The sociotechnical politics of focused factories: Establishing a cross functional project team

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This extract of a larger case study is written to provide real and relevant information to stimulate discussion on the importance of deliberately and vigorously managing the politics associated with the various aspects of Sociotechnical projects. It offers a reflective insight into one company’s change initiative with a particular focus on the political issues associated with establishing a cross functional management project team to manage the design and implementation of an Sociotechnical change program.

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The Sociotechnical Politics of Focused Factories:  
"Establishing a Cross Functional Project Team" 
A Case Study on Magpie Chemical Company Australia

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Abstract. This extract of a larger case study is written to provide real and relevant information to stimulate discussion on the importance of deliberately and vigorously managing the politics associated with the various aspects of Sociotechnical projects. It offers a reflective insight into one company's change initiative with a particular focus on the political issues associated with establishing a cross functional management project team to manage the design and implementation of an Sociotechnical change program.

1. INTRODUCTION

Magpie Australia is a consumer goods company which manufactures a diverse range of chemical and hardware products for consumer use. It supplies the 'do it yourself' market and trade markets with over 400 products for use in and around the home. These products are used for the repair, renovation, decoration, cleaning and maintenance of the home and home contents as well as cars, boats and garages. The organisation operates two factory sites - one in Sydney Australia and the other in New Zealand. It also subcontracts the manufacture of some products to offsite manufacturers when it lacks the technological equipment, licensing agreements or is testing new markets with new products yet to prove their ongoing sustainability or is catering for seasonal variety in product type eg. Christmas packs. Warehousing and distribution of the company's products is via a separately located national distribution centre. In 1990, the company had set a mission to become "the number one manufacturer and marketeer of chemical consumer goods in south east Asia by 1995. This mission amongst other initiatives was the catalyst to totally reorganise the Manufacturing operations at the Australian Manufacturing site. The plant as it existed, was antiquated in its physical, systems and people practices. The opportunity was to transform this manufacturing operation into one resembling 'world class' (as determined by the local management) by the application of new manufacturing technologies eg. Team Based Cellular manufacturing, Total Quality Management, Total Productive Maintenance and so on, as subsets of an overall Sociotechnical redesign. The full case study paper details the raft of political issues associated with the establishment of a cross functional management team whose task it was to manage the detailed design and implementation of a sociotechnical redesign project. In particular, the paper is written from the Cross functional team leader retrospective viewpoint. The paper discusses the multilevel political issues occurring in the establishment of the cross functional team (CFT) and how those issues were overcome or accommodated, and the impacts experienced within the context of the organisation. The multi levels consists of: the parent company, the organisation itself, the departmental segmentation, the project sponsor, the project team leader & the CFT member. It also breaks up the analysis into three phases ie. the pre CFT formation, the formation phase and the post formation phase. At each level in each phase the following factors revolving around the establishment of a cross functional management team are explored:
- the organisational structures and their influence in the political picture
- the management processes used and the ‘power’ relations experienced
- the changing environmental factors and the synergies with other projects
- the organisational ‘drivers’ and individual ‘drivers’ in play

This paper will only discuss the political issues as outlined above, at the organisational level during the cross functional team formation phase. It is important to keep that discussion in context as seventeen of the eighteen segments are not presented and naturally extensive political interdependencies exist between each segment. All segments are discussed in the full case study report.
2. THE CROSS - FUNCTIONAL TEAM FORMATION PHASE - ORGANISATIONAL LEVEL:

During the formation phase of the CFT a number of political issues at this level became glaringly apparent:

2.1 The ‘blocking’ ability of the functional directors within the company and of course the departmental allegiance that individuals had to their functional ‘home’. Upon receiving approval from the parent organisation, the General Manager (GM) and Manufacturing Director (MD) and newly appointed Factory Manager (FM), moved quickly to progress details about all aspects of the entire change program.

Actually discussing the formation of the CFT and the potential candidates within the functional departments with the Functional Directors, proved to be more difficult than simply designing the broad CFT structure. Their power and authority had been built on their headcount empire and quality of their employees and the Functional Directors were loathe to dismantle it or at least change it. Many heated debate between the Functional Directors and FM developed particularly in relation to the appropriateness of certain individuals to fulfil the roles identified. Whilst they confirmed their commitment to the whole CFT idea, actually ‘doing something about it’ was like ‘asking for free money’. Here again, the strong support from the GM to the MD and FM was perhaps the main reason why final agreements and permanent resource contributions from departmental functions were made. If the blockages offered to contributing to the formation of the CFT were considered trite or unreasonable to the cause, the MD and FM would consult with the GM about the impacts of not achieving the desired contribution as we foresaw it and further involve him in the political process of establishing the CFT. The Functional Directors we believe, clearly realised that to effectively ‘block’ our initiatives on weak grounds would not be tolerated in higher political places provided the contrary arguments were sound. To that end, they knew that agreements needed to be reached but their trick was to minimise the impact to their lot whilst appearing to be positive about the whole. Their reasonable political counter argument was to stress the continued functional operability of their departments and the perceived potential loss of technical ability.

The MD and FM took the approach to divide and conquer - and initially approached each Functional Director separately once they had established what they thought the role entailed (with room for the Functional Director to have significant input) and identified the initial candidates from the functional operation. With each Director, different success was achieved. One Director had readily agreed to the acquisition of one of his staff members since he planned to cut his departments costs and headcount anyway and did not necessarily get along with the individual concerned - other personal political motives. Another Director, with some longevity within the political landscape, proved difficult to win over since any change to his department was not appealing to him - particularly since his Quality Assurance sub department responsibilities was to be dismantled and subsumed by the New Manufacturing Organisational Structure. Numerous discussions were held over some 6 months to eventually secure a suitable person for the CFT and provide the time for him to re-organise his department. In large part, in hindsight, this loss of a sub function and talent from within his ranks contributed significantly to the delay in reaching an acceptable outcome for all concerned. Another Director and Second in Change in the Finance Department, acted as a ‘test bed’ for some of the detail of the whole proposal, whilst supportive of the whole found it difficult to allocate resources to the new permanent organisational structure. Indeed, it was difficult to find individuals other than the second in charge, with the appropriate technical, social and organisational skills to fill the factory accountant role. After many discussions between the senior parties, the FM proposed to the MD in a private meeting that our focus should shift from recruiting a member of the accountant’s team to the actual manager of the accountant team - the second in charge. This would achieve two things: the appointment of a competent person with technical and bureaucratic authority who has been part of the initial planning processes associated with the Change program and one who had high credibility with the Finance Director and within the organisation. Such a step would only serve to promote the change process and in particular the CFT within the organisation. It would also serve the CFT well in future political issues considering the functional and political links already existing. The next obvious step was to ‘sell’ this possibility to the Director of Finance and the target incumbent. This political manoeuvre gained the MD support and from that the MD and FM set about deliberately targeting a process to secure this individual. Whatever person the two from Finance would nominate, we would find unacceptable (and fortunately, this wasn’t hard to do) and then basically we reached a point here it looked like we would need to recruit from outside the organisation to fill the role. All present understood that this was a political minefield within this organisation and without in the greater organisation since the justification for the entire change program was based on the utilisation of existing resources. Neither party really wanted to entertain that possibility since it would be particularly negative to their personal credibility. This factor was the one we deliberately relied upon to achieve our desired outcome. At this point, we proposed our desired option. The Finance crew were frankly stunned since no prior discussion had taken place even intimating that. The element of surprise and the prior elimination of other options, meant that the Finance
crew could not dismiss the idea as out of hand and indeed saw it as a real possibility. They agreed to consider it and see how their functional operation could run if the second in charge were at the least on a secondment to the CFT. Upon meeting again, they had established a process whereby the Finance operation would function without the Second in Charge and that the appointment of the Finance person would be for a period of 12 to 18 months only with a replacement to be appointed from within the organisation or from without at the end of that time. The Finance team also took a view that this gave them the opportunity to train others in their team who were deemed deficient in their technical skills to attain those skills required to fulfil the future roles on offer. They also had the view, (as we understood they would) that having one of their respected and trusted middle level managers in the team driving such apparent radical change would help “keep the new team honest” and within the acceptable boundaries dictated by the larger corporate and organisational institution. Little did they realise at the time that their intimate involvement with this process also changed their views of the corporate structures and change and in fact they became more supportive of the change processes unleashed and advocates for change. I stress, this whole change was written about, discussed in its broadest terms and signed off by these Directors prior to the documentation going before the parent organisation. The reality of actually doing it is harder than they first thought!

2.2 Another process running in parallel to the above at this level was the direct private approaches made by the FM to potential identified individuals for the CFT. Whilst this occurred with all potential incumbents either within the Manufacturing department or without, the focus of the discussion below is contained to those coming from other departments.

Reaching agreement between the Functional Director of a department about who should transfer to the CFT was only one part of the equation: getting true agreement and “buy in” from the identified possible incumbent was even more critical. The FM took the view that private approaches associated with his initial networking would aid his potential selection process and following discussions with the MD, who had additional working knowledge of those. The FM initially investigated the likely candidates by establishing the following criteria:

- technical experience and strength - both were necessary ingredients to the success of the program - a base level criteria. If the incumbent was strong in this regard, then the opportunity existed to develop them further by broadening of their skills base and social skills set whilst having confidence in them delivering results on the technical front. For all who were to join the team - failure was not an option. The technical experience was also important for the identification and management of the integration issues between the new manufacturing operation and the traditional functional operation.

- teamwork and social skills evidenced - given the new CFT arrangements it was important to gain individuals who could add functional social value to the group or at least had demonstrated the willingness to work concurrently with others in the organisation. It was important to blend the necessary skills ie. not every likely candidate would have the same teamwork and social abilities

- demonstrated or potential people management skills - given the extent of the change implementation program and the ongoing future management issues revolving around the new manufacturing operation, these individuals would be required to directly manage both staff and factory people and deal with critical issues that were formally destined for functional management and control

- respect within the organisation - the fast development of the credibility of the CFT would be facilitated by the nature of the group members as much as the delivery of results. This point particularly relates to the ‘soft’ success criteria for the change program

- network links - this aspect was a consideration since the incumbents would be required to access their linkages back in their functional departments for technical support, selling the new concept and gaining support for the manufacturing program.

Both the last two points were very important since managing the ‘invisible team’ was important - particularly during the implementation phase of the entire program. At the start of the change program there were few people in the organisation who understood the proposed new operation and therefore few which actively supported it. To aid the saleability to all concerned, the FM and the MD put forward the notion that there would exist a “dotted line relationship” between the new incumbents and the Director of their past functional department. This was an attempt to ‘smooth’ the path for the new CFT arrangement during this early phase. Few could argue against this idea and consequently supported it. Hence the networking skills and respect issue were important.

The discussions between the individuals and the FM took an individual approach. At least twice as many such discussions were held than the number of people accepting the role. The basis of ‘selling’ the idea to the possible candidates took the following form:

- describing the new arrangement and how innovative it was in the world at large - in particular the CFT formation

- asking what they thought of the new arrangements, expressing any concerns and discussion of that.
- asking them to describe their experience in the company and what their personnel views were in relation to its performance and in relation to manufacturing's performance
- if they were offered a role in the new CFT would it be of any interest to them. Discussion of that.
- if it may be of interest to them, discussion of the value to them personally if they were to accept the role eg. high profile, broadening of their skills base, opening up other opportunities for them in the company and outside the company and the recognition they are receiving by being offered the new role and that their skills are necessary for the team to function well. A “needed” and “opportunity” approach.

Usually, at the time discussions were held with the Functional Directors, these sometimes formal, but usually informal discussions were held with the candidates prior to or around the same time. This gave the MD and FM the opportunity to target the Director discussions towards individuals or indeed away from individuals that the Director had marked. It was critical that the CFT embody people that could develop a true belief in the vision for the manufacturing operation. Understandably this would take time, but the FM had to at this stage assess the candidates propensity to move in that direction. This was very much a personal judgement taking into account all the factors above.

During such discussions, the opportunity developed for the potential incumbent to propose their ideas for what the role should be and perhaps how it could operate. This only served to excite them and to start developing ownership of the role. This ‘direct marketing’ proved to be quite important in achieving the results obtained at both the organisational and departmental level.

2.3 At this stage also, at both a departmental and organisational level, the general community communication strategy was an important political tool. This took two forms:
- mass communication sessions
- individual and small group sessions

Both were aimed at developing the understanding of the entire change process and the understanding of the CFT and other organisational changes. As with any change process, the was a raft of opponents and misinformation, and, a large body of people who clearly had little understanding of the process and why it was happening. This obviously needed addressing and was important in minimising the ‘fear’ element in the minds of potential CFT members and to assist in building a body of support for the entire program.

Moreover, this had a side benefit of assisting in not marginalising the CFT members if they were to take on a role in the Cross Functional Management team. Even though this communication strategy had that desired effect, there were still like hurdles for the CFT members if they were to take on a role in the Cross Functional Management team. Even though this communication strategy had that desired effect, there were still like hurdles for the CFT members to overcome eg. the team when formed became recognised as a high performance - make it happen unit and, such an achievement tended to place more political targets on their backs - mostly from other functional management employees or indeed the other management team in the other factory. Departmental team rivalry (both culturally and personality based) ensued for about 4 years.

2.4 Another element which was part of the formation stage that needed to be resolved was the timing of forming the cross functional management team. The MD never considered the formation to be necessary prior to the project implementation being completed. When the new, externally recruited FM arrived he decided that the sheer volume and diversity of work and the opportunity to build a CFT from the commencement of the change program was too opportunistic to miss. Building a team from being responsible for the design and implementation and then being responsible for the ongoing operation, meant that the incumbents would develop a ‘true’ ownership for the tasks and the roles. Their future would be intimately linked to their present input and performance and as such would be a strong performance motivator. The team was formed as suggested by the FM with the full support of the GM and MD.

3. SUMMARY OF POLITICAL ISSUES ARISING FROM THIS CASE STUDY EXTRACT.

3.1 Politics, is all about creating a DIRECT VESTED INTEREST in your activity. In this case study extract, such attempts were made by utilising both influence and accommodation of the various stakeholders needs/desires. A mixed approach worked. The extent of, and robustness of influence versus accommodation in various aspects as discussed was left up to the experience of the political driver and the micro -political environment in each circumstance eg. the IR climate, the time frames dictated by the strategic plan to deliver results etc. To emphasise either component of politics to varying degrees, in different aspects and stages in a project is therefore, in my opinion totally appropriate.

3.2 This extract also highlights the importance of the following issues:
- the building and nurturing of an appropriate political support base
- ‘political strategy’ not just ‘political reactiveness’ is important in maximising results
- a number of ‘integrated political approaches’ will maximise the opportunity for success
- the reality of implementing a ‘plan’ opens up new political frontiers