

Peter Browning and Continental White Cap Essay



**ASSIGN
BUSTER**

Peter Browning assumed the management of Continental White Cap, which was a division of the Continental Group, Inc. Browning was recognized as a very powerful and influential leader that had assumed and completed strenuous assignments in his prior history with Continental.

In his new role, Browning would need to revitalize a division of Continental which had stable sales and rising operating costs. In addition, the market was changing; their competitors were seeking new innovations and building additional market share. Continental was known as a company that looked after its employees. Browning would need to reduce salaries and administration (S&A) costs without tainting company morale.

Environmental Factors to Consider

- * White Cap's management did not recognize the competitive onslaught of the plastics innovation

- * Bob White was the previous manager and established a multi-layered, formal, and restrained organization. This was known in the organization as "Management without confrontation"

- * White Cap's most recent competitors were slashing their prices. Continental did not want to cut their prices.

- * S&A costs were increasing and Continental's upper management perceived White Cap as inflated. White Cap's admin costs were 13%, compared to 3-4% in other divisions.

* Browning was constrained by two explicit factors: 1. Continental did not want White Cap's image to change; and 2. Continental did not want to break its tradition of employee loyalty.

* Employees feel entitled to the way of life at White Cap.

Key Issues to Resolve with White Cap

1. Browning needs a culture change to meet his goals of lowering the S ; A. Browning needs to address Bob White's legacy and Art Lawson's impending linkages to past White Cap culture.

2. Browning noted that the marketing department was not being progressive. The Marketing department needs to take on new initiatives as opposed to " simply administering existing programs." In particular it needs to embrace the emerging plastics innovations. Browning will need to address Jim Stark.

3. Browning has a problem with his current human resources manager, Tom Green. Tom Green was a legacy White Cap employee with strong ties to the status quo. One way to reduce head count is to release employees who are non-performers. In short, Browning is not immediately equipped with a list of non-performers. White Cap has an extensive review system but it is failing to identify problems.

4. Complicating the employee performance matter, Browning believes that the person responsible for identifying those people (Tom Green) is a " problem child". He has experienced that Tom Green delegates much of his

work and spends a good bit of time reading the newspaper. Browning needs to address Tom Green as a top priority.

Approach to Resolution of Issues

Peter Browning is faced with several difficult decisions – each of which is rooted in a culture defined (or in some cases not defined) by people. The most important decisions are how to deal with the various individuals that are obstacles to his goals. These people would be Bob White (actually Bob's legacy), Jim Stark, and Tom Green. It is not clear in the article but Dick Hofmann might prove to be an obstacle because Hofmann knowingly put Browning “ smack dab between a rock and a hard place.”

* Tom Green

Browning needs to determine how best to motivate one of his problem people, Tom Green. Browning should clearly identify his targets for reducing cost through headcount (i. e., the bloated administration). Tom has been with White Cap for a long period and should be given time (perhaps, 6 months) to determine if his motivations align with Browning's goals for the division. If they do not, then Tom should self-select out. If he does not, Browning should let Tom go and hire someone strong willed and capable. The plan should include a way to identify the truly bloated areas and those employees contributing to the bloat. The company should move to produce an incentive plan that drives their employees to want to contribute to the company as opposed to feeling entitled as they do currently.

* Jim Stark

Culture starts at the top of an organization. Jim Stark is responsible for the Marketing department and has been unable to push his team away from just administering accounts. Peter Browning should address Jim Stark in the same fashion as Tom Green; layout Peter's goals and identify whether or not Jim will be able to push his Marketing group to align with them or not.

Jim has pretty good relationships with the customers and should continue in a roll where he works with them. However, it is clear that he will probably not be successful aligning the Marketing division with Peter Browning's goals for the division. If he is not capable of forging better relationships with his direct reports, then he should be replaced with someone who has demonstrated team building and group motivation skills. Due to the nature of White Cap, Browning should look internal for a substitute.

The Marketing department needs to push into the plastics market to keep from having to generate additional revenue from the eventual lost revenue in the other markets where competitors are slashing prices.

* Bob White's Legacy

Browning needs to use his politician skills to break the old culture. Browning has been described as a great politician who shakes hands and kisses babies. He should clearly state his goals to his division and then constantly reiterate those goals in key meetings or even at team outings. Consistency and repetition will be key to breaking the legacy. Demonstrated success and alignment of key areas like Marketing and HR will be critical as well.

* General Organization and Actions

Browning needs to not support actions such as described in the Christmas Bonus episode and should insure that the company moves to a “if the company does well, then the employees do well” model. If the company can not afford Christmas bonuses, it should not borrow money to pay its employees. Nucor Steel is a good model to follow where employees actually took lower pay to help the company through the hard times, a. k. a. the Pain.

There are two other areas that are not 100% clear and I would need more data to understand the scenario. The first is the organizational chart. I am not clear as to why there appears to be an additional layer of management between Browning and Jim Stark. If there was more data in the article, I might look at how to rearrange the organization. There also appears to be a lot of employees in the Chicago plant that will need replacing. Perhaps, it would make sense to alter the Chicago plant and train those people on how to work in plastics so that the division can break into that arena.