



Change Management

Project report

Introduction of group work at Impress Packaging, Plant Cuxhaven

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flow consulting gmbh acted as advisor to the Cuxhaven factory of Impress Metal Packaging during the introduction of group work. Even though this project was realised from 2002 to 2003, you may still be able to learn from the method applied. Meanwhile, new types of decision making techniques have been tested, for example under the heading of „democratic leadership“, „agile leadership“, or „holacracy“. These are all leadership principles in which all team members are more intensely involved in the decision making process. This project makes clearly evident, which aspects are important to achieve successful results regardless of the „trends“ or techniques used.

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It works: Group work increases productivity

Case-Study. Group work in production brings an end to the traditional distribution of responsibility in the hierarchy of a manufacturer. They overcome the classical distinction of the work areas of craftsmen and labourers. For many, group work leads to more motivation, self-responsibility and flexibility – a development that could strengthen the German site. This case-study describes how, in the Cuxhaven plant of Impress Metal Packaging, group work is successfully implemented in small steps.

As a matter of fact, everything was running fine. With round about 400 employees “one” was an important employer in the region and could look back at a nearly 50-year old tradition in the production of tin cans for the fish industry. Intimately involved with the Schmalbach-Lubeca-Konzern, the fish tin can manufacturer that this report describes, felt well situated. Even when they underwent a fusion as a part of the Schmalbach-Lubeca with a French concern, everything still looked rosy. The BSE-crisis in the year 2001 provided them with a commission boom, because as an alternative to beef there had never been such a consumption of fish. The atmosphere changed however when in 2002 the BSE-boom was over and the turnover volume receded. Strong competition revealed efficiency problems that could not be compensated through personnel alignment. The role of the plant as an independent “platform” with leadership functionality for Poland and Latvia was endangered. Additional drastic personnel cutbacks were impending.

Avenue of small steps

Internal analysis revealed that the avenue of technical improvement to increase productivity was exhausted. The only suspected potential for optimization was to be found in the processes. For this reason the plant management made the decision to introduce group work in the spring of 2002. The previously rigid boundaries of line organization between transport, service, craftsmen, labourers and fitters were to be discontinued. In its place, product related groups were to be formed, that encompassed all these necessary functions. Management placed their bets on the avenue of small steps. That is, the changes were to be developed “on the job” without major preliminary preparation. Then, during the implementation phase, the concept was to be adapted and optimized. This was done in three phases: in a very short planning phase, in intensive pilot phase and a quick roll-out phase.

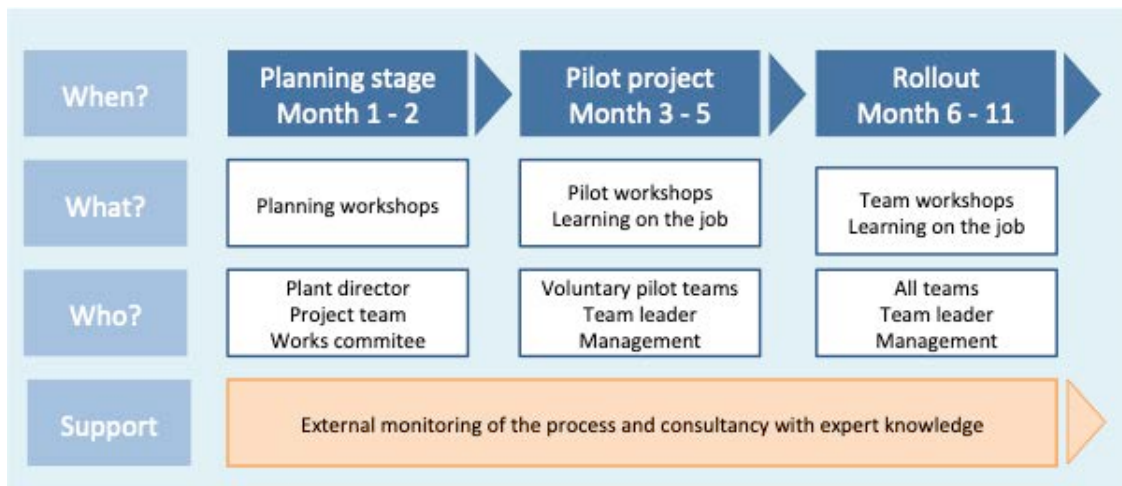


Benchmark: Benchmark: the progress in production of Impress got around and lead to a busy Benchmark
Photo: Impress

1. Planning Phase

In August 2002 the plant management and the works council as well as staff from the affected departments and an external consultant compiled an Is-Analysis of the operational system that was to be changed and a Requirement-Concept of the intended group model:

The group was to autonomously decide how they wanted to organize the workload. To ensure a high level of flexibility between the individual group members, they were to independently increase their qualifications within the team. The tasks of transportation (for instance the delivering of palettes, evacuation of finished goods) - which to this point had been taken care of by an independent service department - were integrated into the group. Every group has a group speaker. There are regular group meetings.



Group work was implemented at Impress in Cuxhaven in three phases.

2. Pilot Phase

The concept was presented and conjointly discussed at a departmental team meeting. The employees were given the option to volunteer for the pilot phase, which was conducted in two teams; team (tin) “bottom” and team (tin) “lids”. The kick-off for the group work was initiated in a one day, moderated workshop: plant management described the current situation of the plant and presented the expectations they had of the group work. After this the group members collected open questions. They chose a group speaker and decided on what the first step of deploying the group work should be. To conclude the workshop the employees presented the workshop results as well as the open questions to a larger circle, consisting of senior staff, plant management and works council. There the suggestions were discussed, decisions were made and insecurities or misgivings were approached.

The adventure of thinking for yourself

During the first weeks after the pilot kick-off the initial uncertainties of the group members started to become stronger. Clear instructions, many of which had been in place for decades, were suddenly no longer there. Instead of these the group members were hearing questions like: “What suggestions does the group have for a solution? What would be a good procedure from the groups’ point of view?” Next to carrying the responsibility of the success of their own suggestions, the first attempts were marked with a relatively large portion of scepticism: “Is plant management serious about our taking responsibility? What would happen to this plant, if we seriously attempt to apply our honest opinions?”



Finished goods. The packaging manufacturer Impress works for well known customers in the “fish market”.
Photo: Impress

Working with resistance

Intensive discussions were held by senior staff with the group speakers as well as the groups. These discussions revolved around who makes decisions after all is said and done, the support from other areas of production, atmospheric disruption by staff on other production lines and the contrasting expectations between senior staff, groups and group speakers.

Mistakes and relapse into old habits were made subject of discussion. Slowly, new rules and certainties developed. The teams learned how to approach conflicts, how to handle different levels of productivity within the groups, what they were initially able to deal with autonomously and at what point the senior level was to be approached. To begin with many conflicts were approached in the usual, indirect manor. Gradually short and direct ways of clarification were developed, directly approaching each other and finding solutions themselves. This had not been the procedure in the past. This is normally the responsibility of superiors. The central platforms for the self-organization of the groups were the group meetings, in which the groups came together and communicated the goals and plans to each other. As a general rule, the group speakers took the lead of the group work - at least in the beginning.

The group speakers needed to quickly learn how to take the lead in group meetings. During the pilot phase the group speakers were trained “on-the-job” according to the following manuscript: In the course of one morning the group speakers of two groups prepared their team meetings with a trainer. In the afternoon a one hour team meeting of the first group speaker was held, in which the second group speaker and the trainer attended as observers. After this the second group speaker held his team meeting and was likewise observed by his colleague and the trainer. On the next day, the trainer carried out one-to-one coaching. The difficult topics, that were mainly discussed, revolved around the questions of how to dramaturgically plan the meeting agenda, how to motivate quiet members of staff to voice their opinion, how to make decisions and pass on questions to senior management, that cannot be decided by themselves.

The task set for the group was clear: they were to learn how to organize themselves. Only two of the initially selected group speakers gave up their role as group leaders, as they could not enthuse themselves toward the task of presentation.

Managing change: The 5 success factors for the implementation of group work

1	Ensure transparency and involvement <ul style="list-style-type: none"> • Agree clear parameters and goals within management and openly communicate these. • Forestall questions and insecurities of the employees and actively discuss them. • Involve the whole system: Plant management, works council and middle management as well as the group speakers must be included in central decisions. • Actively pick up on feedback from employees and respond quickly. • Integrate middle management. 	<ul style="list-style-type: none"> • Regular bilateral conversations between management and senior staff • Frequently “Talk to the people”. Management must keep adequately “in touch” with the process
2	Management is the Role Model and Supporter <ul style="list-style-type: none"> • Support and live the changes top-down • Show presence amongst the employees • Show senior staff, that they are not alone • Management makes clear: “We are not only initiating the process, far more we are responsible for the future development of the entire process.” 	4
3	Group Discussions and utilizing bilateral Conversations <ul style="list-style-type: none"> • Creation of a discussion system with high level participation of effected parties 	5
		Step by Step implementation <ul style="list-style-type: none"> • You can not be forced into group work. One has to understand it and back it in order to constructively develop it • Volunteer groups begin the pilot phase • In the course of the roll-out more and more groups are added. Instead of sharp edged reengineering breaks; continuous navigation • Permit self-dynamic developments and solution approaches of the different groups. This cultivates the pride and the identification with one’s own work. One-Stop Process Accompaniment and external Expert Knowledge <ul style="list-style-type: none"> • External accompaniment leads the entire process to a successful conclusion of the implementation • Expert knowledge on group work in production and experience from other organizations and industries helps to realize the results in a more rapid and cost efficient manner

Management made sure they were re-integrated into the teams or given other functions without loss of face. It turned out that most of the group speakers had, for instance in sports clubs, already had developed astonishing leadership and problem solving qualities. Learning was not accomplished “in the classroom” but directly in the practical environment.

The pilot phase lasted a good three months. In this period experiences were gathered and reflected in the varied operational levels. Die security within the groups grew, as well as the natural manner in which the senior staff approached the new way of working. The first groups were running increasingly smooth.

Discovering many Talents

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Quality. With the introduction everyone became responsible for the quality – not only final inspection.

Photo: Impress

3. Roll-Out

After the successful test-run of the four pilot teams, plant management decided to expand the model to the departments (tin) “bottom” and (tin) “lids”. In preparation of this plant management met with the senior staff of the departments. Again the concept was adapted. Within six months another eight groups were successively introduced to the model, each beginning with a kick-off workshop. After the kick-off, each group was accompanied to specific meetings.

Individual employees were sceptical. They rated each appeal to the old system as proof, that the change process was not a serious matter and that superiors would surely protest against innovations. As the model was being introduced step by step, there were groups on the one side of the production line already successfully working with the “Group Work” model and on the other side there were production lines still working with the classical model. The management reacted resolutely and declared that the future belonged to the new model and there had been impressive successes.

Senior Staff in the Area of Tension

During the implementation phase, the direct senior staff (department managers and foremen) found themselves at the head of two systems with opposite requirements. On the one side they had to uphold the old, line orientated production system, delivering decisions “from the top”. On the other side they had to deal with the decisions of the group that had direct impact on production.

The parallelism of the old and new system during this transition required a large amount of communication skills, learning ability and resilience on the part of the senior staff. In the past, the foreman was able to transfer the employees from one part of production to the other. If he accepted the inner logic of the group work, direct access to the employees was now denied – he had to approach the group speaker, who approached the group who in turn decided whether or not a team member would be “loaned” to other groups. It was not always easy to bear up to this tension. On top of this, the senior staff were experiencing a role change. Leadership was now given a coordinating and moderating function.



Team meeting. A team meeting does not have to take long and can be conducted directly at the machine.
Photo: Impress

Significantly measurable Success

After a year the full production area had been introduced to the new group work model. The employees have been convinced by the success of the group work. They have adopted their new functions with commitment and responsibility. The independent work on the production lines has led to competent and quick decision making. The new approach of thinking together, talking and taking action works. The down-time of machines has been considerably reduced, the productivity and quality enhanced. The operational profit is 2,5 times higher than in the year of crisis in 2002. Even 2001, where they experienced the “boom” had been surpassed by 44%. But it has also become apparent that management needed to continuously work on this change process. Decades of habitual behaviour in the traditional hierarchy and classical shared labour do not disintegrate into thin air after only a few years of successful re-structuring. Successful management is proven by the continuous realization of new ideas and the successful administration of opposition; this also applies to teamwork in production. The attentive observer will note that zigzag courses are the main reason for project-ruins.

Authors

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