

The treadway tire company management essay



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The Treadway Tire company plant in Lima, Ohio is the company's one of the biggest plants and most important. It has been plagued with high employee turnover at the foreman level resulting in low productivity. Ashley Wall, the HR Director of the plant is faced with the task of investigating the problems and presenting her recommendations to Brandon Bellingham, the plant manager.

In this case study, we put ourselves in the shoes of Ashley Wall and attempted to identify the root causes of the problem drawing from concepts learnt in the course. We gather that the turnover is only one of the symptoms of much deeper problems which are creating job dissatisfaction among all employees. A detailed analysis follows:

SITUATIONAL ANALYSIS

Relationship between line foremen and other groups within the plant: general supervisors and area managers, top management, the union, hourly workers, each other

Supervisors and area managers

The supervisors and area managers are bossy and are concerned only about goals. They hold the foremen responsible for any failure at the workmen level. The supervisors also indulge in verbally aggressive behavior and threaten poor performance reviews which is a deviation from expected workplace behavior. They tend to stay aloof from line foremen and do not like to mingle with them at informal company events. The line foremen are however dependent on the supervisors for performance reviews and hence are submissive to the supervisors. There is a need to reduce this animosity and build trust and respect as lack of it can lead to poor performance, create

tension and de-motivate employees. It also acts as a negative role model for the foremen who then feel that they have the right to do the same to the hourly employees. There should be a more civilized manner in which these issues should be dealt with like having a talk to the subordinate and communicate in a decent manner of what is expected. This will lead to more respect and reduced stress. The supervisors and area managers were traditionally oriented, did not interact much with lower level employees, and were not open to the idea of social events for such interactions

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Top Management

The top management was completely disconnected with foremen. They did not want to be involved directly with the foremen and wanted the area managers and supervisors to directly handle all foremen related issues. This is a common trend seen in the organization, it has an extremely vertical chain of command where one level directly reported to the next level and controlled the lower level . The top management was only concerned about the bottom line and did not recognize the importance of the high turnover rates amongst foremen which were negatively affecting the firm.

Union

The union set the job classification, pay rates and overtime pays. They controlled and protected the hourly workers. In case of some dissatisfaction

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stemming from contract violation or disciplinary action, a union steward was called in and a grievance redressal meeting was held with the supervisors . The line foremen were not directly involved in these grievance redressal committees and we can infer that there is some hostility between the foremen and the union as it reduced their control over the hourly workers whom they like to boss around.

Hourly workers

The foremen had their own goals to meet and faced pressure from their superiors. Hence, they were not considerate with the hourly workers and tried to boss them in the same way the supervisors bossed the foremen. The hourly workers felt that the foremen don't treat them with respect. On the other hand, the foremen felt a lack of authority because they did not have a say in the grievance committee decisions which was taken up by the supervisors and the union representatives. There was also no transparency in the grievance redressal process and the workers usually got a clean chit from the committee and no details of the discussions were revealed to the foremen. Thus, with respect to the hourly workers they felt powerless as on the one hand they had to rely on them for production targets and on the other hand they could not use the stick. The hourly workers also had a sense of hostility towards the foremen as they felt they were not considerate towards their concerns.

Each other

The line foremen are competing to achieve production targets and this could give rise to conflicts in resource allocation as each would want the most efficient workers under their command. A lot of workers fell sick because of

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the strenuous work conditions and the line foremen had to scramble for substitute workers to fill in for them. They are also competing for promotions to a general supervisor position. Thus we can infer that there is a competition between them although they are not hostile to each other.

There also seems to be some friction between the older (promoted from hourly workers) and younger foremen (possibly graduate recruits) as seen from the comments from salaried employees in exhibit 4 - " The younger line foremen are smart and pushy, but they don't get enough training - especially in how to work with the union and how to manage their workers" . Possibly they are frustrated that they are on the same level with a young foreman who are not knowledgeable about the feelings of the hourly workers as they have not been in that position unlike them.

Job Dissatisfaction among line foremen and the causes

The line foremen felt unhappy as they had no authority but a lot of responsibilities. They were pulled into different conflicting directions by the management, hourly workers and the union. Daily, they had to juggle between a variety of personnel, resource and administrative issues. They had to meet strict daily production targets, fill substitute workers in when regular workers called in sick, maintain strict safety, health standards and investigate any violations. They also had to manage many administrative procedures like leave approval and payroll processing.

The foremen felt (as stated in their exit interviews, Exhibit 4) that they were not properly trained to handle the numerous responsibilities, had no one to turn to for help and left to sink or swim on their own. They saw no career

advancement opportunities (inferred from Exhibit 4) and were dissatisfied with the supervisors who never understood the problems they faced with hourly employees who showed them no respect. They felt oppressed as the supervisors who were always in their faces with unsatisfactory daily production reports and threatened with poor performance reviews. They were intolerant and did not give the foremen a long rope.

The line foremen were not part of the grievance committees set up to discuss workers' issues. They felt powerless and disrespected when the hourly employees initiated a grievance process with the union steward, without the foremen's involvement. We can clearly see that they are dissatisfied with their jobs. We can explain this with the use of the following motivation theories

Maslow's theory (Individual Context) - At the second level of the Maslow's pyramid is safety needs. There is no job safety for the line foremen as they were threatened with bad performance reviews. Even if they felt that their jobs were safe, their social needs were not satisfied as they had no belongingness, did not feel accepted by their subordinates who used the union to bypass them for resolving their problems and superiors who showed no affection or concern for their problems. All this contributed to a demotivating environment for the foremen

Two factor theory (Organizational context) - According to this theory, there are a set of hygiene factors which are essential to prevent dissatisfaction such as as pay, company policies, physical working conditions, quality of supervision, relationships with others and job security and a set of

motivators like promotional opportunities, personal growth opportunities, recognition. We can see that the hygiene factors like relationships, quality of supervision are inadequate and may be the cause for lack of motivation among foremen. To improve the motivational levels, Ashley Wall needs to first address the hygiene needs and then move on work on providing promotion, growth and recognition opportunities.

Outcome of the foremen's dissatisfaction

The foremen constantly faced the verbal wrath of the supervisors. We can gather that there was pressure to achieve targets and the foremen thus vented their anger and frustration on the hourly workers(" They treated us like dirt"-Exhibit 4) if these target were not met. There was no formal training, so the foremen were inadequately prepared for their jobs.

Job discontent was high among the foremen, and their morale was low. This led to low job security, and consequently resulted in high turnover rate of 46% in 2007. Of these 10 of them quit voluntarily. The remaining people were asked to leave because they could not control workers, couldn't meet forecasts or maintain cordial relationships with workers. This in turn affected productivity. Also the line foremen do not see an opportunity for career growth since any vacancy for a supervisor was filled by hiring college grads, again contributing to attrition.

Analysis of the work elements contributing to job dissatisfaction

The elements of the work system that seem to be creating friction in the work atmosphere are:

(a) Long shift timings

The long shift timing of 12 hours is taking a toll on the workers physically. A lot of them apparently come late or called in sick. This caused a lot of last minute problems in finding appropriate substitute employees.

(b) Impact of using the wrong “ motivational” methods (negative KITA)

Negative physical KITA is probably the oldest motivational method used in organizations. Negative physical KITA refers to a job environment where a higher level employee uses drastic and direct ways to get his employees to fall in line. The drawbacks are that it is inelegant; it contradicts the precious image of benevolence which organizations cherish and leads to a negative backlash. In the case of Treadway, the supervisors used verbally aggressive tones to admonish foremen. This attitude percolated to the lower level when the foremen used to same technique with hourly employees. The supervisors also used ‘ negative psychological KITA’ when they threatened the foremen that they would give them bad reviews and also result in their expulsion. These methods are not elements of a conducive work environment and resulted in a general low morale among the employees. Negative KITA does result in work being done, but not due to internal motivation.

(c) Lack of Role Clarity

The foremen, apart from handling the tire production line and taking care of technical issues, were expected to do a lot of other tasks. For instance the foremen were required to maintain safety and health standards while they were in no way equipped with the necessary skills.

(d) Lack of formal training

Foremen were put on the line without adequate training, before they have enough knowledge. A lot of them were not aware of crucial industrial engineering processes such as tracking their hours and production runs but they were left on their own and were expected to learn on the job. This was unjust on the company's part. They cannot expect the untrained workers to learn without any knowledge transfer or training processes.

(e) Managing people and working with the union

Also from the exhibits, we gather that the younger foremen, probably the fresh graduates they recruit could have problems in handling the line workers and working with the union. Since they do not have prior work experience they could have problems synchronizing with a team and directing people to achieve a target.

(f) Lack of a learning environment

Consider the elements of a learning organization - supportive learning environment, concrete learning processes and leadership that provides reinforcement. Treadway seems to be lacking in all these three factors.

Supportive learning environment

Hourly workers are not given a chance to disagree with or question supervisors. Supervisors give them scant respect so workers would not present their opinion or own up to mistakes owing to absence of psychological safety. There is no structured learning program. There seems to be no scope for innovation or risk taking. Also, given the hard focus on targets, hourly workers are judged only by the hours they put in.

Overstressed by deadlines, analytical ability gets compromised. They don't have the time to reflect on their actions or learn from their experiences.

Concrete learning processes

For maximum impact- knowledge must be shared in systematic way, laterally or vertically within a firm. Since there is no knowledge sharing process in place for disseminating information, employees' skill development takes a hit. Also there is no opportunity to identify and solve problems based on past information or gather information about customers or technological trends.

Leadership that reinforces learning

Leader's i. e the supervisors don't spend time on problem identification, knowledge transfer and reflective post audits. In case of missing targets, they blame the foremen and this in turn leads to friction in the system.

(g) Poor quality performance reviews

From the last exhibit, we can infer the poor quality of the performance review which reflects the high handedness and attitude of the supervisors towards foremen. In the overall rating column the supervisor writes " John is a hard worker and rarely complains. He only had a couple grievances" . This shows that they do not want to hear any problems and are uninterested in solving any foremen issues and want the foremen to solve their own problems. This beats the whole purpose of having a feedback as they would stop giving feedback if they sense that it is not being considered.

Recommended Action Plan

In view of the above stated problems faced by line foremen, Ashley Wall should recommend the following ways.

(a) MBO-Management by Objectives

Follow MBO from a bottom up perspective. It will help resolve many of the issues that the company is facing. Line foremen should have a joint goal setting meeting with the hourly workers for an explicit time period with regular feedback on goal progress. Similarly the management must set goals with the foremen. Participative nature of goal setting ensures that the goals are achievable, have acceptance and mentioning specific time frame helps foreman plan for each period in advance. This will also ensure that foremen are not overburdened by fluctuating demands.

(b) Recruitment process

Skill requirements for a foreman can be elaborated as follows :

Personal: Handling people-centric issues like grievances, managing performance of hourly employees, ability to manage conflicts

Resource: Manpower allocation, production planning, resource planning, managing absenteeism

Administrative: Managing the union and administrative procedures, documenting disciplinary actions, negotiating work standards, managing leave requests, checking timesheets and solving payroll issues.

Currently, the recruitment occurs through a 5 hour test that comprises of 2 components

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a) 3-hour written test that assesses the candidate's ability to

i) Forecast production and plan for the same

ii) Solve mini cases on interpersonal relations

b) 2-hour interview on problem solving, task structuring and planning

Basically, interviews are of three types: biographical, situation based and behavioural. Right now they are conducting a situational based interview where they are given hypothetical situation and asked to use their technical skills to solve them. The predictive validity of this test seems to be low since it evaluates only certain aspects of the job requirements. The interpersonal skills required are only being tested using small case studies which tend to extract idealistic response from the candidates. However, people might behave differently when they are in the actual situation. Personal motives and biases might influence a foreman's ability to make the right choice. Along with situational based interview, behavioural questions and tests might give more information about the candidates. Behavioural based structural interviews aim to get candidates to tell how they would behave in situations that have been identified as critical to successful job performance. Of course an assumption made here is that past behaviour in dealing or reacting to events is the best predictor of future behaviour.

The recruitment process should thus be modified to include different tools for personality assessment. An ideal tool to judge interpersonal behaviours via the characteristics of inclusion, control and affection is FIRO-B. Such tests would give a better view about the capability and emotional intelligence to

tackle people-specific issues. These results should be revalidated by an elaborate interview based on HR skills. Thus the current format for interview can be modified so that it has two parts - one to test problem solving and planning skills and other to effectively test interpersonal skills.

(c) Introduction of formal training/mentoring programs

According to Exhibit 4, many employees feel that they are inadequately prepared for the job. Most foremen are left on their own without any guidance. There is a need for a formal training program on handling subordinates and managing conflicts and resources. Wall can propose to have an induction program for 6-8 weeks. This will enable the newly recruited foremen, especially the fresh graduates, to garner the requisite skill sets and to get an exposure to the actual functioning of the plant. The program will be structured as an On-Job-Training (OJT) where the fresh recruits will be assigned to senior foremen who would mentor them.

The line foremen should also be mentored by their supervisors and have a periodic career assessment. It is said that one of the foremost reasons that employees join an organization is career advancement opportunities. There should be a formal career advancement program in the Lima plant.

(d) Reduce shift hours for hourly workers

A major problem for the hourly workers has been the shift from 8-hour shift to 12-hour shift. This format is strenuous and has led to a lot of unfavourable consequences like:

a) sickness among employees

b) decline in performance

c) line foreman having to look for substitute workers at the last moment.

The current policy shift was done with the target of saving cost, but it seems to have a negative impact on the human resource aspect of the plant. The shift duration might be an important reason behind attrition. If possible, the proposal of reducing shift timing to 8 hours can be discussed with the management after doing a cost-benefit analysis and taking into consideration the human resource cost due to high attrition rate and productivity loss.

(e) Conflict resolution methods

Currently, if an hourly worker has an issue with his contract or is unhappy with a disciplinary action, a union steward is brought in to discuss the issues in a joint committee which includes general supervisors and area managers. Line foremen are notably absent in the committee even though they have the knowledge of the actual scenario. The line foremen are directly in touch with the hourly workers and should have a say in the committee as they have more information and understand the hourly workers better. This will result in a better outcome, satisfying a wider group.

Representative participation will help to empower the line foremen and reduce the perceived gap between them and the supervisors. There might, however, be some resistance from the supervisors as they might feel that their turf is being invaded but it is nevertheless important for the health of the company.

(f) Performance Goals for line foreman

Currently the performance of the foremen and their line is evaluated on a daily basis. This leads to a lot of pressure on the line foremen to meet the daily performance requirements which is highly dependent on the performance and efficiency of the hourly workers. They are lambasted by the supervisor for not meeting goals and the line foremen in turn vents his anger on the hourly workers. This kind of verbal aggression can be demotivating for the entire group. The workmen tend to internalize the negative label leading to Pygmalion effect which affects performance.

An alternate option could be to have a weekly or a fortnightly review as part of the MBO methods described earlier. It will also enable the foremen to have an in depth analysis of the losses and the reasons behind them. The goals set should be realistic and achievable. Communicating the targets to the foremen in advance would also help them in planning.

The supervisors' attitudes also needs some attention, they currently just place the blame on the line foremen rather than investigating the root causes of their problems. A proper performance and feedback system should be put in place for the supervisors to deal with below par performance than using primitive KITA methods. They should work towards identifying the reasons for underperformance, decide on the solutions, monitor actions and provide feedback. This will help in creating a more supportive work environment, fostering effective analysis and problem solving. Overall, it will lead to a sustainable environment for holistic development of workers and management.

(g) Use of the correct motivational methods (positive KITA)

Positive KITA is a method in which employees are given incentives for performance of a task as opposed to negative KITA where they are admonished or punished for non performance of a task. In the case of Treadway, there are no incentives given to the line foremen for completing daily targets on time. This should be changed. They should be rewarded for meeting their targets and wage benefits should be linked to their performance. Another way to motivate is through fringe benefits like medical coverage, especially given the harsh conditions in which they work. There should be a day in the month to discuss the successes of the company. This will help the employees be more attached to the company and see the larger picture. In the same meeting, rewards like ' Star performers' can be given out.

(h) Introduce proper communication channels

Communication tends to be one of the biggest challenges against proper functioning of a labour intensive company. The same is evident from the grievances of line foremen. It is evident that they are not included in major decision making processes of the company. There seems to be a communication gap regarding any disciplinary decisions and policy changes.

This is a critical issue that needs to be addressed at the earliest. With reference to this, we propose to have a proper communication channel in place. The foremen deal with the hourly workers on a daily basis and have extensive knowledge of problems faced. They are in the best position to analyze and improve work processes. Establishing a proper communication channel will enable them to communicate efficiently with the management

regarding policies and convey worker grievances. It will also enable them to gather feedback from the hourly workers, understand their demands and problems. The Lime plant should also have a 360-degree feedback system in place so that the views and feedback of all stakeholders are considered. Overall, such a channel will enable more transparency and communicability in the company, creating an open culture based on trust and fairness.

(i) Improve interpersonal relations

The Lima plant should have events for non-work interaction between hourly employees and foremen. There is a need for an attitude shift of supervisors and area managers. They need to interact more with foremen and understand the problem. The sole responsibility for handling hourly employees should not be given to foremen. The higher ups should also be involved in resolving conflicts. The strict decisions against hourly employees should be communicated by the supervisors/area managers so that there is no discontent against the foremen who are directly responsible for getting the work done.

(j) Other steps required

Leadership needs to take an initiative in changing the motivational structure of the organization. Only highly motivated employees who can see the goals of the organization and share the vision of the company can be highly productive.

There should be Employee Recognition programs to boost the morale of the employees and foster healthy competition which would lead to improved

productivity. Continuous surveys should be conducted to identify the morale level of employees and identify possible gaps in the company policies

Establish a learning environment- encourage employees to take up initiatives, set up procedures for knowledge transfer and documentation and shift emphasis from production goals to identifying root causes of problems and trying to solve them

Job rotation and job sharing practices should be followed. This will help break the monotony of jobs for the hourly workers.

Challenges in implementing change through above action plan:

The major challenges faced while introducing the above changes are:

The area managers and supervisors are traditional and may feel a loss of power if the foremen are empowered.

Training the foremen incurs cost for the management.

Supervisors and area managers might show resistance towards participating in the social events meant for interaction with foremen. They have to be educated about the importance of such interactions and the benefit to the Lima plant as a whole.

The foremen and supervisors may take time to get acquainted with and participate in knowledge transfer and participative goal setting procedures.