

CASE STUDY 13.2: Self Directed Work Teams at BHI

©2002, Wirth, S., J. Kavanaugh, & V. Sower. Adapted from "The Radial Bearing Team (A)."

The Kick-Off Meeting for the Self Directed Work Team—February 1997

"Are you ready?" George, the machine shop manager at BHI, asked, looking at Shane. Shane was an internal consultant at BHI assigned to George. It was February 1997 and, after eight months of planning, the production machine shop unit of BHI was about to launch an initiative to introduce self-directed work teams to the machine shop floor.

"Let's make this happen," Shane responded, as he walked with George to the front of the break room in the manufacturing building at BHI's Houston, Texas, facility.

George began the meeting by greeting the machinists. "I'd like to welcome you all to the beginning of a journey. What we begin today will have a dramatic impact on how we conduct our business in the future. Recently, we conducted a market survey with our customers regarding our performance and their upcoming needs. The results of the customer survey told us that on-time delivery, quality, and the right quantity of our tools would be the difference for the future. We can't work any harder than we are now. We will have to be efficient and work smarter."

"We are going to split up certain departments and be process-oriented. This starts with the machine shop and its support areas. Effective today, all 34 of you have been assigned to self-directed work teams (SDWTs), numbered 1 through 9. Each team has a certain product or process they will be responsible for. In the past, these units have focused primarily on their own functions within a hierarchical structure. Now, they will be directly focused on providing support either to clients or to manufacturing groups. They will begin to function much more as client-focused teams. This will improve communication, ownership, and give the machine shop the support we need."

There were some general murmurs from the crowd as George continued by detailing the responsibilities for each of the teams. There were some snickers of skepticism from the crowd. After all, management had talked about major changes before, but little happened.

"Are we really going to be allowed to make decisions pertaining to our area?" a machinist asked, glaring at Bob, the foreman.

"Yes," George responded. "It will be simple decisions in the beginning and then as the teams mature, so will the responsibilities and rewards."

"What if this doesn't work?" someone shouted from the back of the room.

George raised his voice and very clearly said, "There is no going back—we must make this work—and failure is not an option. If you don't want to be a part of the team concept, then I suggest you find somewhere else to work. Meeting dismissed!"

There was a lot of grumbling and discussion from the machinists as they left the room. Some were excited about the changes; others thought things

were just fine in it for me anyway?"

Two weeks later the message he was quoted really came no going

THE QUALITY

Prior to their own the new

After checking had these p

Th

George

errors

team

during

explai

the w

"

if we

repo

cam

of a

also

floc

irai

he

fin

ar

a

d

f

t

t

ial Bearing Team

uary 1997

at BHI, asked,
igned to George.
the production
ve to introduce

d with George to
it BHI's Houston,

"I'd like to wel-
today will have a
ure. Recently, we
our performance
vey told us that
ols would be the
we are now. We

process-oriented.
i. Effective today,
k teams (SDWTs),
ct or process they
used primarily on
hey will be directly
ufacturing groups.
d teams. This will
e shop the support

s George continued
. There were some
gement had talked

ns pertaining to our

ns in the beginning,
; and rewards."
om the back of the

s no going back—we
ou don't want to be
ewhere else to work.

he machinists as they
others thought things

were just fine as they were; still others mulled over the question of "what's in it for me?" while the skeptics grumbled about "why are we doing this anyway?"

Two weeks after the initial meeting, the machine shop was slowly getting the message that George was really serious about the changes. Every time he was questioned about the SDWT initiative and whether management was really committed to the changes, his response was always the same, "There is no going back."

THE QUANTITY DEBATE—JUNE 1997

Prior to May 1997 the machine shop had no formal responsibility to inspect their own parts before sending them to quality control. Subsequently, under the new SDWT process, they did assume these inspection responsibilities.

After the radial-bearing team had its big re-election fight, Shane started checking in at least once every two weeks with the three teams for which he had responsibility. He hoped that with more frequent monitoring, some of these problems could be headed off early before they exploded.

Three weeks after the second election, Shane had a message to deliver. George wanted the teams to know that if any of the SDWTs found all their errors for three straight months, he would reward that team with some special team shirts and hats. As Shane walked through the radial bearing team area during break-time, he noticed Barry at Arthur's Mazak M-5 machine. Barry explained that the bearing team had decided to rotate their breaks; that way the work could continue and the machines wouldn't stop running.

"George told us the demand for radial bearings was still increasing, and if we hit 42 parts per day, he would serve us a customer breakfast," Barry reported to Shane.

A customer breakfast was a company tradition. Usually, when a customer came in for the whole day, they were served a catered meal with all the finery of a first-class restaurant—white linens, candles, and china. This format had also been used for other special occasions, but was perceived by the shop floor as a "management-only" ritual.

Later that week, Shane was summoned to George's office. George was irate. "When they make major changes like that, you have to let me know," he shouted.

"What change in particular are you talking about?" Shane asked calmly.

"The work order quantity of the radial-bearing team. I had that set at five pieces per order for the last year. We are behind. By keeping the quantity around five, each customer gets some of what they need. In addition, we earn a 10 percent profit for each radial bearing and they sell for \$2,800 each. If we don't maintain \$40,000 profit each month, we'll all lose our jobs!"

On its own decision, the team had changed the work-order quantity from five to fifteen to increase production efficiencies. Shane remembered that the bearing team had discussed the quantity issue in some detail at a previous team meeting. The issue was that the team was spending more time setting