

Team Building:

Stalled at Georgian Industries

Case Study Series

What went wrong?' thought Ron Harper as he gazed out the window of his office to the busy street below. 'Our team started out so well, and now we are stuck, stuck in the muck!'

Ron couldn't help but wonder if he had made the right decision to come to Georgian Industries two short years ago. At the time, Ron was the Manager of Organizational Development at Lewis Jeans, a world class organization known for its progressive people management practices. Ron had been part of the team responsible for Lewis' success.

Reflecting back, Ron admitted to himself that he truly missed his team at Lewis Jeans. He missed the feeling of accomplishment. True, he had worked long hours, but it was with a committed group of enthusiastic colleagues, who respected and trusted each other's unique skills and talents. Oh sure, they had disagreed at times with each other, vehemently so. But somehow, they had always arrived at a creative, even brilliant solution that took into account all their knowledge and experience. They also had fun, lots of fun. Humor, respect, give and take, results; it seemed so easy then. But at Georgian Industries, achieving that same level of teamness with his group seemed impossible to him now. How did things get so bad?

Ron had come to Georgian Industries at the request of its charismatic CEO, Jack Washburn, who would not take 'no' for an answer. 'We need someone like you to help our managers become more participative . . . and to do it quickly!' pleaded Jack. 'The only way that we will turn this place around is with the full participation of every employee, from the shop floor to the senior ranks.'

Georgian Industries manufactures plastic products for airplane interiors such as window regulators, interior trim, stampings and door parts. The organization was born two years ago when the parent company decided to spin off unprofitable and/or non-core operations, of which the plastics operation was one. The plastics operation had suffered largely from its inability to meet production schedules resulting in costly production delays and missed time to market.

Following the sale, Georgian Industries was awarded a supply contract worth \$3 billion over the next five years. Enough money and time, thought the leadership, to turn the organization around and make a healthy profit. However, in the two years following the sale, Georgian Industries had experienced substantial losses each year and everyone was aware that the hemorrhaging needed to stop. In short, Georgian Industries was in trouble. In the last few months they had missed three important deadlines with a major customer. Ron was still sweating from yesterday's meeting with Lomdarta Inc.'s Director of Manufacturing who had read them the riot act, 'Either deliver on time or lose our contract. No more excuses!' The contract was worth millions and if lost, would cost several hundred full-time jobs.

Ron had an excellent relationship with the union president, Warren Rain. Eighteen months ago, he shared Georgian's financial and performance issues with Warren. As a result of their meeting, the union agreed to partner with management to turn the plant around and they all signed a memorandum confirming the transition to a high performance, high involvement workplace. A joint union-management turnaround team was formed to build the foundation for the introduction of work teams and full employee participation. This turnaround team was comprised of five of Georgian's most senior managers and five senior union officials.

Buoyed by the progress that had been made in the first month, Ron remembered sharing his optimism with his former colleague at Lewis Jeans, Elizabeth Adams. 'Liz, deep down, I'm convinced that teams are the answer. I want to see teams at every level from the shop floor, through middle management and just as importantly, at the top, where the strategic decisions are made. The team has already agreed to a mission statement. Our mission statement calls for the creation of a high performance, high commitment workplace, a place where employees, in return for their commitment, are rewarded with interesting work, a sense of belonging and financial security. While it took most of a day to accomplish, when the mission statement was agreed upon, each member signed it proudly. We're going to frame it.'

However, Ron's optimism was short lived. Just as the 'real work' was about to begin, the team had stalled. No matter how hard he tried to prod them, the group could not agree on priorities for action or major goals. As a result of this disagreement, the team had not been able to decide on a process for implementing teams. To date, their only activity had been to unveil the mission statement to managers, supervisors and union officials at a special meeting. It's been several months since the mission statement was presented and not one team has formed. Even worse, morale from shop floor employees through to middle management is sinking. Just yesterday Janice Flood, an exasperated quality manager, had arrived at Ron's office close to tears. 'I'm sick and tired of all the haggling. We need action! We're dreaming if we believe that all we need to do is announce our mission to employees and then simply sit back and wait for teams to miraculously spring up and start producing results. I'm sorry Ron, but from where I stand, I think you're spreading false hope and hoopla about a mission and then doing nothing about it.'

Ron had assured Janice that they would get their act together. However, he couldn't help but worry that the team was falling apart. More evidence surfaced at this morning's weekly team meeting. Four of the 10 members did not show up or even call to explain their absence. No doubt, they were off fighting fires. To make matters worse, Jack, the

CEO, made a brief appearance for 10 minutes or so and then took off for another meeting downtown. Before he left, he restated his commitment to the group but Ron knew people were wondering if he really meant what he said.

As the morning meeting progressed, people became frustrated and impatient with members talking over each other and fiercely debating every point. The meeting finally broke down when Harry Ames, the Director of Quality Control exclaimed, 'You guys have your heads in the sand! Don't you see? We need to identify the major priorities for teams. We need to get them started with the right membership, goals and resources or they won't work. We know what the key improvement issues are and we had better get teams on them right away, or we're wasting our time. Managers are for managing and employees are for doing!'

'Well, you think that you have all the answers, don't you?' retorted Warren, the Union President. 'If *you* have all the answers, then what are we here for? Why bother with teams or union involvement? I committed the Union to a process for shop floor empowerment, with the understanding that the people closest to the delivery problems are given the power to fix them, once and for all. I simply will not commit to anything else.' With that, Warren walked out, and the meeting ended. Once again they adjourned with no decisions made and no agreed upon strategy for action.

Ron mulled things over in his mind. 'I know that successful groups are part art and part science. I also know that if the group could work together, they could turn the business around and be profitable, very profitable.' He looked over to the framed print on his office wall and read:

Our mission is to create a high performance, high involvement work environment. We will do this by creating a process by which employees are empowered and enabled to work together to focus on the priorities that will contribute to the success and sustained future of our customers and our business.

Before his team can possibly fulfill its mission it must first become a team. Following this morning's disastrous meeting he knows that they need help. But where should they begin?

We're dreaming if we believe that all we need to do is announce our mission to employees and then simply sit back and wait for teams to miraculously spring up and start producing results.

What should Ron do now?

Here's what our experts say.



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Ron Harper is justifiably concerned about the potential for an organizational turnaround at Georgian Industries, given the increasing indications that the leadership team is not only stalled but disintegrating. No wonder he spends time in nostalgic recollection of his exciting days at Lewis Jeans. While that may provide an afternoon's distraction from more pressing problems, it will only increase his frustration. My sense is that he is unlikely to find the answer in the past, in what was clearly a high-performance team-based culture.

It is unfortunate that supportive conditions for collaboration and momentum have been allowed to slowly disintegrate. At this point, team members lack focus, commitment, and essential team skills. After the emotional 'high' of the early consensus on a vague mission for the group, no real action has evolved. It is particularly significant that, apart from a top-down briefing, there have been no important small wins to give people a sense of accomplishment, of moving together toward a solution to very real

production problems. There are few indications that lower-level participants in the company have become involved in the process, except to become frustrated by the growing gap between promise and reality. Predictably, the coalition is falling apart, reverting to preexisting role relationships and perceptions. In fact, the case reads like a prescription for unsuccessful corporate transformation.

Ron needs to realize that he cannot go back, either to Lewis Jeans or to the early 'glow' of the turnaround team's experience with their vague mission statement. In retrospect, it may have been a mistake to confine the group's membership only to senior management and union leaders and not to enlist the CEO's energy and driving personality as central in the process. Certainly, it was a mistake for Ron to simply assume that good intentions alone would naturally and mystically produce collaboration and behavioural changes, without expert assistance from an outside facilitator experienced in cultural transitions to a team-based system.

There are few easy answers to Ron's challenge. He needs to seriously weigh the pros and cons of investing time, energy, and resources into getting the turnaround team back on the performance track it left several months ago. Building, or rebuilding, this group into a performance-oriented team will take some time, and the danger is that commitment will be superficial. Given the urgency about production problems and threats of contract cancellation, there may not be time to repair the damage and create a solid foundation for culture change. But if Ron chooses—in consultation with the CEO—to pursue this approach, he needs to get the CEO *and* Warren Rain actively involved in every meeting for the next few months. He also needs very quickly to locate an expert outside facilitator who will stay with the group for the duration.

Personally, however, I would counsel Ron to adopt a different approach, given the very real strategic threats to company survival created by ongoing production glitches and by eroding morale among junior managers and workers. He needs to take drastic action to halt the

downward spiral in company performance. There may not be enough time and skilled resources to repair the original turnaround team. In some sense, it did its job by producing a collaborative and vague statement of intentions about the future. Making that vision a reality, though, seems to have been outside the group's ability. Could it be that the CEO's personality and style acted, paradoxically, as a block to implementation?

Ron should take the 'mission' as the major product of the original team. That group might well continue to exist, but more as a forum for discussing corporate issues and turnaround progress. Their signed document is, in effect, a charter for further action supported by senior management and union officials. Ron should revisit his meeting with Warren, but this time include the CEO, preferably away from the work site. These three individuals must be the driving core of the coalition which will shape the turnaround. The discussion should be candid, and the data transparent, with no attempt to allocate 'blame' for any of the developments and performance problems in the team or the company.

Working together, with the CEO as the leader, the three must communicate a sense of urgency about the need to also work together in resolving production problems. My preference would be for clear, concrete language, rather than the empty, vague phrases of the mission statement. The financial and contractual realities need to be made clear, as well as the human consequences of business as usual. (This approach, after all, helped to enlist Warren's commitment many months ago.) These consequences should be communicated to all employees, preferably in face-to-face meetings which encourage candor and dialogue. The key here is to mobilize commitment around tangible production and survival goals. Teams are only the means, not the actual goals; something that crusaders like Ron can sometimes overlook.

Parallel to these actions, Ron should suggest that a new implementation team be created with

a clear mandate around production improvements. It should be given the resources and authority to create several improvement teams in key departments of the company and to work closely with them in the turnaround. The composition of the group and of the departmental teams should be the product of careful and collaborative thought. It is essential to include people from different levels and to select individuals with interpersonal skills for teamwork. The group composition and process must model the new culture, something the old turnaround team had trouble doing from its inception.

Ron should be cautious about acting as the primary teambuilding resource for the implementation and improvement teams. He needs to adopt a strategic perspective, working closely with Warren and the CEO to keep the process on track and centered on improving production. In short, he needs to identify experienced facilitators who can provide multiplex training, coaching, and feedback for the teams. Ideally, the consultants would have been part of successful turnaround efforts in similar companies.

Adopting this approach represents a dramatic response to urgent company problems. It may ruffle a few feathers in the senior leadership groups of management and the union, but the CEO, Ron, and Warren should be able to ease potential tensions. In fact, some of the senior participants may well be relieved to be free from implementation responsibilities. I would suggest that executive-level seminars on corporate culture, teamwork, and change management be organized for members of the original turnaround charter team. If possible, some resources and time might also be allocated to basic skills in participative management. Who knows, some of the members might even become enthusiastic and skilled leaders in the transformed company. Based on the evidence over the past year, though, they need to step aside and let others take up the challenge. After all, that's what empowerment is all about.

The key here is to mobilize commitment around tangible production and survival goals.



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Ron Harper and his colleagues have made a good start on building a team-oriented working environment, given the many challenges Georgian Industries is facing. The senior leadership appears to support the need to work differently; the union's willingness to participate in collaborative problem solving in a team environment is commendable; and the mission statement that senior management and the union have written will help to guide them and act as a cornerstone. In adapting to their new status as a stand-alone company after the spinoff from the parent organization, management and the union at Georgian Industries must overcome a history of production delays and slow time-to-market that indicate larger business problems. Ron's positive experience with teamwork and a collaborative work environment in his former company is an asset in his current situation. However, he has several challenges to address at Georgian Industries:

- Accountability for creating a team-oriented environment must be held collectively by the senior leadership team and cannot be the focus of one individual.
- Identifying and articulating a change process to move from a traditional manufacturing facility to a world-class, team-oriented one is a time-intensive process.
- Union partnership is about more than a good relationship with the local president.
- Business literacy is a key indicator to help introduce, foster, and maintain the key change processes for both production and people practices.

Let's address these issues one at a time. Accountability for creating a team-oriented environment must be held collectively by the senior leadership team. Max DePree (DePree, Max. 1994. *Leadership is an art*, New York, NY: Dell Publishing) states that the first role of leadership is to define reality. Unfortunately for Ron and Georgian Industries, while there is a clear business reason for shifting to a more participative environment, the reality—the underlying guiding principles or mandate—remains undefined. In order to build the foundation for change in the organization that CEO Jack Washburn pleaded with Ron to accomplish, Washburn must define the reality. Creating a wonderful mission statement is not enough to create the kind of workplace and business results that Washburn has envisioned. Moreover, members of the 'turnaround team' question Washburn's commitment to the change initiative, and they will not be able to perform effectively and leverage the participative process when they are uncomfortable with their sponsorship and mandate.

One of the critical problems facing Georgian Industries is that key customers lack confidence that production deliveries will be on time. The resulting loss of their contracts would obviously impact job security, and this fear is a major contributor to sinking morale. Washburn has an opportunity to address the grapevine directly and create a forum that would openly confront the apprehension and concerns of employees. Opening direct communication between the CEO and employees might lead to a more informed and committed workforce.

Ron may want to consider broadening the membership of the turnaround team to include more non-management members who have a strong operations orientation that demonstrates a different perspective, including a time commitment to the success of this process. With very senior membership on this team, posturing could develop among the group as members attempt to address their own political agendas. Some facilitative techniques that are often helpful in creating an effective and aspiring work environment include

- establishing ground rules and expectations,
- encouraging members to ‘call’ behaviours when members ignore the guidelines,
- assigning key sponsorship and deliverables at the conclusion of every session,
- outlining objectives and successes for communication after every session.

The business climate and operations that resulted in the birth of Georgian Industries can be described as challenging. Consequently, the enthusiasm of the CEO is not sufficient to turn the production and profitability tide in a positive direction. The fact that the manufacturing operations are suffering from delivery and production problems at the outset signals a need for significant process improvement. The operations will continue to miss key production and customer commitments until the source of production delays is identified and addressed successfully. However, the opportunity to seek input from employees on the production floor is key to initiating improvements that will impact cost, on-time delivery, and quality. The turnaround team needs to select one or two business areas where immediate improvement is required, solicit input, implement suggestions, and monitor progress. One method for consideration is to prioritize, using a four-quadrant grid that measures impact on one axis and difficulty on the other axis. Issues would be categorized according to the ease or difficulty of implementation and high or low impact. By demonstrating their commitment through action

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on one or two issues, the leadership could build some momentum. They should select simple implementation issues with high impact, or in other words, pick the ‘low hanging fruit.’ One or two small successes would create a modicum of positive energy and help to convert more people into believers in the team-based process. Once some stability was achieved in meeting production targets on time and on budget and once there was visible commitment from the senior leadership team to the process of implementing employee and team solutions, Ron and the others would be able to move towards broader implementation.

Georgian Industries and the local union are fortunate to have built the kind of relationship that fosters collaboration and teamwork. Ron’s decision to share financial and performance issues with the local union president, Warren Rain, eighteen months ago, is commendable. However, union partnership is about more than a good relationship with the local union president. Achieving organizational change of this magnitude requires true partnership and will involve the heart and soul of every member of Georgian Industries. This will require trust and commitment achieved through strong channels of communication, awareness, and understanding.

Relying on key spokespersons acting on behalf of either the organization or union is a traditional model but not necessarily the appropriate one in this case. Ron must involve his peers in working more closely with the unionized members at all levels. This process will require unrelenting commitment and relationship building, in order to move along a spectrum from a conflict-ridden organization to an armed truce or working harmony and on to a true partnership. Defining accountabilities, competencies, and outcomes will add rigor to the process and will assist in measuring success. Inviting the union to participate in a forum will generate amazing benefits and build business acumen. However, it will also involve a degree of accountability which some employees may not be familiar with or may be unwilling to undertake. Some members of the organization, whether management or not, may

choose to leave (or be asked to leave) rather than struggle with the new working paradigm.

Building business literacy will be a key component of achieving a team-oriented work environment at Georgian Industries. As already noted, Ron's decision to share business performance information with the union president was a good one, but there is no indication that this has been an ongoing process, and the information has not been shared with the broader employee population. Investing in business literacy and acumen would help to create and foster broader understanding of the true operations environment. After all, you cannot ask employees to help manage something that they do not understand. A number of organizations have developed business literacy simulations that they use to build broader awareness of their business issues among the employee population. Using this framework in a learning environment can help to create context for decisions that the senior leadership must make about capital and non-capital expenditures. Perhaps Ron and his leadership team can borrow some best practices (and tailor them to the needs of Georgian Industries) from Jack Stack, author of one of the pioneering books on open-book management, titled *The Great Game of Business*. (Stack, Jack, and Bo Burlingham. 1994. *The great game of business: Unlocking the power and profitability of open-book management* (New York, NY: Doubleday)

Building a collaborative, team-oriented work environment is a challenge. Some organizational theorists talk about a 'punctuated model' of efficiency that claims teams will become productive only when they have spent 50 percent of their allocated time on a project. Ron and his peers do not have time on their side. CEO Jack Washburn pleaded with Ron Harper to 'help our managers become more participative...and to do it quickly!' To be successful, the senior leadership needs to be visibly engaged in the process, committed to a true partnership with the union, building momentum by achieving one or two small wins, and investing in business literacy in the broader employee population. Perhaps by following some of the steps outlined above, Ron and his colleagues will be able to restart the momentum towards achieving their goal.



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Ron's team has hit the 'muck in the middle'—a nasty time in team development when people often think teams are hardly worth the effort. The muck typically occurs when the change initiative starts to get tough, the vision is lost, and people are resisting the need to do things differently. Many teams suffer from a false expectation that everything is going to be smooth sailing once they get started. In truth, they all hit the muck in the middle, characterized by tension toward each other, anxiety, mistakes, and an overwhelming urge to go back to the old way of doing things. It will take strong leaders like Ron Harper and the union president, Warren Rain, to keep the team moving forward.

In addition to hitting the muck, some critical 'bricks' are missing from Ron's teambuilding foundation. Putting people in a room and calling them a team does not result in change in behaviour. The very behaviours that caused Georgian Industries to be in trouble in the first place—an inability to reach agreement, haggling, and a lack of commitment—are still manifesting themselves on the team. We cannot continue behaving in the same old ways and think we will get different results; it won't happen. Ron will have to introduce some new ways of behaving to the team and hope members will buy in. The longer the team remains dysfunctional, the more difficult it will be for Ron to succeed. Immediate intervention is in order.

The leadership team that was formed with management and the union was a good start. Ron's relationship with Warren proved valuable in getting the trust needed to draft a union-management partnership agreement. However, while the team had a sense of mission (purpose), they started to struggle when it was time to set goals and direction. This is an excel-

lent example of why Ron's turnaround team needed a team charter from the very start. A charter spells out the mission, goals, expected results, authority, non-negotiables, membership, key roles and responsibilities, measureables, and communication requirements. The charter is typically drafted by the organization's leadership and then given to a turnaround team for their review. Because the goals are already spelled out, the turnaround team can negotiate with leadership about the details. In addition, the charter work would have pointed out that the team is top-heavy, with all members in top leadership roles. Better representation from various constituencies in the plant would have provided a more dynamic mix and reduced the power struggle now apparent on the team.

The case study reveals that the team had not been able to decide on a process for implementing teams. Many organizations make the mistake of creating teams for their own sake. However, teams should be seen as a tool, or a means to an end, and the goal should be a business result, such as improved productivity, faster cycle time, or the development of new markets. Far too much emphasis has been placed simply on the turnaround team being a team and on implementing other teams. Goals for teams need to be very short-term (quarterly goals are best), and they need to be what we call SMART—specific, measurable, achievable, results-oriented, and time-bound. For example, if the charter had spelled out that the turnaround team's goal was to reduce by 50 percent the late deliveries and poor quality service to customers within six months, it would have established a clear and pressing objective right away. The turnaround team could then have formed smaller cross-functional teams to address production, delivery, and customer service issues. Each of these work teams would also have needed a mini-charter defining their purpose, goals, and deliverables.

After a charter is formed, the next step for a team (and really the first step when it meets) is to draft a help/hinder list that defines acceptable and unacceptable behaviours for team members. If Ron's team had had such a list and commitment to acceptable behaviours, the team could have addressed the issues of absenteeism and tardiness that subsequently occurred. Without an agreement about behaviours, it will look like Ron is just being

picky and bossy. Furthermore, Ron does not want to fall into the role of always correcting behaviour. That is why it is so valuable to include a 'process observer' on the team right from the start. The process observer is the guardian of the help/hinder list—calling members' attention to behaviours that work against the accomplishment of team goals. This role is rotated among team members so that everyone is accountable for behaviour.

The question now is, how does Ron go back and get the things done that really needed to be done at the very beginning? When similar problems have arisen in other organizations, it has proven helpful to have an outside consultant work with the turnaround team to put the pieces together and provide them with some much-needed teambuilding training. The training helps them to understand teams and how to use them as an effective tool and to build effective interpersonal and conflict resolution skills, address structural issues for the team, and improve meeting skills and consensus decision making. Through the training, the team can create its own charter (which would then be given to top management for approval) and its own help/hinder list. In addition, the team would create meeting, conflict resolution, and decision making protocols that would guide the team's conduct. Even though Ron may be perfectly capable of doing all this on his own, experience has shown that faltering teams do better with a 'doctor's visit' from an expert.

One problem Ron could work on right away, however, is broadening the representation on the team. The best way to decide on membership is to identify the needed skills and abilities first and then create a matrix with potential members on it. The matrix helps to identify which skills are being duplicated by numerous members and which are missing altogether. While the team needs some members who bring power and credibility, it also needs individuals who are willing to roll up their sleeves and get to work.

While the situation may seem hopeless to Ron right now, it truly isn't. With outside help, the team can draft its charter, establish effective team roles, build their behavioural protocols, and expand membership. With these simple changes, the team can quickly move through the muck and begin to drive important business results.