

# Rose company case analysis essay sample

[Business](#), [Leadership](#)



The Rose Company is building a new plant to reduce cost, improve the quality of products, and maintain competitive leadership by gaining a slight production advantage. The main obstacles to be overcome are the commissioning of a new plant, new methods and process, and administrative reporting issues. As the newly hired General Plant Manager, I plan to resolve these issues by insisting that all plant communications flow through me, instituting training for plant personnel and setting operational expectations.

**Situation Analysis** – The Jackson Plant an older, established unit in the Rose Co. has not operated satisfactorily for several years. The Board of Directors has recently approved the construction of a new plant with the expectation of achieving lower costs of processing and a reduction in man-power. The strategic goals of the Organization is to reduce cost, improved product quality, and maintain competitive leadership by gaining a slight production advantage by using new technologies, processes and new methods of production. The Organization has also decided to implement a new decentralized leadership structure. I have recently been appointed as general manager of the Jackson Plant. I will be responsible for the management and administration of all functions and personnel, except sales, at the new plant.

I expect the strategy employed at the Jackson Plant will have significant impact across the organization and be a model for other plants in the company. The proposed combination of methods of manufacturing and mixing materials has not been tried elsewhere in the company, and most of the processes will be entirely new to many of the employees. In addition to location, material, and process changes the reporting relationships

will change. Prior to this new plant, all the heads of departments in the plant reported to their functional Vice Presidents in the home office. Now they will report to me.

While the need for change is evident based on the P&L and the evolving competitive landscape some of the changes are not urgent. Initially, change will be at a slower pace because the existing plant will continue to run until the new plant is commissioned. I think that this slower pace of change will be to my advantage since it will afford me more time to understand the production landscape and the players involved.

**Problem Identification** – The most critical issues involved in managing and implementing the changes at the Jackson plant include a new plant, new methods and processes, and changed relationships. The new plant will also have the inherent vagaries of starting up new equipment and the associated learning curve for the operators. If this learning curve is not addressed aggressively, any expected gains in productivity could be lost. I would suggest the creation of plant simulators and a requirement that all operations employees be trained on the new operation. The new methods, processes and materials could pose a problem for operations.

The old plant has been running for many years and there is a wealth of experience within the operators. Most of the work force has “grown up” in that plant and may be resistant to change. If the workforce feels that the new methods and processes are too cumbersome, they may try to circumvent the new methods and revert to the old methods. This would negate the reason for building the new plant, so operational supervision will

be a priority. I will institute target measures for supervisors who track the adherence to our new methods and standards.

While the issues above will require attention, the administrative reporting issue is most pressing. The functional VPs have agreed me to issue all instructions to me and have agreed to cut off their connections with their counterparts in the plant as part of the new structure. However, the home office executives have proposed maintaining a dotted line relationship with those individuals. This arrangement sets up two different patterns of home office/plant relationships and having dual reporting relationships at the plant level is troublesome and will lead to confusion and dissatisfaction.

This type of arrangement could potentially undermine my power at the facility regardless of my accountability or ability to manage performance. If individual plant level managers do not agree with decisions I make, they may attempt to circumvent my authority by working directly with home office executives. In the event home office executives support the plant level managers, I will have no enforcement powers and many initiatives that I start may fail before they are given a chance.

This administrative issue is best resolved by severing the functional relationship between the executive office and the plant level managers. Decision-making authority is power and people are often reluctant to give up that power. One of the main rules for making good decisions is the involvement of the right people at the right levels of the organization (Rogers & Blenko, 2006). Nominally, I have been given the authority to run the plant and will require the commensurate level of decision-making

authority. In practice, just as they have agreed, vice presidents should deliver all of headquarters' instructions to me and the functional counterparts of the home office executives should report directly to me exclusively.

To summarize, the issues involved in managing and implementing the changes at the Jackson plant include a new plant, new methods and processes, and administrative reporting. The most critical issue is the proposed dual administrative reporting relationship between the home office, plant level managers, and me as the General Plant Manager. There are secondary issues related to employee morale and dissatisfaction due to some of the changes that the employees are expected to face with the new plant coming on line related to new processes and efficiency requirements.

#### Alternative Solutions

Solution 1 – Have all communications flow through me with no dotted lines to HQ. – Recommend that the Vice Presidents at the home office have no reporting relationship with the line managers at the plant and that all information comes directly through me for dissemination. Employees would not be confused by the dual reporting structure and there would only be one voice and face. Work with local managers to set up town hall meetings with all employees. Explain to them the rationale for the new plant, and how it benefits the company. I will use the fair process framework advocated by Kim and Mauborgne 2002, to explain the 'whys' behind the decision. One of the cornerstones of the fair process framework is that employees will likely

accept outcomes not wholly in their favor if they believe the process for arriving at the decision was fair.

I will work with corporate to design generous severance packages for employees wishing to take early retirement. I will solicit input on how the employees would like to be trained on the new equipment and processes and have them work with the vendor to design the training. I will work with HR to determine if there are opportunities for employees to transfer to open positions if they do not wish to go to the new plant. In order to overcome the cons related to the loss of the communication link between employees and HQ, I will work to ensure the lines of communication to me and other plant leaders remain open. I will be available to ask and answer questions and ensure that plant leaders are extremely responsive to employees. -Pros - There would be less confusion, clarity of messaging and greater efficiency as employees would go to one leader for direction.

In implementing changes, one of the recommendations made by Jick 1991, is to separate from the past. In addition, decisions made by me would take a comprehensive view involving the entire plant and there would be greater collaboration between departments since they report to one leader and reduce chance of silos being formed. I would be cemented as the leader of the organization and this approach minimizes the possibility that I would be blindsided or undermined. -Cons -The sudden shift in reporting structure might be too dramatic for employees and they would have a hard time adapting. They may feel that their ability to communicate within the

organization is lost or reduced or the ‘prestige’ of being able to communicate to headquarters has been taken away.

This may lead employees to feel undervalued. Employees may feel they have lost control over their work, including a loss of empowerment and lead to feelings of resentment. Solution 2 – Recommend a phased approach where the Vice Presidents at home office would retain the levels of interaction currently in place. Over the course of one year, the Vice Presidents would reduce their levels of business contact with plant managers. I would encourage employees to visit the new site as it is being constructed and plan a series of lunch and learns with vendors at the old plant. This may allow the employees to more easily adapt to the changes. - Pros – Maintains the status quo and provides employees time to adapt to the changes.

This approach also allows me time to build credibility with the team and the team to become familiar with the new vendors and processes. -Cons – This approach delays the changes which may be critical to the plant’s survival; it could also be confusing to employees. It could undermine my authority since the previous lines of communication to headquarters remain open and this prevents a clean break from the past. Solution 3 – Create a team of key leaders in the Jackson plant who would serve as liaisons between the plant and HQ as part of a dotted line reporting structure. This team would liaise with HQ for mostly the technical aspects of the plants business. I would still retain operational oversight and make final decisions.

Have a third party perform impact study to show benefits to community and explain the results to the employees. We could request the vendor build a pilot plant lab on old site for hands-on experience -Pros – This creates a firewall between the future and the past while maintaining a link to HQ. This would be less dramatic than having all communication go through me immediately. This approach can be used to develop talent within the organization since the key leaders could be part of the plant's leadership committee and become exposed to all facets of the operations. This would allow the employees time to get to know me and allow me to bond with the teams. -Cons – This approach can be confusing to employees because it prevents a clean break from the past. It can potentially undermine my authority.

The extra layer of communication can potentially cause delays in execution. Solution – I believe Solution 1 to be the best option. Making a clean break from past practices will be beneficial in the long run for the success of this plant. Not only are employees going to face many changes in processes, equipment and materials, they will also deal with a new reporting structure. It is beneficial to implement the changes all at once rather than extend the process. I will utilize the fair process framework in conjunction the 10 steps for implementing change recommended by Jick 1991, which outlines ten specific actions that change implementers should utilize when attempting changes of this magnitude. These ten steps include recommendations such as creating a common and shared vision, separating from the past, creating a strong leader model, and lining up political sponsorship, creating a sense of urgency and communicating honestly to the change recipients.



Implementation – I would immediately begin staging a series of meetings with employees at the existing location. I will be honest and open to discussing the possible impact to employees and the rationale for those changes as advocated by Kim and Mauborgne, 2002 and Jick 1991. I will ensure that my vision for the future state of the plant is clearly articulated. I will work with HQ to ensure that the required resources for training on the new processes and materials are available. I will identify and line up political sponsorship at both the leadership and the recipient levels and work to change the hearts and minds of the detractors with the greatest influence.

I will work with vendors to create a timeline for training to ensure employees are familiar with the expectations prior to the plant coming on line. I will assure employees that they will continue to have input in their success and schedule milestones for the plant, such as the completion of training, the transition to the new plant and meeting of reduced production goals in the first 90 days as plant operations ramp up. This will allow for successes which can be celebrated at each step and serve to boost morale and improve confidence.

## References

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