are a good leader in this department. I can't really say what exactly happened, they may have been volunteers, but, four people were asked to take on teams to really go after the challenges from the "You First" survey.

How do you measure customer satisfaction?

I think maybe I didn't say enough about that. I think that if people are part of teams, they are happy about what they are doing. I mean, if you take care of the employees your customers are going to be satisfied. Every result of every team is customer satisfaction. I mean, that is so important. I probably should have spoke--I was focusing more on what the team does and what the resolution is. As we look at that scheduling team, in our mission statement we need to align our schedules, our employees need to be in the departments when our customers are there, when our customers are shopping. Over the course of the last five or six years, people are shopping later in the day. I mean we all know that, everybody who works knows that, I am shopping at eight or nine o'clock at night. So, what we have developed are tools, to bring that to light to department managers. Not that we don't do a good job, we do, but we can do a little bit better. Do we really know that data? Do we really know that our customers in the summer shop until eleven o'clock at night? Maybe, maybe not? Maybe yes we do? But, the actual

team mission was, we want to look at tools to help our employees schedule better. In doing so, we are going to have better products out for our customers. There would be better satisfaction because there would be people in the store to ask questions. There would be customer service representatives out there who are available to the person that is shopping our stores at the times they are in there. We want to develop our employees through these tools, that was the basic team mission. A lot of what we do is to help people do their jobs better, make them more satisfied in what they are doing, simplifying things that are out there and the end result is that our customers benefit from that.

These priorities that you have listed for 1998, do those stem from the mission statement?

I think every mission statement, every performance appraisal, every plan for development needs to go back to that, but these change every year. They are the core and then some things change like next year, number six is to expand the profitability of our prepared foods. Next year, there might be emphasis on the bakery, to get better product out to our customers in bakery and that has changed. So, it is generally--what happens is that basically for number six, a department is more focused on. Sometimes it is a lot different, sometimes--you know Y2K is a big problem and that may be a technology type of thing in the priorities for next year. I haven't seen the 1999 priorities yet but I know they have been working on them for quite a while.

Do these priorities filter all the way down through to the teams?

Absolutely. The program is to serve our customers as individuals. Well, if our customers are coming into our stores later, we are focusing on what they are doing. On the internet we are looking for ways to help customers cook foods. You know that the majority of our customers are coming in between five and six P.M. so programs are focused on that type of customer that wants to come in--they want to make the product at home, but you want to put everything in one area, so that all they have to do is come in and go. Everything that we do should go back to our corporate priorities.

CASE (10)

Why did your organization choose to work with the team phenomenon, how did the teams evolve and what kind of outcomes did you see as a result of building teams?

Okay. Well, as I said, my first exposure to teams was kind of experimental. The union, I think really through their networking with other unions, maybe primarily the automotive company, hearing what was going on in Japan with quality circles in the late seventies early eighties, really encouraged us to begin trying to do something they called quality work by teams. So they would get people together, and they would talk about issues that were outside the collective bargaining process. They kind of drew a line that said, "You can't talk about pay, you can't talk about work standards, you can't talk about job compression because those are all things that are contractually negotiated between the company and the union, and we're not trying to supplant the collective bargaining process with an empowerment of quality work-by process. But there are things you could talk about, like working hours, shift configurations, the way breaks are managed, or how relief might be managed in an assembly line. You could talk about things like the medical emergency support team, safety issues. . . ." So, there's a whole other realm of things that impact how satisfied people are with their work environment that weren't necessarily the heart of the basic way you did your job. So, it was more in those areas that teams formed.

Then they decided to legitimize all that by formalizing in eighty-three the total quality program from a corporate standpoint. Basically in that process everybody in the company was trained. They were taught interactive skills, how to work effectively in a team environment, what a good team set of dynamics looked like, and a process or several processes to use around managing meetings. You know, how to have an effective meeting, roles within a meeting in terms of scribe and leader and facilitator and time keeper. A process, which was called the problem-solving process involved six steps: what's wrong, what's causing it to be wrong, what are the alternatives for fixing it, let's pick one, let's implement it, then let's go back to make sure it was effective. A simple kind of loop that people entered. They did that training in cascade so that it started with the top level, and then the next level, and the next level. It really did have a profound change on the way the work was done.

They really changed the expectations around managers from being leaders to being coaches. Not autocratic leaders but more into a coaching role. They even re-drew the picture of the organizational chart, so you didn't show the manager at the top with everybody reporting in, but the manager in the middle with people around him. They tried to use a lot of different communication techniques to get the idea that getting everybody involved, getting all their ideas brought in, and getting them to buy into the direction was good management. It wasn't expected that the manager knew the right way all the time, and that the manager was the one that set the way, and people just lined up

and followed. It got into evaluating people on their ability to communicate, their ability to delegate, their ability to give good feedback, both positive and negative, and to do the job of reward and recognition. Pretty systematically over a period of about seven or eight years, expectations changed around the role of the employee, the role of the manager, and their relationship. It got to the point at the end where you actually received a performance appraisal from your people so you got two performance appraisals a year. One from your boss, and he said here's how you did in terms of meeting your objectives and the expectations that the company had. Then you got a report that all your people filled out that says here's how they perceived you as a leader and did you do all of the things that were the values that they were trying to embark on?

Did they tie those two appraisals together at some point?

Yes, at some point the manager was expected to look at your results with you. They took it slowly so that people were comfortable with and you had time to correct any major flaws that you had in your management process before you had to show the results. I think probably it took three years before it finally got integrated into the one system.

The unfortunate thing in manufacturing, and I don't know if it's any better today, is that because of this collective bargaining thing being there many of the real issues couldn't really be addressed by teams. So, in a way, you end up having two systems operate. A team system, where you could deal with things like safety issues, and the company picnic, and how we're going to recognize contributions. We even got into some game-sharing programs, where part of the pay went into a pool and teams could have input on how that money would be distributed. But it never really got into real work design, the real hard content of okay how are we going to do this thing. You know, the government, the real self-governance still ended up because, I think, of collective bargaining having negotiated standards of what represented a fair day's work, negotiated pay rates, and progressions through job things. It never had the full heart it might have had, had we not been in a real collective bargaining environment.

The other thing I found, in manufacturing at least, was that a lot of people chose not to participate. There were probably only thirty percent of the hourly work force that I would call real active team members that would want to take the time. For many people, it meant giving up some other use of that free time. Instead of having a break you might have to have a little team meeting. Instead of having a lunch, you might have to meet over lunch. If you got your job done early before the end of the day and you made your required output, it may mean you'd go into another meeting and work on something rather than being able to read or clean up your work space or talk with the guy on the next station, or whatever you did. There were a lot of people that saw it as extra work. There were also I think a lot of people that just weren't comfortable with that. They were older, they grew up in an environment that says that stuff is for when I'm at the church, or when I'm with the Boy Scouts, or But it's not for here. When I'm here I do my job. I don't want to be part of management. I don't want the headaches that come with having to think about how I'm going to organize shifts, or how we're going to deal with

issues. That's management's job. My job is to just make product, and that's all I want to do. That's what you pay me for, so leave me alone.

There were a lot of people that, despite the training couldn't develop the social skills or even the communication skills. They couldn't stand up and facilitate a meeting because they couldn't write legibly on a flip chart and spell correctly and that even included foremen. When you start talking about changing the way work's done you get down to real basic things. When we started doing some of the quality tools people needed about a six or seventh grade math level to do some of this stuff. They didn't have it even though they had quote a GED education and they wouldn't have been hired without it. They in fact really were functionally illiterate to be able to do the simple math that was required to solve some of the problems using the tools they were being asked to do. That ended up being a whole other set of issues about who could participate and who was comfortable with participating. I'm giving you history now that's almost ten years old. I'm out there in eighty-nine, ninety, and went into this quality, corporate quality world from there. So, whether it's different with the new generation that's out there, they're expectations I'm sure are different than the post war.

How did management deal with those individuals in the organization who were not interested in participating?

Well, they continued to encourage everybody to become involved, but they worked with the ones that were. So the trouble was, you'd always see the same people at the team meetings, and you didn't really know if they were really representing the general populace or just their own opinion. In effect, you almost had to guard against creating a management surrogate because if those people started speaking on behalf of the rest of the employees, they could undermine management, who was supposed to look after employees' interests, or the union who was technically elected to look after employees' interests on certain sets of topics. Real interesting dynamics. Anyway, nobody would say it wasn't healthy, nobody would say it wasn't successful and that it didn't contribute to a better work place, better cooperation, more motivated employees, and better business results. I mean, it just wasn't ideal. It wasn't what you'd want if you really said that a team-based organization is really operating at its maximum potential capability.

I was really at a corporate level, so I didn't work in a factory setting and observe teams on a day to day basis. I was in the headquarters in LA and all their plants were around the world. I was driving management to implement things like measuring customer satisfaction, figuring out how to resolve the issue that the analysis led you to, training people in the basic team skills, designing the programs, training the coordinators, and then making sure they rolled it out. I didn't have first hand experience in any one setting to be able to give you a comparison of the different industries in different parts of the country. You know, almost ten years later, how was it? Was it the same or was it different?

Talking about the Service Business, let me explain what that is. It's been around a long time, but it's been very small scale. At one time it actually had stores, where you could

walk in and over a counter give your originals and somebody would make copies for you. They had a bunch of these around the country. What they ended up finding out was they didn't make very much money that way because most people didn't want to take their copies, get in their car and drive to have them done. So they started going to the companies, and picking up work. They had a route that they would do every day and go to companies and say, "Do you have any copying you need done?" They would pick it up, take it back to their center, they would do the copying and then they would deliver the completed jobs. Well, that grew to the point where, for some companies, it would just be a whole lot easier if we just brought a copier right on their sight and manage it right there because we were doing so much work that we're using a full time copier and a full time operator. So, rather than running it back and forth in a truck every day, they gave us the space and we set up a copy center, and ran it for them. That's continued to grow now to the point where they now have five thousand locations, and seventeen thousand employees. They're doing over two billion dollars of business a year and they've expanded beyond copying. They now manage print rooms, computer print rooms, mail service, and the reception area. Anything to do with that kind of information management that the company doesn't want to do for themselves, they will do and usually what they do is hire the employees that the company already has because for the most part they already know the job. That's the Service Business that we have.

That is much more like what I would call a true team environment, where you're getting the maximum potential on value and it's because of the structure in which most of those employees are unsupervised every day. You can't afford a supervisor if you have four employees on a site; one person doing the mail, a receptionist, somebody running a copier, and somebody running around doing faxes or doing deliveries. So those people have to go to work everyday at another location, and represent us when they do their jobs. Maybe their supervisor will stop by once a day, maybe they'll go as much as a week operating totally unsupervised. We're not talking about professional people. We're talking about GED people making eight, nine bucks an hour and their alternative is to be at Burger King or McDonald's, or some other front line kind of job. They're typically not highly skilled employees. Now that we are starting to manage networks for people, and electronic documents, and web pages they are starting to bring on a technical kind of person with a two-year computer degree that's kind of a semi-professional person because to manage a computer network you have to have some knowledge of programming and systems. So, they are starting to expand into that area.

The modern organization really started in 1992. For forty years they had this little thing, this series of stores I described, and this pick up and delivery service going. It was still small, and 1992 was only like three hundred million dollars worth of business. They decided that you know there's a trend the companies are moving toward outsourcing. There really is a bigger market here. We really ought to take advantage of it. So, they created a new organization. They put a new guy in as president and this guy absolutely believed that the only way to be successful was to follow this strategy, creating an empowered organization where people were challenged to learn and live up to their potential. He created it based on a values system that was built around servicing the customer number one, as the most important thing, growing the business and fulfilling

people's professional and personal objectives. They just did a marvelous job. I mean, they went in as a team, the management team went in, studied this cubby on principle-centered leadership, and created a value system, and then used to do these really neat learning events. They called them Camp Learning. They determined that most adults don't learn by sitting in a classroom having information dumped on them. They learn through experience, and they learn from other people. They would just bring people together for a weekend, make it a big kind of party atmosphere, and have a lot of fun. Embedded in it was people teaching other people how to do the jobs and saying, "I've got the same situation, let me tell you about how I do it." People taking that new knowledge, and expanding on it. So that organization really did create a very powerful learning network. Very informal.

A lot of managers from traditional parts of the business didn't like working in there because basically people wouldn't do what you told them to do. You go in there and you give an order, and people would say, well we're going to consider that, and if we think it makes sense for the customer, and it fits our culture we're going to do it. Then the guy would say, "You don't understand, I'm the boss." They would say, "No, you don't understand." It really was a shock for people from the traditional side of the company to come into an organization where it really was almost like a democracy even though they had been through this quality thing. Everybody was aligned on one thing: servicing the customer. You would never get an argument if what you were proposing would better serve the customer, and help grow the business, and it didn't step on people's rights as individuals in the organization. So, the damn thing grew at forty percent a year and I'd say it's over a two billion dollar business now. It was very successful, based on that model.

What kind of performance measures did they use with that system?

Well, they really beefed up the gain share. They already had up to a fifteen percent profit sharing plan annually. Depending on the company's results employees could get a bonus check of up to fifteen percent of their annual salary. On top of that they funded another program that could go an additional eighteen percent. Your talking people that make twenty-five or thirty thousand dollars a year, all of a sudden now can get a third of their pay in a bonus. So, another ten thousand a year, in a bonus which is a tremendous motivator for people that are living at that level and that was based around customer retention and satisfaction, growing the business, and meeting the business results. They would measure on a local basis while the norm was all a function of corporate performance. Many people had very little feel for what they could do on a day to day basis that would impact the bottom line. When we have a good year I'm rewarded by it, but I really probably can't tell you how I contributed to it on a personal basis. This was very much more local that the people within a city were the typical geographic area. I think they had thirty-nine markets, or forty markets in the U.S., and this pool was based on the performance of each one of those forty markets. That went a long way toward helping to keep that customer value in front of the people.

Of course, they did a great job of communication through weekly newsletters and conference calls. They'll do things like an open conference call with all the people that have a similar job. There may be a hundred people on the call. It's a one eight hundred call-in number, and it's a forum for discussing issues. You obviously have to have some protocols around that, because you can't have a hundred people talking at one time. But it gives everybody the sense that, no matter where I am in the country on my job, if I've got an issue, I have a way to raise it directly to the vice president. The guy that hosts the call is the vice president in charge of that particular area. So they did a good job with communicating and giving people the sense that they're listening. The management spends an enormous amount of time on the road. The president of that business spends seventy percent of his time out in the field with employees and with customers. Only about a third of his time here in Rochester, or in Stanford. So they were being very visible leaders with the employees which is a challenge when you've got as many locations.

It's interesting that you can have such different designs within one organization. Do you think what's happening in this line of business might transition into other areas of the business?

I think it was necessary to maximize potential for that type of business. It may not be as necessary in the traditional business to do that. There's different forms of teams. Teamwork is still very healthy in the other business but you don't have, and you couldn't have the same empowerment. I mean, in the manufacturing business the product has to go together a certain way if it's going to work correctly. People can't be free to say, well I think I'll put this part on first instead of this one this time. In a design or a technology environment you can put people together to collaborate, but someone still has to decide how's it going to be designed. Is it going to have this much power, or that much power? We can create forums for that, but a lot of the work when it comes down to it, is an individual job that has to be done. It may not be appropriate for it to be always a team-based decision.

Part of that, I think, is the right structure for the nature of the business is what we are changing too. Moving into this digital world, now, competing with HP and software people is going to be interesting to see how they do that. The work force is changing. The expectations of the young people, I think, are very different than people of the generation before me. The people that were in the war, that came to work after having been in the war or served in the war, and that are retiring now had a different dynamic too. You know, my sense is that the young people have a much higher expectation around their input being sought and valued. They've had much more of a say. I think about my daughter, she's twenty-four, and how much of a say she's had in determining her own direction, compared with her mother or her grandmother. It would be my sense that its got to create an expectation that when they go into the workplace I'm looking for more input and to be more valued.

When this company goes into an organization and takes over that line of business, they usually assimilate employees from the organization. Isn't there a likelihood those employees may not be familiar with that kind of a team concept?

Everybody goes through training when they come on board. Most people, we fly to our corporate training center in Virginia so that they can really get immersed in it. It's expensive, but the pay back has been there. People really feel like the company's making an investment in them by flying them to Washington, putting them up for three days, and giving them training, and having executives come in and talk to them. So that they really feel like this is not just something that they talk about but don't do. They really do put their money where their mouth is with regard to backing up these values, and working in these ways.

What kind of on-going training do they do once they have initially trained?

The on-going training is mostly around job skills. Okay, if we're starting a new client, and the client's on a different operating system then we're going to have to manage their work and make sure everybody's familiar with that. We have almost annually some kind of corporate programs to reinforce important values. Like last year we did one called, "Customer First." It was a four-hour training block that everybody went through that was just a little experiential thing that reinforced this idea of, "what does it mean to put the customer first?" It was a very simple kind of experience. Manager's were expected to lead it for their group with the help of a facilitator. It was done in the work group setting or a family group, but not by dragging people into classrooms. It was centered more around a dialogue such as, "Let's talk about your experience as a customer. What stands out for you as a really good experience? What were the attributes of that? What was a real bad experience? What were the attributes of that? Okay, now let's talk about our work as a group. What are the things we do for customers, and what is our ability to have positive impact, and avoid the negative impact, based on your own experience?" We get people to talk about that and foster learning.

We had a little model we created for that called, Three R's and a V which was Responsiveness, Reliability, and I can't think of what the other one was. I can count on you, that's Reliability. You're quick to respond, that's Responsiveness. There was another R in there. The V was value. So, "What are your three R's and a V, when you leave and go back to your work place?" Write it out on a card and keep that in front of you. We do those kinds of reinforcing things. A few years ago we did a big thing on sexual harassment in the work place to make sure people understood that while it's up there as a corporate value it's really something that's not going to be tolerated in any way, shape or form in this company. So, the company had little experiential programs around their work place protocols. Again, when you've got employees spread around, we need to make sure they understand that the same rules go whether you're dealing with our people or the client's people and we don't distinguish between them. Oh, by the way, you as an employee have the right to expect the same treatment from our customers. So, if you feel like the customer is in anyway putting you in an awkward position raise your

hand to your manager right away. We'll take it. We'll deal with it. You don't have to deal with that kind of thing.

Did the structure of the team in that organization at a site include a team leader?

There's no formal leader but there's a technical leader. There's someone who gets paid a little more, and has the word "lead" in their title but that's more about how to run all the equipment, and they're responsible for training people in a technical way. It's not to imply that they have a management role, or a team leader role or anything like that. No, we really try and say, in fact our model says, rotate the roles in a team meeting. We try and say a team ought to have a leader, a process facilitator, a time keeper and a scribe but you ought to rotate those roles so that everybody gets the opportunity to experience them.

Did they have any special way that they recognized people or celebrated some of their accomplishments?

In addition to gain sharing they have customer heroes, where people can nominate other employees because they know they've done something outstanding in support of the customer. Those are judged, and then widely publicized. They have this other little program called, "Totally Notable" which is when you do something that helps me out, I send this pre-paid postage card in to corporate headquarters, and they publish on a web page all the people who are being thanked, and what they did. So, it's just an easy way, again, for someone to acknowledge or recognize a peer for having helped them out in a situation. They have many creative ways that they try to develop a sense that it's a good place to work, that I'm valued here, I'm listened to, and appreciated by the organization which promotes very good employee retention. Over ninety percent of the people make little better than Burger King-type wages which demonstrates a very good retention rate and a very low turnover.

Any thoughts on what you think the future might be?

The challenge for that organization I think is going to be as this technology shift moves, they're going to have to move into people spending most of their day working on computers, and not delivering the mail in a physical sense or making hard copies all the time. Again, you change the nature of the work, and you change the nature of the social interaction that takes place in the work place. That transition's going to have to take place and there's a lot of demand for people with those skills. So, in a lot of markets we are having a hard time finding people that are qualified at the right pay level. There's some business dynamics around that I think are going to be interesting. Also, as I've said, there's been some change in management. This guy retired that created the organization and that was the champion for all this stuff. They hired some hot shot young guy from the outside. I have no idea what his value system is or whether he has any appreciation for this or not. He could mess it up very easily, if he doesn't continue to reinforce those values which have created this success for the last, since 1992, for the last six years.

Do you think they've been successful as far as managing change in the past?

Yes, but some companies recognize it too late, and it takes many years to make a shift. Certainly not anything like what Microsoft did, where they shifted on a dime on getting into the Internet. When most companies finally recognize that they're missing out on an opportunity, most changes that I've seen, require a three to five year kind of time frame to make the shift. But generally, they've gone through two changes and they're on their way to a third just in the thirty years, twenty-eight years, or whatever, that I've been associated with them. So, they're still there. They're not out of business. They're still doing pretty well. They're now faced with a whole other set of challenges, around technology this time. It'll be interesting to see how they do with that.

CASE (11)

I understand that you have used teams in your organization to problem solve and get people to think creatively. How have teams originated here, how they have evolved and what kind of outcomes have resulted?

Well, one of the things here, and keep in mind I have been here less than a year; I have been here approximately eleven months, just a little over eleven months. This is definitely a work in process. One of the reasons I came here though, is when you look around, you look for challenges and challenging assignments, where you feel as an individual you can grow, but also give something back to the business and have a positive impact. I think most of my background as far as teaming goes, is more from a sports orientation. People tend to overuse the word teams and I think the best example I can give you of teams is that just getting in a team, isn't the answer. There are thousands of teams and I think one of the things with respect to teams is that 50% of the teams have losing records. What's the difference between a winning team and the definition of a winning team is a team that has one more win than losses. It is not about winning as much as it is about a championship team. The difference, I think, is the leadership factor, the unselfishness that teammates have towards each other and the focus that is the common goal.

I think these are the three things that separate great teams from say, what I will call mediocre teams and effective teams; teams that are effective. I think one of the things that we are trying to do here is get away from the traditional organizational structures and get people together, cross functional type of people, that co-locate with each other and who absolutely from a team perspective, not only have a common goal, but even from an individual perspective, meet the needs of those individual team mates, both from a career stand point, but also from a job satisfaction stand point. So, those are a couple things, as I said to you, kind of a work in process that were trying to implement here. There hasn't been a lot of teaming here in the past. There has been some efforts on some different programs, but not really true integrative product teams where people actually, from different functions and backgrounds, have an opportunity to co-locate with each other, so that is a little bit different. Plus, we have an hourly union work force and we are also making that part of the team structure, where everybody is valued for not so much what they do with their hands, but really what's up here, in the brain area and try to tap into that. A lot of good ideas up there, but the key as a leader, is to set up a climate and environment for those ideas just naturally to bubble up and be addressed.

Now are these teams just beginning here?

Teams here, in this phase, yes--this is the early stages. I mean I have been fairly fortunate because I have really been in three distinct different areas where I have had teams that are maybe a little more mature than other teams and further along. Like

anything though you have to start and that is kind of the stage that we are in. We are probably about six months into this teaming approach here.

How did you begin that implementation and how did you introduce it to your staff?

Again, fairly radically different, because one of the things here, we had not had a lot of change. We had people in the same positions for a long time and it was difficult because anytime you are in a business that has got a very good reputation, there is a hesitancy to radically change or to go to something different. So, part of it is that you have to set the climate on why and part of that is the competition factor. Competition is absolutely just brutal and the pace of change is just phenomenal and people tend to gravitate and hold on to, "Oh we did something radically different three years ago or three months ago." The problem is that the pace of change is so great, that is all history. That's great, congratulations, but the bottom line is, "What are you doing today?" Because tomorrow, we won't even get to play, unless we are fast and agile and there is such a focus on cycle time and quality and value added to the customer, that you have to have people that are really dedicated and flexible to meet those kind of challenging goals.

That is one of the things that a team work type of approach, even from a communications standpoint, allows you to basically react to things so much quicker. You don't have to go through all these different organization layers and hierarchy and you can instead have an integrative product team type of concept, where everybody is on the same page. A lot of times, somebody would say, well that's a great goal. Well I think part of it is that the goal is one thing and it's kind of the journey that you have fun with because you see these teams mature and you see them start to take some ownership on things that previously they hadn't done. You start to see the big picture. What you really want is all your employees to really see the big picture, not just the little fragment of the piece that they have today, but what does that equate to in the customer's eyes. Are the things you do invaluable to the customer. By being on a product team like that, all the information is shared and all the information is available to people. It is really a much more productive way to run an enterprise, where everybody feels like they are an owner and everybody feels like they are part of it. That again, is kind of a goal of where we are headed. We're on the early stages of that with a lot of enthusiasm and a lot of interest. It makes for a much more fun atmosphere to work in.

So, would you say that your staff has responded well to the change?

As a leader, you'd love to say that, but I think quite frankly, we have made a lot of changes. We have rotated some people into new assignments. One of the things you have to be very careful of when you talk about teams and you go down to the lowest layer of the organization, but typically, the place where you really need to start is at the top layer. One of the things is that you have to break through a lot of paradigms to do that. There are a lot of blockers. There are a lot of people that will not smile who don't really understand and actually work against that to a certain extent, because people from an ego standpoint or even a comfort zone standpoint, get a little bit nervous. I would say early on, you will have--that's one of the things as a leader, you really have to have a group of

people at the top that are fully committed to this because it is not one of these things that 50/50 or gee maybe we can buy into this. It is something that as a leadership team--you absolutely have to have the people that walk the top and that is probably the major step and one of the major stumbling blocks for most teams, because the rest of the team is looking for role models, looking for leadership and if you have what I will call tentative leadership, your team will basically perform the same way. So, you asked me that question, I think we have changed a lot of people around, a lot of leaders around. Again, I keep using the word leaders because typically in a large structured corporation, you will hear about managers. You go to listen to a presentation and the first thing somebody will do is pull out these archaic organizational charts, that were probably made around the same time the Egyptians were making the pyramids, but that is a structure that is, I think, doomed for failure. I think what you really want to identify is some good leaders, that people can rally around--people that kind of balance, not just the fact that they hit the numbers, which is absolutely important by the way but, you have program skills, you have process skills and you have people skills and a balance of all three is needed.. I think historically, a lot of the large corporations, if you grew up on a program and you had all this program knowledge, then you gravitated to become a manager and many times, process skills might have been very weak. Just keep doing what you have always done, okay? People skills, in many cases were non-existent, you ruled by fear as opposed to leading and motivating and inspiring people. And again, you'd focus on just a portion of the organization, not the entire team. I think that is the major change that I think has occurred in the U.S. or is occurring in the U.S.. I think the corporations that are doing that and doing that rapidly are the ones that are surviving and winning and I think that is one of the keys.

Do you feel that your senior managers have that vision?

Mixed, mixed. I think we are in the process of instilling that. I think part of it is what I said earlier about hitting the numbers--people get very hesitant about doing things differently when they have had success. I think for us, as far as the manufacturing organization, we made a lot of changes. I would say half of our staff are new over the last year. To get some new fresh ideas sometimes you have to do that. Many times, I have been in businesses where they were very reluctant to do that. You look at the organization now--I'll get back to my favorite subject, organization charts and it's like the high school yearbook almost, it's the same people that have been in the same roles for five years, ten years and beyond. It is good to have experience, but you need a mix, you need a mix of experience plus good, fresh new ideas. I think that is the best organization you can have. One that is not slanted in either direction, but is committed to each other's success and doesn't talk a lot about I or me but talks a lot about we. That quite frankly, is again, a work in process. We have some people managers here, people leaders, but we also have some process leaders. I think again, that is also kind of a new concept in carving that out. I would say, yes, there is pretty good commitment here. I think it has grown, as we have successes and reward those successes, you build some enthusiasm and some self confidence. Pretty soon, the changes that you made that seem so radical, you look back on and say, "Well that was kind of a peanut change--that wasn't really all that big at all." That is a good sign too, because now you have got the confidence that, hey,

whatever you throw at us, we can handle and fly. Part of that, is success breeds success. I have heard that analogy 1,000 times, but it's true, that's really what self confidence is all about. When you feel like you have had success after trying different things, you are a lot more open to try other things and that really boils down to almost a continuous improvement thing, where you keep getting better.

During this re-design of your organization in the past year, did you need to present it to your employees that some people may not fit this new design, that may need to let some people go and potentially turn around and hire some new blood?

Absolutely, absolutely. I think a lot of that is the fact that we were very top heavy from a management structure, a lot of layers. We had probably with respect, especially for a manufacturing area, we had too many, what I will call support people. As you get better processes, you find that your touch labor people, the people that actually build product, can take on more responsibility and that your quality gets better and you need less checkers and coordinators and again taking a lot of those layers out. Even from a quality standpoint, not inspecting quality in, but building it in. Yes, that is absolutely key, absolutely.

As far as initiating the process, did you utilize any special training programs to introduce your new process?

No, not really. I think that one of the things that I find, is that, I think there is good uses for consultants at certain times, for specific initiatives or whatever. But, I think a lot of this is really actually, quite simple. I think after you have gone through it a few times, it isn't really complicated. In fact, it is so simple that people tend to look at it and say that "This is too simple, we need something really complicated and we need something with more detail." Really what it is, is having faith in people and giving people less of a formal structure, but you kind of supplant that with key metrics and measurements, so people really understand what is important and what isn't. I think most businesses tend to smother themselves with meaningless measurements that don't really equal to anything, yet many people even create a job for themselves by updating these measurements, like this is something really critical. Yet, when you talk to your customer, what does the customer value - - I think that is where a lot of companies really miss the boat. They don't tie in strong enough with the customers and talk to the customers and solicit them. A lot of them I think use this, out of sight, out of mind type of technique and that is bad, it really is, because what it does is it creates bureaucracy.

I think people get too stagnant, too used to the status quo--you need to challenge yourself. One of the things I often hear is, "How long are you going to stay here?", because there is this thing with American business, that you come in and do something for a year or two and get a little check mark and go onto your next promotion. I think one of the keys for me personally, is not so much how long you are going to be there, but what are you going to accomplish while you are there and are you having fun. Those are the two big things, one is when you leave an area, can you come back two years later, five years later and what do people say about you as an individual or about the team that you had? What did

you give back to the business? And I think that is one of the key things that you need is a leader, an individual to make sure that you are setting the right climate for the team, to make sure that the team is accomplishing things. I don't know, I am sure in the past that everybody has been involved with teams from time to time, but one of the things that I always look back on--You'll see an individual and you relate to a success that was really challenging, where nobody thought that you could get through it and you do. That builds such a camaraderie, and I will call it satisfaction. It's a lot more than just the dollars and cents of the things, it's more of just a real positive atmosphere and you always remember successful groups, it carries forever, basically. It definitely is just absolutely outstanding. So, I think one of the things is that you want to challenge yourself and you want to have a positive impact. You want to really give something back and I think looking back on that, to me anyway, is really the fun and excitement of it all. To have a challenge and successfully get through it and hopefully inspire, motivate, and see some people grow along the way, in parallel, is equally important.

So, it's developing that human element as well?

That's the difference, I think, between a team that is very successful and your average team. Teaming is easy. You can put any group of people together and call it a team. It is really how the team performs and then it starts getting down to the leadership and also to the drive of the individual team. It is easy to see, you can walk in--I mean, I could basically walk into an area and listen to all of the hype and bologna that a person, like say for instance, in my position, could show you all kinds of charts and tell you how great it is...But then, you walk out into the area and say wait a minute, I must be in the wrong building, something doesn't kind of correlate here. So, it is very easy to walk in and you can tell right away the difference between a high performing team and just a group of people that are sitting together, calling themselves a team. There is a big difference. That is one of the things that you really want to be very cognizant of. It is great for the leader to talk about it, but how do some of the teammates see it and do they feel comfortable being able to come and talk to the leader about issues. One of the things with that, I think, for us is that we have an open door policy. So if for some reason, there are some people that are frustrated or some people that just can't quite seem to be comfortable with what is going on, you have to have that two way communication going back and forth, that is key also. Just a couple things that come to mind.

During your realignment, were there other structural systems adapted to make all the processes work together?

Oh, yes, like I said to you early on, it is a journey. Every time you turn over a rock to fix something, you always find four or five other things that need to be addressed. That is probably the good news, because that is what keeps you pumped and keeps you interested. There's endless opportunities to improve. I would say, that as we start to get into this and you put people together, there is always opportunities because almost everything you do is going to involve other groups. and how readily you can make that happen, how readily can people work together with a boundary less type of attitude, without having to go through a lot of bureaucracy or organizational structure to make

things happen. That truly, I think, starts to really push back on the teams, where you don't have, "Not my job" type of attitude, that completely goes away and people just readily jump in. On a day, where, for whatever reason all the things that you have to take care of, either they are not scheduled that day or you completed them early and you willingly turn to your teammate and say I can help you on this or do some other things to help the team. That is also, I think another opportunity as you start to talk about where are some of the opportunities and what's next. Again, I think that is kind of a behavioral type of thing that is really an unselfish type of thing--you start to really bring those things together. And that is another item, these teams mature and take on those things without being told to take them on, that is the fun part.

When you see it happening?

Exactly. I know it is working for us because, number one, moral wise, it is a much more positive environment, but on top of that, the results speak for themselves. We are taking a lot of time out of units that are going to be shipped contract date two months from now and all of a sudden I am ready to go. Things that we had scheduled for the first quarter of next year are ready. People are working on those things and we are really making some positive impacts schedule wise and cost wise. Again, we are just scratching the surface and there is still a lot more opportunity here.

When you were selecting some of your employees in this process, were their certain characteristics that you were looking for in regards to your vision for the company?

Absolutely, absolutely. We have already talked about a couple of those, but a couple are a good balance of program, process and people skills. As simple as that sounds, when you really get to the next layer down and start looking at those things, there aren't a lot of people that have that balance. Being a leader vs being a manager, and there is a big difference--being unselfish--being committed to the total business goals as opposed to personal gratification type thing--being really focused on improvement, getting faster, doing it with less people, continuing to drive and set the right example. And again, all those characteristics of a good leader; less I and me and more we, and how do we really get the whole group involved, as opposed to the so called pets or what I previously referred to as key individuals. There are still key individuals here, but there is still a focus on getting the whole team there. The people that really make their teammates better because of their presence. Those select individuals, I wish I had more right now. The few that I do have where they elevate their whole team and can see the big picture--those are some of the key characteristics.

What kind of performance measures do you have?

Well, one of the key things is, we have what we call a metrics chart from a business standpoint that talks about delivery cost, cycle time and quality. We have key initiatives that we are trying to introduce here including: cycle time and quality losses, and obviously from a pure numbers standpoint hitting the numbers is equally importantly, developing other good talent, mentoring, coaching, leadership talent, keeping the staff

doing the right things for the right reasons and being compliant. In other words, you can hit the numbers, but you also have to do it the right way by playing by the rules and more importantly, being recognized as a role model for people, as the highest ethical standards. I think those are probably the three--when I said the initiatives, I mean, being open to process is basically a process individual, but now, it is not only the way it has been done, but the next person will be easier because you have implemented some changes that make it even better and take that to the next level. Again, it's that balance of the three P's that you will hear me talk about a lot, but it is important.

Are your staff reviewed on an annual basis?

Yes they are and they are evaluated on team accomplishments and individual accomplishments. We look at ethical standards, we look at strengths that this individual possesses, we look at development needs. We do that on a 360 basis. I don't know if you are familiar with 360's, but we send out forms to team mates, be it people that are on the team, other salaried people--we have a pretty good cross section and customers to give feed back. What are some of the strengths that this individual possesses and if there were one or two areas of opportunity for development or improvement, what would they be? We get some pretty good feed back on this and then we talk about career development. What is the individual looking for and how can I help get them there or is it realistic? Part of that is being honest with people also. I like to think everybody, or most people have annual performance reviews, but once a year is not nearly enough. I like to feel that I am giving people feedback on a daily basis, set the right climate, but also let people know how they are doing. If you see something that is not going in the right direction, don't ignore it or pretend like it is not there, I mean, address it right away. It will help the individual and it helps the team. I would expect the same on myself. I solicit feedback from not only my staff, but some of the other key people in the organization.

How about recognition?

Recognition is always a struggle. When I say it's always a struggle, when you have a large diverse work force, you can have almost anything, you can have a pizza party and make mistakes. When I say make mistakes, you forget people, okay, you leave somebody off the list. One of the things that we are really trying to do is have on the spot recognition and just introduce when somebody does a good job, almost instantaneous acknowledgment. Some of the rewards are monetary but some of it's things like tickets to the Syracuse football or basketball games. We try to do things more on a team aspect than on an individual aspect, but both for the salary and hourly. That again, is probably a work in process. We have about five or six different mechanisms for our facilities group. We are in the process now of rewarding them; they came in under budget, significantly under budget on our expenses and we have got about 40 people in that facilities group and we are getting them shirts, sweatshirts and plus a pizza luncheon. We have individual accomplishments that we have a reward system upwards of \$1,000 for something that is really significant. We have team awards--we have things like coffee mugs, plaques...We could still make improvements though and we are working on it *but*,

typically, we are trying to get away from a lot of individual awards. If it is something really significant, absolutely, reward it, but we are trying to get more of a team type of award, where everybody benefits and everybody gets acknowledgment. So I think, in a team environment, when you start to reward individuals, it has a tendency to create animosity at times, because let's face it, you always overlook something or something that maybe you thought was significant was presented that way, but in reality, a year later, you look back and it isn't that significant-- where other things are and you tend to miss. So, we like to reward typically successful completion of programs and look at the entire team and I think that is a much better process.

The teams that you have developed so far, have they gotten down to the front line employees or is it still at middle management?

No, it's all the way down. It's just that management--that's a joke--all that is, is just another organization chart for structure. One of the things that I firmly believe, if you link in the whole team, all from an attitude and a communication standpoint, you can have almost any organizational change and people will make it work, will make it successful. On the reverse, you can have the greatest plan in the world, but if you don't link in with your people, it will fail. That is a lesson that I probably personally learned three or four times just from observation within organizations. I have worked for people that you would go almost go a year without even seeing and as far as visibility and the lack of. I have worked for other people and you'd see them almost too much, but it is really a mix. You can be seen and not communicate--I mean what you really have to do is especially in a role like I am in, you have to have a vision, you have to articulate that to the group and then you have to give very clear examples of the things that you do, how that ties in and be ready to stand up and answer questions when people have concerns. Are you consistent, does it make sense and are you flexible? If in fact, the game has changed or the climate has changed or the competition has changed, can you make modifications to that and articulate that? So, I think the biggest thing is--two of the biggest things are communication and also having a plan that people can respect and buy into--and it really gets you to where you need to be.

What do you see the future of this organization?

I think I just see that growing. To me, the future is kind of funny, because we used to hear a lot about five year vision, or ten year vision. I don't know how to set a five year vision and I don't even waste my time. I think, to me, really, I look at one to two years. Where do we need to be and is it something that you can get people flexible enough so that they can react quickly to change. I think that is our goal. When we make changes, people need to just jump right into it and do the things so that you can be agile enough and quick enough. I think our key driver over the next couple of years is really the cycle time focus. By being faster, doesn't mean you do sloppy work, it means you maintain, or even increase your quality and yet take a lot of the time factor out. I think that is our future, basically, linking it with every employee. Now that's a goal. I am not saying that is never going to happen, but that is what you strive for. I'd love to see to the point where everybody gets up in the morning and is as pumped as I am to come to work

everyday. You try to set the right climate, the right environment where people can basically stretch themselves and have success and feel like they are part of a winning team, that is the objective.

Are there any other team experiences that you would be interested in sharing?

Oh, I could give you a couple examples. I'll tell you another thing about teaming. What really accelerates teaming is having a significant event. One of my early experiences was back with aircraft engines with GE where in a period of about 2 ½ years, we lost three fairly good sized contracts and basically had to downsize about half of our work force. In fact, the first contract we lost was so large that almost overnight, we had to lose about two hundred people and it was really a brutal environment. It was very difficult. But yet, it was also an opportunity to implement teams and implement some drastic changes, because people could see that by doing it the way we were doing it before, we weren't going to survive and it really accelerated things.

The only reason I share that example is because my last role, which was in Indiana, there was an area that was actually two distinct different chapters. The first probably two years that I was there, it was difficult because we were fixing lay offs, we had some quality issues, we had some problems and people were still very open to change. When I say open, it was tentative, but once we got going, you could see the success. Where it became difficult is when we started to grow with the business because people were getting used to working overtime, they were getting used to coming in everyday and not having to worry that I'm not going to have a job six months from now. I honestly think from my perspective that it is easier when you are struggling and you have had bad examples to implement teams and implement change. When things are perceived as going very well you have what I will call hidden agendas, either from your senior management team or even from some of the individuals and they just can't see the need and that is where it gets a little more difficult. I always have a sports analogy, but one of the things I always watch and have always gotten a kick out of is that most of the teams that win, very seldom come back the next year and win again. The reason for that is because the complacency starts to set in and the fact that you read your own press clippings and maybe you are not quite as hungry as you were the year before. I think that is part of it too. I think that as humans become aggressive and hungry and see a need their is a much greater chance of success. Once they're there, now all of a sudden they start to back off a little bit and think they made all of those changes and don't have to do anything else, that becomes the kiss of death. That's where the complacency factor starts to set in. So, part of being a leader is to make sure you are still driving even better. That's why I say it is more of a journey than a destination. You can feel good about yourself, but don't fall in love with that for too long. Keep going and keep driving!

CASE (12)

My division does contract packaging. We have our customers send us their product, and then we will package it in several different formats: either labeling, carton, blister sealing, skin packaging, or shrink wrapping. We handle the customer's product, come up with a creative packaging solution, and then distribute to their customers.

What types of teams do you use?

On our manufacturing floor we have teams based around pieces of equipment or functions. We have one line that is taking the customer's product and putting it into a packaging configuration, and shipping it. There will be, and the number changes on a day to day basis, but there'll be approximately seven people on a team. What defines the team? Each team has a score card that they're measuring themselves on, on a daily basis. So, really, what defines the team is what we call a "work cell" and that group of people for that day are very clear on what they're objectives are. They are measuring themselves and scoring themselves for the day.

Is a "work cell" (just to understand the terminology) similar to a work station? How would you define a cell?

A cell would be a group of people that are manufacturing a process from the very beginning to the very end. It's a line where there's several things happening. At the beginning you have all the components and at the end you have a finished product that they're working together on as a group to manufacture.

How did you decide to implement the team phenomenon and how has it evolved in your organization?

We decided to go to teams because the division was unprofitable four years ago. It wasn't to improve the morale. It was strictly for business reasons, to drive the performance. As a result of implementing teams, what we've done is eliminated a lot of staff positions, and passed down a lot of responsibility to the people on the floor who are actually manufacturing the product. For instance, we do not have supervisors because the team has clear objectives, and they know what they need to do on a daily basis. We've been able to eliminate the supervisors standing on the floor and basically not adding any value. Also the teams have taken on the training and the continuous improvement activities. They do the scheduling on the line. They determine how many temps they're going to need, and actually call the temporary agencies, and bring temporaries in, and let temporaries go. So, the reason why we went to teams was to: be able to eliminate a lot of staff positions, to become more competitive, and to build flexibility.

Did that decision to go to teams come from leadership or consultants? Had you seen or experienced teams as being effective in other companies?

I've been managing the division for two years. Two, actually the three years before I was the manager, we had a person that's no longer with the company that had worked at Kodak for several years, that was in a team-based environment, and had a lot of training in the area. So, he was the one who started the implementation and moving toward teams. From then we've built on it.

How long would you say that process took?

Well, it's still evolving. I mean, basically, when we started there was one specific day where we just sat down with the entire division. In the past, people would come in and work at their specific operation for the day not have an understanding of how they were contributing to the bottom line or how they were contributing to anything. They basically walked in the door, sat down on a piece of equipment, did their job, and left at the end of the day. We had a meeting, and spent an entire day breaking into teams. We had the groups, or all the employees basically, break into different groups. Once they did that we had them choose out of the group the team leader. We didn't assign people to be the leader of the team, the teams themselves chose that. So, from that day basically, the following day we came in and you could say we were team-based because there was a group of people that saw themselves as a team. But, like I said, it was really an evolution. As far as you know, there wasn't really a set day. I guess, that if there was to be one set day that you could say, when did you become teams, it would have been four years ago when we had that one meeting.

The purpose of that meeting was to begin teams, but as well to give, if I understand correctly, to give your people an understanding of what you needed to do as a corporation to be more effective, and to be more competitive in the marketplace. Is that correct?

Right. The teams, once we had the people form into the work cells, like I was explaining briefly, they were given a score card, where that team's objectives for the day were measured and they were accountable for. They were measuring quality measurements, safety measurements, cleanliness measurements, training and profit. So the team, with the use of the score card, became very clear on their daily objectives. They worked together to accomplish scoring high. As a result, instead of coming in and working as individuals on certain parts of the line, they worked together to figure out the best way to accomplish this goal.

This was done on a daily basis?

Right.

Is there any other means of measuring performance on a longer term basis, say on a quarterly basis?

The teams have a day to day measurement but we as a division have other key objectives around customer satisfaction, quality, profit, and training. The score card is the tool that drives the key objectives, but makes that real for the people on the floor on a daily basis. The score card isn't just focusing on production. It's focused on continuous improvement, training, cleanliness, and safety. It's driving, on a daily basis, the things that we're trying to accomplish as a division on a longer term basis.

Are those key result areas determined just by management, or do some of the teams become involved in that process as well?

The teams become involved in the process of how to revise the score card. For instance, management came up with, here is what we need to accomplish as a division. We want to drive these factors. The teams have input into the score card. They will revise this. Say there's an issue, and we aren't driving continuous improvement. Then our team leader may suggest we need to place a heavier weight on this item or, if there seems to be at the time an issue with cleanliness, then we'll reduce points, or the weight of maybe the training piece, and increase the points on the cleanliness area. So they have input to how the score card works, but it's really up to management to decide the key factors, and what we're trying to drive.

What kind of expectations do you have on the outcome of the score on a daily basis?

A key part of driving performance is that there's an incentive and a reward for high performance that's real to people on a daily basis. Even though we've got long term quarterly objectives, the score card has driven our improvement because we will have the reinforcement that for every score card that's a hundred points or better we receive a POG. A POG represents five dollars that goes into a bin that's on the floor and very visible. They're actually balls that accumulate, that are worth five dollars apiece, but when it gets up to two thousand dollars, then everyone on the floor splits the money equally. The other reinforcement that we have to drive the score card performance is, we'll set up a weekly goal in the team leader meeting. Typically it's, if the average score for all the teams at the end of the week is a hundred and ten percent then everyone, including temporaries, will go home an hour early, with pay, on Fridays. So, this is a way to link our division's initiatives to the teams' on a daily basis, and drive what you're trying to accomplish.

Can you expand on, as a part of the score card, what you're looking at when you look at continuous improvement? How you measure that component?

The score card's been revised since this one that you're looking at, and now there's a weight of continuous improvement of fifteen points. Each team, each day, in order to get those fifteen points, and they have an incentive that's basically, if they don't do the continuous improvement piece then they don't get their reinforcement at the end of the week. We have a continuous improvement form where they document their number one problem of the day. They have two options. They can either document the number one problem of the day, or fix one thing that would have the largest impact. They might come up with a way to make an improvement on the line. A typical one would be, if there's a line that's running with six people, and their rate is to do a hundred units per hour, if they can reconfigure the line, and they have the freedom to change anything that they want, they can reconfigure the line so they can run the same rate with five people, that will be an example of a continuous improvement item that they would get fifteen points for. Also, a continuous improvement item could be a safety issue. If someone is working on the line, and there wasn't an accident but they recognized something that could be a potential problem, they'll fill out a continuous improvement form stating such and such needs to be fixed. The other thing with our continuous improvement is that teams are responsible to implement their ideas. There's not a separate group. They don't push it off on management by saying, "I found a problem with this safety issue, you fix it." The team has the authority, freedom, and responsibility to go back and implement whatever their idea was. Really, we measure continuous improvement by the number of forms that are filled out, and implemented. The real measure of continuous improvement is in the number of customer complaints, profitability, and in other measures.

Do you look at output in terms of both numbers and human development?

Well, one item on the score card is the whole training piece of it. I guess that's how, looking at human development, we have a unique structure because there are no positions, there's no layers, and there's no job descriptions. Everything in the plant is proceduralized, and everything that there is to know is in the form of a procedure. We have a training matrix that lists every procedure in the entire building from estimating how to set up a carton line, shipping-receiving operation, or the employee certification procedure. Everything that there is to know in the building is proceduralized. The way our training process works is that there's no limits to what someone can learn. The goal, and what people are reviewed on, is how many procedures they've taken the initiative to learn from their last review, in addition to how many procedures they've taken the initiative to train others on. So, part of their review is based on training, cross-training, and how many continuous improvement initiatives the person has taken themselves and implemented. As far as human development, I guess the way I look at that is that the more someone can learn at our facility makes them more marketable and more valuable to us, but then also more equipped to go and get a job at another place at a higher skill level than when they walked in the door.

Do you use that as a motivating factor for individuals that come on board here?

Yes, and I think what's motivating for people is the fact that they don't feel confined. There's no, I need to sit here and do this same thing for three years, and maybe I'll be lucky enough to get a shot in this next level up because there's no levels in the organization. It's so flat. It really creates an environment for learning and creativity and I think, just not having the restrictions makes it an exciting place to work, and a place where people want to come work.

Is the learning that people acquire mostly on their own or are there classes, or formalized training programs that they can participate in?

Our training process has evolved a lot over the last few years. When we started there was a production facilitator, and her responsibility was training and continuous improvement. She was really the one that took the initiative to go out and train people. I'm just talking on job skills within our environment. She was the one that took the initiative to train people within the division. Since then, over time, we've made it a team responsibility. We've got a number of people within the division that are certified to certify. Like I said, the incentive comes from the fact that people are rewarded for teaching others. So the training, there's both an interest on each individual to want to learn because it's a big part of their review process and what they get paid is how much they know, and there's also an incentive for the people to teach others within the division. The company also has a program where if people want to take classes on the outside, according to what grade they get, they'll be reimbursed. If they get an "A" in the course, they will be one hundred percent reciprocated. If they get a "B" they'll be ninety percent. But a lot of what we do because it's a lower skill level, most of the training that we're doing is within the plant. Not to say that people haven't taken courses on the outside but it's not highly technical, so there's not a real need to go to the outside for a lot of the training.

Does performance review occur within the team, as well as by management?

Yes, the way our review process works, like I was saying, and these are the hard facts that we look at, "How many procedures have they taken the initiative to learn since their last review period, or train others on since the last review period? How many continuous improvement forms have they filled out and implemented?" Then the other key piece of it is that we take, we randomly pick three people in the division, when someone's getting their review, and because we're flexible, everyone works with each other at different points. So we'll randomly pick three people, and those three people will evaluate the person on more subjective things, you know, initiative, attendance, attitude, and perseverance on the subjective issues. Then we'll take those three scores, and weigh them, and average them. So, we get input. They're really evaluated by their peers, and then the training piece, and then the continuous improvement piece. What the manager does is more of just taking the information, comparing it to other

people, and then giving them a percentage increase based on where they fell in the range.

As far as the team composition, do these teams tend to stay together or does the composition of teams change frequently?

When we first started the teams they were set. We had a Jones Team, and the same eight people worked together every day. Sometimes they needed temps, an extra three people on the line, because they were running a job that was unique, but those eight people stayed together. Part of the evolution, and part of the reason why we went to teams, as I said before, is to increase our flexibility. Now we're at the point where there are no set teams. On a daily basis people will come into the building and fifteen minutes before the job's starting as a group decide who's going to be where and what makes sense for that day because we're running multiple jobs. We'll leave it up to team members to decide. If one job is particularly difficult one day, maybe we'll have three of the higher skilled people in a certain area but that's up to them. On a daily basis they're moving, and deciding who goes where. Within a shift, I was describing our plus that we have, where if all the teams score a certain percent, at the end of the week they have a reward. So, what you'll see is that, in the middle of the day, if one line's struggling with getting their rate, they'll pull people from another line. Everyone's focused on how the division's doing as a whole, and they're not just thinking about how their line is doing. There's a lot of movement throughout the day, where people are helping out the teams that are scoring eighty percent, and vice versa.

Are there team leaders, then?

There used to be set team leaders. There were five different job cells, and there were five team leaders. That wasn't extremely flexible because if someone was sick we had to all of a sudden run a third shift, or as we were growing we started having eight work cells one day and back down to five the next or up to six the next, so we recognized that we had to develop, and are continuing to develop as many team leaders as possible and ultimately getting everyone in the division up to a higher skill level. So, it's not that there's a set number of people that can be a team leader in the plant. Every time, basically, someone gets to the point where they're a team leader they begin to take on training someone else in the building, someone else to teach everything that they know to get them up to the level that they're at.

How would you define your team leaders? Is it based mostly on having a certain number of skills to do the different processes that take place in manufacturing? Is it mainly based on skills?

It's partially based on skill, but if you read the job description of the team leader, there's other responsibilities that they have as far as resolving team conflicts. They're responsible for, you know, team leaders need to ensure that the people on the line are

certified to do the job. They're responsible for posting how the team's doing throughout the day, so everyone on the team is aware of how they're performing. The team leaders set our plus for the team that day, which is, our goal is to have x percent done by lunch. If we have this amount done we'll take an extra ten minute break. They come up with the reinforcements for the team on a daily basis.

If you have several team leaders scheduled or for that matter no set team leaders, is it just decided amongst the team themselves who will be the team leader?

We just made another change of the score card. They have a five minute meeting in the morning, and part of the five minute meeting is to decide who will have the responsibility of being the team leader for that day, in that cell. It can be anyone that is certified to do the job. They'll actually decide as a group because like I said, we're constantly flexing. There will be days where you'll have four team leaders, all working on the same line. They'll decide, okay, I'm the one that's going to be responsible today for the line clearance, doing line check, finished product audit, or the score cards. So they decide amongst the group whose going to do what piece.

When people come on board with your company what characteristics or qualities are you looking for in selecting those individuals?

We're lucky enough to have temps. When we go to hire full time people we are hiring people that have worked with us for a long time. It's decided by the team and again, it's the hard facts balanced with the soft skills. The team will have a list of all the people that are applying for the job. We'll say, "we'll be able to hire four people." They'll chart how many procedures does the person know, how many continuous improvement forms have they filled out and then are they a team player? Are they here on time? Do they have a positive attitude? So they'll balance the soft skills with the hard facts.

When people come in from the temporary agency, right at the start, how do they feel about the environment that you have here? Do they welcome it, or is it very strange for them?

What's great is, like I said, the teams manage the temps. They decide who's coming back the next day, and who's not going to come back the next day. They also have the authority to, if someone isn't working hard, or not working up to the level that they expect, to ask the person to leave after four hours. We're required to pay the temp agency for four hours, so they'll keep them the first four hours, but if someone's not a performer -- they're out. So, it's a great environment because the people there have a vested interest in performing, because they are rewarded for performing. When a temp comes in, if they're a high performer, the team goes above and beyond to keep the person there, to make them feel welcome, to tell them, hope you come back tomorrow, you did a great job today. They're very in tuned with keeping the high performing

temps and letting go the non-performing temps. So, in general, do temps like working there? The ones that like to work, like working there. The ones that don't, aren't around for long.

Can you tell me a little about how you got involved with the Quality Cup award, and what kind of impact that had on the organization?

Actually, there's a person I work with from Quality Perspective that does our internal audits for ISO, and he suggested that we put in an application for the Quality Cup award. So he and I put together the nomination and sent it in. It was exciting. It was funny, because something that you think it is going to be really rewarding. We had to nominate one team, and we ended up nominating our second shift team, called the Night Hawks. There's just eight full time people on second shift but they're extremely flexible and cross-trained. Some nights they have eight people, but they'll go up to having thirty people. They're all team leaders and one night may be working together, and then the next night they'll be running eight separate cells. So we nominated the Night Hawk team. Then it was hard to convince the entire division that we won as a whole, and it wasn't just the second shift team. It was exciting. It was really exciting. We took the whole group down to Washington, D.C.. It was very, worth the nomination.

How did the employees feel about it? Was it a motivator or, a good reward system?

What it was? It wasn't a motivator, it was a reality check. I think, we have an unbelievable work force in that room that puts in such a tremendous effort. Our standard that we set for ourselves is so high as far as cleanliness, and production, and continuous improvement that, I think it was great that they could see that, wow, how we compared to other companies was on the top. I think, for them, they didn't realize that. People tend to focus on what you're doing wrong, versus what you're doing right. That helped a lot, because that was a way to say, now there's still thousands of things we can improve upon, but step back and look at what we've done and where we are. So that was good to have an outside perspective on where we're at.

As far as upper management is concerned are there certain management theories that you believe in, or that you follow, or certain models of continuous improvement that you use as a basis for your organization here?

Yes, we actually, we hosted an event that was a Kaizen Blitz and we held the seminar on that, which was helpful. That was a three day initiative to take two areas: One was the make readies on our carton lines, and cut that in half and the other was a process we were doing that involved packaging of single use cameras, and we did a Kaizen Blitz on that process as well. As part of their score card on a daily basis to get the fifteen points they can either do continuous improvement, which is what are you going

to fix, or what we call Kaizen. A Kaizen is a continuous improvement. It is how to take what they're currently doing and improve on it. We did both. How a book would define a Kaizen Blitz, we did that, but we also took the term Kaizen from that event and practice it on a daily basis.

I guess the philosophy that we have on continuous improvement is that if you make small incremental changes on a daily basis that's the way you drive continuous improvement. We don't get caught up in when you make an improvement it's got to be measurable and assign a dollar amount to it to be a major event. In my mind, expecting that there will be improvements on a daily basis, every day, even if they're small, is going to have a much larger impact overall than focusing in major improvements. As a result of driving the continuous improvement on a daily basis we're constantly able to go back to customers and offer them lower prices. When we run a job, the team doesn't settle for, this is the rate, this is what we have to do. They're constantly trying to say, how can we do this better. Or, if we had this, we could do this. It's in their mind, the people on the floor and it's not management coming out and saying, you should do it this way. It's really expecting the team to do that, and to do it daily. It's amazing what they come up with. There's been such off the wall ideas that have made no improvement but, as a result of just having that creative mind set, there's been some ideas that have saved the company thousands of dollars. If you're not involving all of the people then you're not going to get there because, in a traditional work environment, how much time do I have to, as a manager, to go out and focus on every single line, and to make improvements everywhere with everything else on my plate? It just won't happen!

How do you think that you were able to change that mind set from the traditional management style to team-based? How did that happen?

A lot of constant attention to it, having a clearly defined goal on a daily basis, and having a clearly defined reward for high performance. If you just have the goal, and you don't have the reward it won't happen. If you have rewards, but the goal isn't really clear you're not going to be able to drive it. It's a combination of having very clearly defined goals, and very clearly defined rewards that people relate to that will motivate them to work.

Was this a process that gradually evolved as you transitioned into the team environment?

Yes, and it continues to change because what will motivate people to work one day is not going to be the same in a couple of weeks because they'll get bored with it. We've done so many different rewards. When we first started I would constantly make the mistake of guessing what would be rewarding to them. I would say, okay, if we get this we're going to get this and people wouldn't work for it. Some would, some wouldn't, but it wasn't motivating. So now, when we have the team leader meeting

every week on a Tuesday, we say, okay, what's the goal, what's the reward? It'll go from one week it's food, the next week it's go home early, the next week it's So, it's up to them to decide it. That's the challenging piece. Keeping it fresh, keeping it new, and keeping it something that they'll work for.

Do those ideas come from the employees as well? The team leaders decide with them?

Oh, yes. Then, another key piece in that is making it very, very visible. On our lines, in each cell, there's a board that says, at break we should have this and we have this, and at lunch we should have this and we have this, and our reward for that is this. It's visible, and it's in the cell. Then, like I was explaining, the pogs, we've got a huge score board up that says the days of the week, and all the different teams, and all the scores, and we tally them on a daily basis, and then we have that weekly reward. All of the rewards and measures are very visible. Even a temp that's been in the building for one day, will say, what's that thing over there?

What kind of outcomes are you seeing from this new environment? The bottom line.

We were, like I said, four years we were unprofitable. It was a matter of survival that we went to teams because if we couldn't turn the division around it would have been closed. So, for four years we were unprofitable. The following year we were basically break even. Last year we were at a nine percent profit, and this year we're at a nineteen percent profit. So, from a profitability standpoint it's really drastically improved. From a customer complaint side of things they've gone down. Year to date we have two formal complaints. Last year we had six formal complaints. The year before we had about fifteen formal complaints. So there's been drastic improvements with customer complaints. Then, for a number of job skills per employee, that went from last year, it was around twenty-two. I'm going to have to get back to you with the job skills per employee, but it's also increased tremendously and the number of continuous improvement forms filled out has gone way up. From a division's performance standpoint there's been drastic improvement and it is clearly attributed to teams. We've been able to eliminate a lot of overhead positions. If the teams weren't managing the manpower piece, and managing temps (who was staying, who was going), evaluating the high performers, if they weren't managing that piece we probably, with the fluctuation in our work force, would need about three staff members to manage that. Same with the training/continuous improvement piece. We've got a tremendous amount of training going on, but we don't have two trainers on the floor. So, just as a result of the teams' taking on more, we've been able to really cut our overhead and then drive our performance as well.

If you were to define a team, what would you say comprises an effective team?

To define an effective team, as I stated but I'll restate it, because I really think it's the most important factor. You can't have a team without a clearly defined goal that's visible, and that every person knows the score at all times. That's what defines a team. It sounds really simple, but when you think about how many work places say, we've got a team, but the team doesn't know where they're at, then in my mind, that's not truly a team. So, have a clearly visible goal. And on a different level how to get an effective team, is through communication. Open and honest, fearless communication. We spent a lot of time resolving conflicts because when you move from a traditional management structure to a team-based environment there's a lot more interaction and inner dependency between people. As a result there's a lot of conflicts. It takes a lot of time and attention to resolve conflicts and get rid of triangles, and if someone has an issue with someone else making sure that they deal with that person head on. Where we are with respect to that today, compared to where we were at two years ago, there's a drastic improvement. It took a lot of time and coaching to get there as well. But that's critical in having effective teams, is to encourage direct and honest communication between the people. When conflicts arise, having two people resolve it and taking the time to resolve it before you continue with work.

How would you describe the relationship between yourself and the team?

They do not view me as a boss at all, which is good. I think they view me as: I supply energy, and supply the focus, and share the risk. More of a coach and a motivator than a boss. I set up the boundaries and the rules, and then they've got a lot of freedom within that.

What do you see in the future?

In the future? We will be one of the leading packaging companies in the United States, and the teams will continue to evolve. It's funny because where we were, a lot of times the evolution and how much they've taken on has shocked me. You think it can go this far, and all of a sudden you're at the next level. So, there's a lot that we can continue to do. It's amazing when you trust people, and have faith in people, and give people the responsibility, what they take on.

CASE (13)

I'm talking about a transition from centralized to de-centralized, or towards a team format for delivery of care in the home healthcare field. Our effort to de-centralize came from some research on customer needs, looking at the future, looking at how health care was or may be delivered. Our goal was to provide the most efficient care, the fewest number of faces in front of the customer as possible, have multi-disciplinary care management, as well as to reduce the cost of delivering care by twenty-five percent. That was a goal of ours. So, single points of contact to the customer. This took place in nineteen ninety-five, ninety-six. We had done some focus groups with our physicians and our main customers. Patients who receive our service. Physicians who refer to us. Hospitals who refer to us. And then we also did focus groups with nurses, our own employees, nurses and health aids who provide service. When we looked at our customer needs, our biggest referral source was physicians. Physicians wanted a single nurse to care for all their patients. They didn't want to be talking to six different nurses at the home health care agency. They wanted just to be talking with one.

Up until nineteen ninety-five we were organized geographically by area within the city. So we had a Northeast, Southeast, Northwest, Southwest grid, and nurses traveled within their area to cover all the cases that we had within that area. To meet our customer's requirements, our referring customer's requirement of sending single face to the customer, that would mean that we would need to change the way that nurses went to cases from being geographical to being physician-dedicated. They might need to travel the entire county to accomplish that. Patients also wanted single face to the customer, if at all possible. They wanted no more than three different practitioners, three different nurses coming in for their care.

So, a design team was put together to design what they were calling the Continuum of Care, from the point of referral to the point of discharge. Their job was to design the most efficient system, given those few criteria of single face to the customer and reducing the cost of service. There were four goals we had: seamless service, cost and efficiency, quality, and customer satisfaction. Around those goals the group began to design a new organizational structure looking first at the continuum of service, and then looking out from that to say what systems and procedures and structure is going to allow us to deliver that. So, where we had been by area, we now were going to be by hospital. That group came up with the idea of creating Service Delivery Units that would be dedicated to physicians by hospital. So, each physician had a primary hospital that they practiced with, and we would assign, or have a group of nurses and home health assistants who were dedicated to that hospital. They covered all the cases of all the physicians who practiced at that hospital. We further defined it that each

nurse would have specific physicians that she would cover the cases for. Her job was not only to provide care for those patients but also to provide information back to the physician on the status of patients as well. They had that responsibility where they had not taken much responsibility for that in the past. They focused more on the family and the patient. Now we were asking them to bring in more awareness of the physician as well. Not that they hadn't provided any input, but that became more a primary focus for them.

Within each of these Service Delivery Units we attempted to set up nursing teams. Each team was comprised of about four nurses and an LPN. They had a dedicated staff person, called a Patient Care Specialist, who was their communications link, and was dedicated to follow up with any paperwork and that kind of thing that was required of those nurses. Around this team there was also to be . . . Oh! The rehab was, is part of that but there are fewer rehab folks than there are nurses, so they couldn't be divided out into each team. They struggled between, do we stay a team that is called Rehab, or are we dedicated to each of these Service Delivery Units and not a rehab team? Are we part of these other teams? They struggled with that self-definition the entire time. After the change they pulled sort of dual citizenship. Their primary citizenship is maintained within rehab, but within each service delivery unit there may be three nursing teams and a few rehab specialists, or rehab folks, physical therapists, and speech pathologists, who are dedicated to these teams. They also have responsibilities to their peers for covering cases where that's necessary.

The job of changing from centralized to de-centralized entailed a huge amount of data collection, including for each position in the city where their primary practice was focused, and who had currently seen their patients, who of all the patients at the agency, which ones were for which physician. All of that had to be determined and re-divided by up nurse, or by nursing team. Where the nursing team struggled, and continues to struggle, is in the sharing of cases versus the case management of cases. So, let me give you an example. Nurse Jane sees doctor so-and-so's patients. His patients range from Brockport to Pittsford to all around the county. She currently is trying to see these patients all over the city, and our dedication is to as much continuity as possible for each of the patients, plus single face to the customer. It would be more simple if this nurse and her teammates could look at all the cases that they have, and the geographic location of those cases, and divide them up by location. Their work life would be more tolerable. They'd spend less time driving, and more time delivering service. So the struggle between meeting the requirement of single point of contact, or nurse to physician dedication, versus the nurse's quality of work life and ability to accomplish all their tasks in the time that they have, it's challenged. In terms of the team what becomes a challenge is, say Jane decides that her cases in Pittsford could be seen by Mary. Jane's going to let go of control of her cases to Mary, and rely upon Mary to provide back information to Jane, so Jane can be the single contact with the physician. Traditionally there is not a lot of willingness to release control of cases which you're managing to other nurses because it requires them communicating back to

you what's happening, and the relationship of the patient is effected. So, whether these four or five nurses make the most efficient use of the skills present in the team, and the location that each person is driving to is dependent upon willingness to let go of control of certain cases, or any case, or any visit. So, they're always balancing the need to control quality, and their perception of quality, with the cost of doing the drive. With the physician demand of, I don't want other nurses seeing my patients, which physicians aren't even so aware of who's seeing their patients, they want only one report back, though, they want only one face to report back to them. So they're balancing that.

It also is a challenge for these teams in terms of openings. When openings come in, openings are an increased demand in time. Openings are ordinarily given out according to whose physician the patient is coming to. But say Jane already has a caseload of thirty-five patients, and doctor so-and-so has an opening, and Jane can't see that opening because of the visit demand that she currently has. She's got to let that opening go to another nurse. Other nurses pick up openings. They open the cases, but the case management of that case continues to be with the primary. That becomes again a double communication because this person collects all the data, and then has to communicate it back to Jane, or Jane has to do it by review of documents. So there are inefficiencies there because the system demand for nurses and for visits exceeds the resources available by each nurse.

Communication in the team becomes paramount. Communication, trust, common approaches to treatment, and work ethic in terms of nursing quality. That all has to be there, or there isn't a sharing the way it would be most efficient to do. They struggled continually with, Well, can I have Nurse Bea see my patients? I thought I was supposed to be the only person seeing this patient and we would say, No, you're responsible for case management, but you are not responsible to see that patient every single visit. But, they struggled with that concept and not wanting to give up the visit.

The other big challenge that we had, or continue to have, is in the dedicated HHA's (Home Health Assistants) with each patient and nurse. Our goal was to have a group of say thirty to sixty HHA's that were dedicated to a particular hospital, just like we had these groups of nurses dedicated to that hospital. In reality the logistical problems in making that happen exceeded the positive effects of having it occur. So that we couldn't find, you know, if we started to work with these thirty HHA's, those thirty HHA's weren't necessarily available to see the patients. They were committed elsewhere. Plus they had relationships with patients. When we were going through the change they had long-term relationships with patients that had to be cut, and they had to be reassigned to other people at that time. So again, quality of work life was affected because they had these relationships with patients. Some patients they had been with for two years, and things like that. Those had to be cut because we were trying to reassign them by physician, again by service delivery unit, which was dedicated to a hospital. So there were a couple of challenges. We thought for them to really feel a

part of that service delivery unit they had to be able to go to that service delivery unit's meetings, and be part of the decisions that are made there. They also needed regular contact with the nurses, especially at the opening, so that they understood the care plan that was designed for a patient.

Again the restrictions there, in terms of scheduling, was very hard to line up a nurse arrival, for an opening and an HHA arrival for their first visit for home care. That continues to be a real challenge for us to line that up, to schedule that because there were thirty to sixty Home Health Aides for every fifteen to twenty nurses. It was difficult to build relationships between the nurses and the HHA's because you didn't see the same people all the time. So you're walking into a house, the nurse will be walking into a house and having a new relationship with the HHA. The HHA's then were having, in terms of their quality of work life, to go through this big change. They lost, for some of them they lost their manager and got a new manager, for some they lost some patients that they had for a long time and for some of them they lost, oh, they now had to interact with nurses that they didn't know.

The other thing that we changed was we changed nurses responsibility for supervising HHA's. Prior to this time there was an HHA team leader, who supervised the HHA for both their clinical skills and their administrative issues like wearing uniforms, filling out your time sheets, things like that. But, in trying to cut down the numbers of management staff we needed, because we were looking to cut unnecessary or non-revenue generating positions, we shifted supervision of clinical skills to the nurse, so that now the nurse was responsible to assess the Home Health Assistant. They always had been, I think, by OSHA regulations. I'm not sure how far back that requirement was present but nurses now became responsible for doing clinical supervision of HHA's. That is a work design issue because, if I'm the HHA, and I have a patient on Tuesdays, the nurse is going to come in this one Tuesday and observe me, and watch my skills, and give me feedback to help me change those skills. If I don't have contact with that nurse again for another six months or so (which is likely) what they tell me about how to change my skills or improve has little meaning for me because they're not my supervisor. They're somebody I see every once in a while. So why should I listen to them, to change my skills?

There are several factors that compromised the team relationship here, between the HHA's and nurses. First of all there's unfamiliarity. You don't see the same nurse all the time. Second of all there's educational difference.

(Pause)

So, I was just talking about the HHA's. What we have, long-standing issues, to have them become team members, is, that there's a socio-economic and educational differences between nurses and HHA's and racial. Those issues, also adding on supervisory responsibilities to nurses for those HHA's, further complicated the possibility of them considering themselves as equals in delivering care to patients. So

we have addressed this through a diversity program. We've addressed the process in the organizational change.

We did this in a room with sixty people present each time from each service delivery unit: nurses, rehab specialists, HHA's, and the support folks all in one room to look at the organizational structure design and work process design, and make commitments to each other as the glue, as to what each would do, like if there was a hand off. Our goal was to have as few hand offs as possible, and to have on paper commitments in terms of how something would happen and when something would happen between disciplines. So the process of creating, working with the first design, and doing iterations of that design was designed with the people who were doing the work. What we did was write down commitments. I ran most of these meetings with a partner who would write down what the agreements were. We called these things Service Delivery Commitments, or something and those stood as sort of the Ten Commandments. After the SDU's (Service Delivery Units) were put into place, six months into the process, we went back to those commitments and we had the manager's review. Are we doing these things? Is it really happening? Some of those elements we weren't doing, and we've never done well with. Some of them we have done pretty well. So, that's how we took a rough work process design, and structure design, and put the people commitments into that design.

One of the challenges for these Service Delivery Units was that they weren't islands of themselves, and they had to communicate and sometimes share patients with other Service Delivery Units. If, in the process of looking at the work process design, and structure design, they made different decisions about how they were going to do the work these became like the Tower of Babel when this Service Delivery Unit had to send some work over to that Service Delivery Unit. So there were lots of frustrations there too. When you move from centralized to de-centralized there weren't common understandings about how a particular process was done. There were localized decisions about the best way to do it and they didn't match, sometimes and so that made it confusing. This is all looking at the operational side of the house.

What we also had to design was the support systems to make all this happen. Part of that had to do with designing management and supervisory responsibility. Then it also had to do with Management Information Services, Education, HR, Finance, and Patient Accounting. How did they all adjust themselves to match the needs of the operational side of the house? We never put the non-revenue generating staff through the same process of looking at an overall design and adjusting it. Each department took that design process in their own hands, and they had in mind certain common goals to serve their internal customers, to follow as much as possible the single point of contact problem resolution model with their internal customers, to have as much as possible one-stop shopping to provide assistance, and to have again, where there were enough staff, have dedicated staff to each SDU within a Service Support Center. We called

ourselves, in all these support areas, we called ourselves Service Support Centers. The people delivering service were Service Delivery Units.

So, for instance, HR divided itself up with, okay, this benefit specialist was going to focus only on these three SDU's, and this was going to focus on these three SDU's, and all of the employees within those areas would go to that benefit specialist. In education we de-centralized some of the delivery of education, and the tracking of education, mandatory education, to each Service Delivery Unit. We were still responsible for the overall agency-wide tracking, but we had them as an interim delivery and initial tracking process as well as an aide to Service Delivery Units.

Service Support Centers were asked to put on paper their new design for how they were going to support these new Service Delivery Units and each Service Support Center did that in different ways. For the most part it involved getting together everyone who did the work and having them figure it out. Well, what do I do for all these folks? Are all my services still necessary? Am I the best person to do these services, or is somebody else the best to do them?

We had an overall group called the SDI's (I can't think of what that covered.). In SDI there were heads of all these Service Support Centers, and some heads of the operational areas as well. They sat together to design and to drive the design. They were like a steering committee to drive the design of all the support systems so that the support systems provided what was necessary for the operation. In addition to this, MIS and all of our systems support things were very challenged because getting accurate reports, all kinds of financial and patient data, was very challenging. We needed to work from data to make decisions about how many positions would go to this nurse, and how many positions would go to this nurse. It relied upon input as well as currency data and that was very tough. Initially the Support Centers were able to provide service as they needed to but as the Medicare and Medicaid reimbursement dollars have been cut in half for us as an agency we've had to reduce the numbers of non-revenue generating staff, and therefore support for all the operational aspects have been compromised to some degree.

The thing that has been almost impossible to keep de-centralized is HHA scheduling, and logistics for filling aide cases. Initially the dispatchers, they're called Staffing Coordinators, were seated within Service Delivery Units throughout the agency. So there might be three on this side of town and three on the other side of town. Physically they weren't sitting together. Their scheduling system was insufficient for them to keep track of all the data electronically. So they had all kinds of written lists and information, that they relied upon each other for to keep those lists current. There wasn't enough common access to these lists. Within a Service Delivery Unit they might be out of available HHA's, and this Service Delivery Unit might have thirty that they needed to put into cases. But these folks didn't know what these folks had because they didn't have access to the same information. The system's issues, and the actual

physical placement of these folks compromised their ability to make best use of the resources that they had. So, more and more they started to seat, put two of them together, sit together, put four of them together. Now six. It has come to the new design that we're looking into will be more of a Call Center where they'll all be sitting in the same room, and have access to the same information.

Where we're continually challenged is on having a computer system that gives us access. It's a business where the individual visit, and whether the visit is needed or not needed, changes constantly and the HHA availability changes constantly. Like, I might have a patient that I'm seeing Monday, Wednesday, Friday, and on Thursday he gets put back into the hospital. Now he's going to be in the hospital for the weekend, but he's going to be back out on Monday. I don't have my visit that I usually go to on Friday. Can I get a new patient? No. I can only get a patient, should only take a patient who's going to need service only on that Friday. If I take a new patient in that time slot I can't see them regularly because I'm going back to seeing this patient Monday, Wednesday, Friday when they come back out of the hospital. It's like a moving target, so the scheduling is extensive, and the cost of doing business currently exceeds what we receive. So, what else do you want me to cover? Is that enough?

Is there, in that team of nurses that takes care of that Delivery Unit, a team leader? What is the role of the team leader in that unit?

Within each team, before we went to laptop, I'm going to only paper now. (And we're now almost, we're going to be fully on laptop the end of January, February.) Before laptop there was a planner, and within each Service Delivery Unit there's a group. Within the group there's an Advanced Practice Nurse who's responsible for looking, or monitoring all of the clinical practices of nursing. Within each team there is not a specific team leader. There's a Group Leader who's over all of the clinical teams, or nursing teams. Within each clinical team, each nursing team, there isn't a team leader within that team. I mean there probably is naturally one who arises but the leadership is in the Group Leader and the Advanced Practice Nurse. How it first was designed was: within a group there might be Team 1, Team 2, Team 3, and there's a rehab team here with a rehab person assigned to each. There's an Advanced Practice Nurse who supervises everybody for their clinical practice, and there's a Group Leader who supervises everybody for all the business aspects and all the administrative aspects. There is also, second to this person, a senior group, senior RN and that person had more responsibility for making sure that planning took place right, and all that.

As far as de-centralization versus centralization, is that terminology that you're using basically geographical?

We really took responsibility for some work process and service delivery decisions, and moved it from four people, one for each area of the city, to six separate Service Delivery Units. Each one separately was responsible for looking at productivity,

patient satisfaction, physician satisfaction, and numbers of referrals per hospital. All the business aspects that might, in the past, have been looked at centrally we were now looking at making each of these Group Leaders have more business responsibility, and entrepreneurial behavior, than they had in the past. So where, in the past, they simply had to organize work that came in the door, they now were supposed to build relationships with hospitals to increase referrals, and manage the demands of the physicians within that hospital.

Are your outcomes what you expected them to be?

Yes, we have maintained physician satisfaction and patient satisfaction as a whole. Where we have suffered is in employee satisfaction because quality of work life has been decreased because of the amount of driving that nurses have to do. The current system seems to be working because we can better manage increases and decreases in demand for service. Essentially the design of having nurses dedicated by hospital has been a good design but where we have opportunity to improve is in how each of the nursing teams cover the cases for that hospital.

Your goal is to have the system be more effective?

When it comes down to it the trust becomes whether I would turn a patient over to you or not are dependant upon do you deliver service in the way I deliver service? Can I count on you to deliver the same amount of love and caring and quality and efficiency that I would? So, I make money-based decisions out of trust, or lack of it and out of common agreements and commitments. Where we have a challenge is that we choose not to confront, or not to challenge someone to deliver service in the same way as we do. We'd rather do it ourselves than cause a conflict.

What are the organization's goals to move this process forward?

We've driven that actually from a numbers viewpoint. We look at it from mileage per RN, and we say, aren't there some efficiencies you can gain with your team members so that this isn't the case for you? We look at productivity by RN and LPN, and we look at whether everyone's balanced or not, in terms of numbers of visits. So we can look at it just in quantity. Why are you making fifty-six visits when Jane is only making thirty-five? Why is that the case in your team? How come you haven't managed your cases, planned your cases better so there's a more even distribution here? We have attempted to get the data split down by nurse and by team, which that, in and of itself, was hard to pull out of the system. In a few cases I've been called in to facilitate conversations about this with teams that were not functioning properly, or were dumping bad patients, saying, I'll give you all the visits I don't want to make. Something of that sort. I've been called in to look at, again, those team commitments? What constitutes dumping, what constitutes correct sharing of cases? How would we

define that? Are we holding to it? How are we actually talking with each other about these things?

Are your performance measures based on that quantitative data that you just mentioned, plus the qualitative measure of whether or not they're satisfied?

Again, the paradigm change for nurses is to think more about themselves as business people than as simply loving care givers. It's a career definition shift because in the past their focus had been to provide the very best care no matter what the cost. Now we say to them, you must provide the very best care within these limits. You need to be mindful of how far you're driving, and a lot of cost factors that in the past they weren't mindful of and didn't want to be mindful of, because they see their role as a care giver.

Is there any connection between the nursing teams and the Home Health Aides? Are they considered two separate teams?

By the definition of team, you can't call HHA's a team. They're a work force. They come together once a quarter for inservice education, and they aren't necessarily even with all their people on the same team. They don't meet together regularly. They aren't mutually responsible for a common, single goal. They work as independent practitioners. They're not a team. They're simply a work force.

Could they be brought into the nursing team as another level to develop the unit that way?

That was the initial goal but the cost of doing that is prohibitive. The logistics of it is tough as well. We have two hundred and something nurses, and we had, when we went through the change, we had six hundred HHA's. The ratio of HHA to nurse is quite great. So there might be forty to fifty HHA's per SDU, and only twenty nurses, or something. Bringing them in to discuss common issues is ideal. HHA's choose their profession because they get to work independently. They don't prefer to come in and talk over agreements with others about how they're going to do the work. They think that's a waste of their time and nurses don't want to do it because they too have chosen this profession to be independent. The less they have to coordinate and work in tandem with others the easier it is. I'm not saying everybody's like that. If you look at career choice, and look at why these folks chose the careers they chose, it wasn't so that they could work as a team member. It was so that they could have freedom, independence, and high control.

So that paradigm shift is what holds your organization back?

Yes, part of that is a career reality. The person who chooses to do home care is not someone who likes team processes, necessarily.

But, as a home health care agency, is that one of your goals?

Yes. You need to have relationships. You have some nurses who are superb at it, and then you have a whole chunk of them who don't even want to have to talk to the HHA's. Then you look at the quality of work life for the HHA, and while they don't want to be involved in a team, they want to be treated with respect in the home. They often feel as if they aren't treated with respect because they aren't included as much as they'd like to be included. Yet, when we include them in team meetings, they hate them.

Do you have any particular recognition or reward systems in place to support the team environment?

Our reward system is still based on individual excellence.

Are there intentions to change that in the future?

Yes, I think, it's possible to tie rewards into teamwork by looking at the efficiency they've gained in productivity, and satisfaction, and all that. The possibility is present. We have data that we can use to compare one team to another, but there's no current team that's working on it.