

GENERAL MANAGEMENT



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Short Description

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Description

“THAT’S NOT MY JOB” – LEARNING DELEGATION AT CIN-MADE

When Robert Frey purchased Cin – Made in 1984, the company was near ruin. The Cincinnati, Ohio-based manufacturer of paper packaging had not altered its product line in 20 years. Labor costs had hit the ceiling, while profits were falling through the floor. A solid quarter of the company’s shipments were late and absenteeism was high.

Management and workers were at each other’s throats.

Ten years later, Cin – Made is producing a new assortment of highly differentiated composite cans, and pre-tax profits have increased more than five times. The Cin – Made workforce is both flexible and deeply committed to the success of the company. On-time delivery of products has reached 98 percent, and absenteeism has virtually disappeared. There are even plans to form two spin – off companies to be owned and operated by Cin-Made employees. In fact, at the one day “Future of the American Workforce” conference held in July 1993, Cin-Made was recognized by President Clinton as one of the best – run companies in the United States.

“ How did we achieve this startling turnaround ?” mused Frey. “Employee empowerment is one part of the answer. Profit sharing is another.”

In the late spring of 1986, relations between management and labor had reached rock bottom. Having recently suffered a pay cut, employees at Cin- Made came to work each day, performed the duties required of their particular positions, and returned home-

nothing more. Frey could see that his company was suffering. “To survive we needed to stop being worthy adversaries and start being worthy partners,” he realized. Toward this end, Frey decided to call a meeting with the union. He offered to restore worker pay to its previous level by the end of the year. On top of that, he offered something no one expected: a 15 percent share of Cin-Made’s pre-tax profits. “I do not choose to own a company that has an adversarial relationship with its employees.” Frey proclaimed at the meeting. He therefore proposed a new arrangement that would encourage a collaborative employee-management relationship “Employee participation will play an essential role in management.”

Managers within the company were among the first people to oppose Frey’s new idea of employee involvement. “My three managers felt they were paid to be worthy adversaries of the unions.” Frey recalled. It’s what they’d been trained for. It’s what made them good managers. Moreover, they were not used to participation in any form, certainly not in decision making.” The workers also resisted the idea of extending themselves beyond the written requirements of their jobs. “ (Employees) wanted generous wages and benefits, of course, but they did not want to take responsibility for anything more than doing their own jobs the way they had always done them,” Frey noted. Employees were therefore skeptical of Frey’s overtures toward “employee participation.” “We thought he was trying to rip us off and shaft us,” explained Ocelia Williams, one of many Cin-Made employees who distrusted Frey’s plans.

Frey, however, did not give up, and he eventually convinced the union to agree to his terms. “ I wouldn’t take no for an answer,” he asserted. “Once I had made my two grand pronouncements, I was determined to press ahead and make them come true.” But still ahead lay the considerable challenge of convincing employees to take charge :

I made people meet with me, then instead Of telling them what to do, I asked them. They resisted.

“ How can we cut the waste on his run ?” I’d say, or “How are we going to allocate the overtime on this order ?”

“That’s not my job,” they’d say. “But I need your input,” I’d say. “How in the World can we have participative management If you won’t participate?

“I don’t know,” they’d say. “Because that’s not my job either. That’s your job. ?”

Gradually, Frey made progress. Managers began sharing more information with employees. Frey was able slowly to expand the responsibilities workers would carry. Managers who were unable to work with employees left, and union relations began to improve. Empowerment began to happen. By 1993, Cin Made employees were taking responsibility for numerous tasks. Williams, for example, used to operate a tin-slitting machine on the company’s factory floor. She still runs that same machine, but now is also responsible for ordering almost \$ 100,000 in supplies.

Williams is just one example of how job roles and duties have been redefined throughout Cin-Made. Joyce Bell, president of the local union, still runs the punch press she always has, but now also serves as Cin- Made’s corporate safety director. The company’s scheduling team, composed of one manager and five lead workers from various plant

areas, is charged with setting hours, designating layoffs, and deciding when temporary help is needed. The hiring review team, staffed by three hourly employees and two managers, is responsible for interviewing applicants and deciding whom to hire. An employee committee performs both short – and long – term planning of labor, materials, equipment, production runs, packing, and delivery. Employees even meet daily in order to set their own production schedules. “We empower employees to make decisions, not just have input,” Frey remarked. “I just coach.”

Under Frey’s new management regime, company secrets have virtually disappeared. All Cin-Made employees, from entry-level employees all the way to the top, take part in running the company. In fact, Frey has delegated so much of the company’s operations to its workers that he now feels little in the dark. “I now know very little about what’s going on, on a day-to-day basis,” he confessed.

At Cin-Made, empowerment and delegation are more than mere buzzwords; they are the way of doing business – good business. “We, as workers, have a lot of opportunities,” said Williams. “If we want to take leadership, it’s offered to us.”

Questions:

How were principles of delegation and decentralization incorporated into Cine – Made operations?

What are the sources and uses of power at Cin – Made?

What were some of the barriers to delegation and empowerment at Cin –Made?

What lessons about management in a rapidly changing marketplace can be learned from the experience of Cin – Made?

Details

1. Case study solved answers

2. pdf/word

3. Fully Solved with answers