

More About Managing High-Performance Work Teams

It's about listening to employees, leadership, accepting (and gaining from) change.

Lea A.P. Tonkin

One of the best things about talking with people from New Venture Gear (NVG) in East Syracuse, NY is that they're willing to discuss not only their successes in performance improvement, but their challenges and suggestions in the "things to consider doing differently next time" category. Jim Hickey, business manager, for example, shared experiences in all of these areas during the recent Beaver Creek, CO seminar, "Managing High-Performance Work Teams." (His plant will be a host for an October 23-24 workshop on "Union and Management Teaming Up to Be Effective.")

NVG's a Troy, MI-based joint venture launched in 1991, combining the talents of Chrysler Corporation at the East Syracuse operation and General Motors Corporation (Muncie Transmission, Muncie, IN, with 1200 employees). Approximately 3200 people work at East Syracuse, up approximately 1200 in the past three years. Figuring out better ways to partner with union members helped to boost sales significantly during that period, Hickey said. Total NVG sales reached \$1.3 billion in 1996, including transmissions, transaxles, and transfer cases, compared to \$400 million four-five years ago.

Starting in 1993, NVG looked for performance gains through teams. They piloted a work team in the Transaxle Business Unit,

which was in the process of launching a new Neon transaxle. Hickey said NVG sought a non-adversarial approach to change, forming a benchmarking team to study alternative paths to teaming. The benchmarking team included three senior managers and three senior union officials. The UAW's Local 624 represents all hourly workers and its Local 2149 represents all salary and technical people at East Syracuse. Consultants (Seven Pines Consulting Group) helped with the transition.

SMART Partnership

A steering committee for the transition to teaming included a senior management, senior union officials, and a consultant. They formed a design team (top management from the business unit, top union leadership, training staff, and a consultant), then developed a SMART (which stood for the types of business goals targeted for teams — specific, measurable, agreed upon, realistic, and timely) Partnership to steer initial teaming efforts. The SMART Partnership charter is shown in Figure 1.

All employees in this business unit (400+) received more than 36 hours' mandatory training (some off-site) in team building, conflict resolution, conducting efficient meetings, etc.

Eight teams started by January 1995, and another 22 teams got off the ground by April 1995. All workers in this business unit are in teams; in 1997 teams will be launched in the other two business units on site.

There's a star point structure for each team, with various team members serving as spokesperson, quality, production, costs, and housekeeping star point members. Star point people are elected by team members, or they volunteer; they can rotate, but they generally haven't unless someone transfers out of the team.

Valuable Lessons From the Transition to Teams

Hickey said teaming played a key role in NVG's rising sales and brighter outlook for profits and job security during the past several years. Yet he's not shy about conceding there were many "lessons learned" along the way, and that there will continue to be issues to resolve. Having two teams working out the details of teaming (steering and design) was a mistake, for example. "We got too detailed. We teamed ourselves to death," Hickey said. "Sometimes there were conflicts among the two teams, and we got bogged down."

"Leaders kept popping to the top on the plant floor — it's a beautiful thing."

Jim Hickey, New Venture Gear

A happy surprise for some managers was how readily the work force jumped into teaming. "They soaked it up like a sponge," Hickey said. "The union people kept telling us for years that they would like more of a voice in running their areas. Management had to admit we don't have all the answers. Leaders kept popping to the top on the plant floor — it's a beautiful thing. There will always be the five percent of the work force that doesn't care, though."

Some managers as well as some union officials initially had reservations about the switch to teams. There were fears among first-line supervisors that they wouldn't be needed as much. Hickey said the company devoted more training resources to hourly people in the beginning, offering less training to the supervisors — a mistake. A year later, the company beefed up training for supervisors. Now the supervisors have their own team to work out issues.

SMART Partnership Charter at NVG

The SMART Partnership utilizes the power, knowledge, and experience of both union and management to produce quality products at a competitive price.

This partnership will enhance the viability of NVG and ensure greater job security for all employees.

Figure 1.

Listening, Saving Money, More Involvement

Management heard some things they didn't want to hear, thanks to the new team-based ways (that they'd been obstacles to improvement, etc). Yet Hickey said the new level of involvement spawned by the changes helped the company save money, serve customers, and improve overall performance. "Before, we only asked for their involvement from the shoulders down. Now they can make improvements by collecting their own quality data, working out solutions to problems, etc.," Hickey said.

He added that NVG should have focused teams on business goals (and taught them about financials) sooner. "We had people working on improving the appearance of their work areas and other projects that weren't helping the bottom line," Hickey said. Later, a Rochester, NY training firm trained all employees about balancing checkbooks and other elements of personal finance, then moving into discussions of capital expenditures, cash flow, profits, and other essential business metrics. Thanks to the training and each team's annual targets for two business goals as well as two quality improvement goals, team efforts now move the company toward overall improvements.

Keep Metrics Simple to Understand and Calculate: XEL Communications, Inc.

John Puckett, co-founder and vice president of manufacturing at XEL Communications, Inc., Aurora, CO suggested that feedback from teams about their objectives, metrics, and performance is essential to their success. Metric criteria should be few in number, related to business strategy, simple to understand and calculate, and tied to reward, he said. "If you have too many criteria, it becomes overwhelming," he said. "For example, if customer service is a key strategy, then on-time delivery, product return rate, and final defect rates may be among the criteria. But if being a low-cost producer is a key strategy, then look at cost metrics."

Teams should set their own objectives tied to corporate goals, Puckett added. They should also monitor and report their performance against these goals. AT XEL, work teams offer

quarterly presentations to management about performance to goals, continuous improvement, and their targets for the next quarter.

Balancing team and individual rewards/recognition is "a constant struggle," Puckett said. XEL provides team merit raises and bonuses, profit sharing, and management bonuses.

Building Employee Involvement at Gilbarco, Inc.

A commitment to ongoing training, customer and supplier contact by plant employees, monthly team communication meetings, weekly team meetings, and employee input into vacation schedules, overtime, and training needs are among the effective employee involvement practices at Gilbarco, Inc., Greensboro, NC, according to Jerry Smith, manager manufacturing technology. The unionized manufacturer of service station equipment has natural teams, cross-functional process improvement teams, and standing teams.

Team accomplishments range from improving pump shop emergency order response time more than 90 percent to notable savings in a cable supplier project and graphics development, as well as a 67 percent reduction in drafting cycle time. Smith said management needed to make significant changes in style to enable team-based employees to make such gains. Leadership replaced management, "my way" changed to "our way," and managers learned to thank the messenger instead of shooting him.

Among the "lessons learned" about successfully managing in a team environment at Gilbarco, Smith said, are:

- A "champion for change" is needed
- Recognize the importance of soft skills training
- Implement recognition programs

Adopt consensus decision making.

- Address compensation and rewards systems
- Be patient; it takes time
- Adopt consensus decision making
- Expand communications programs and

share more information

- Establish an overall environment for success
- Recognize that some managers can't make the transition
- Managers must lead and walk the talk.

A Personal Stake in Change at Texas Instruments

Changing jobs, structures, rewards, and roles can be tough on people. A mind set effectively allowing change requires the ability to take risk without all the guarantees, take personal responsibility for success or failure, visualize a personal and professional future, and overcome fear and self-doubt, according to Tom Howes, a Center for Excellence consultant for Texas Instruments Systems Group. It also helps to believe in "change or die," that there is no going back, and that there is a future and a way to get there, he said.

When you're involved in change, Howes said, understand that it takes place from the inside out and affects everyone in one way or another. Expect paranoia; it's fear-driven and can lead to paralysis. Other Howes suggestions: Have passion — never give up; pulse the culture and measure the process; and, "We understand processes, businesses, and work — we don't understand people."

Lea A.P. Tonkin, Target managing editor, is a member of the McHenry County, IL Job Training Partnership Act (JTPA) Private Industry Council.

Editor's note: Representatives of New Venture Gear management and the UAW will be sharing their experiences in effective union-management teaming during the October 23-24 workshop. A plant tour will be included. Participants are encouraged to bring managers and union representatives to this session. More details are available through the AME office at 847/520-3282.

Additional speakers during the event were Richard W. Scott, The West Bend Company; Jack Burns, Deere & Company; Donna Neusch, Davis & Neusch; Tom Wilson, Wilson Group; and Jay Schuster, Schuster-Zingheim and Associates, Inc.

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