



A Cambridge Clothing sewing team stand-up meeting in action.

Ground control

Making self-directed teams work

People are most motivated when they can decide how to work, how to organise themselves and what to do. John Laurent outlines how Cambridge Clothing took the next step after 'lean' to sustain apparel manufacturing in New Zealand.

Setting up self-directed work teams has been shown to accelerate manufacturing performance, in particular following the gains from 'lean' and other programmes. This article examines the example set by Cambridge Clothing in Auckland's New Lynn and explores why and how success comes from a planned evolutionary process.

WHY SELF-DIRECTED TEAMS WORK

Surprisingly few organisations in New Zealand have been able to introduce self-directed teams successfully. The idea for such teams arose out of the classic studies on human motivation in the workplace by people like David McClelland, Abraham Maslow and Frederick Herzberg. Self-directed teams are a means to introduce industrial democracy by putting the control for decisions in the hands of the workers rather than supervisors or managers.

The self-directed concept works because it is a motivational way to improve performance. Human beings have an inherent dislike of being controlled and respond positively to the opportunity to maximise their personal influence over their work. People are most motivated when they can exercise the power to decide how to do the work, how to organise themselves and what to do.

It is the added human commitment that this approach generates that produces the performance gains, not the savings through lower supervision costs.

A successful self-directed team is a cell within a larger organisation which runs much along the lines of a small business. It is as though a bunch of enthusiasts have complete control of their business, operate as equals, and each fully participates in decision making and responsibility.

THE RECORD TO DATE

Unfortunately, like most improvement programmes, reports on satisfaction with the outcomes are mixed. Comments I have heard include: “We tried self-directed work teams and our people were really keen. Then the staff got out of control with their decision making. We gave them the freedom to buy supplies and we ended up with stock all over the place that we weren’t using. It almost sent us broke!” At the other end of the scale comments can be “We tried setting up a self-directed team but no one was prepared to make any decisions. No one spoke up in the meetings and they all looked to their supervisor to keep making decisions for them. They don’t work in New Zealand!”

WHERE SELF-DIRECTED TEAMS BROKE BARRIERS

Cambridge Clothing Ltd is an old company with very modern approaches to running its business. Established in 1867, Cambridge has grown to become New Zealand’s largest producer and distributor of men’s suits. In the last few decades, its manufacturing operation in New Lynn has come under increasing pressure for performance as competitors ceased local manufacture and imported cheaper clothing from Asia.

Cambridge also reduced its level of local manufacturing, but still retains a core of workers in the New Lynn factory on the more bespoke-end of its range.

A key ingredient in the continued profitability of the Cambridge production plant is the introduction of self-directed work teams on the factory floor. In the words of operations manager Dave Vukets: “We broke the performance barriers consistently when we organised our work teams to be self-directed. In the area of output target achievement, for example, we have moved from inconsistent to consistent achievement of daily targets, from 60 percent to 90 percent plus.”

Vukets says product quality is probably the most critical outcome, although the hardest for the company to quantify. “Undoubtedly both the level of quality achieved as well as the consistency of this level are both far higher than we were able to achieve previously and I would attribute 100 percent of the credit for this achievement to these initiatives. Again, for productivity there are many other factors in play as the factory output gets lower. However, we would attribute a minimum 10 percent lift in productivity to these initiatives.”

HOW CAMBRIDGE CLOTHING DOES IT

The key points of what the teams do at Cambridge are:

- Time is allowed for daily stand-up meetings before work starts;
- Key performance indicators that operators can influence—for example, quality, cost, volume, attendance—are made available on a planning board and are updated daily;

- There is a champion within the team for each of the KPIs measured. Each champion leads the daily discussion on the KPI;
- All staff have been trained in lean manufacturing concepts and literacy training was also introduced;
- Remedial decisions and actions implemented are the responsibility of the team members, not the supervisor or manager;
- The roles of champions and scope and limits of decision making are clear.

WHAT HAPPENS UNDER THE SURFACE

The points set out above form the structure and guidelines for teams at Cambridge Clothing. The ingredient that makes it work, however, is a whole set of assumptions that are not apparent on the surface. This ingredient shows up when you watch a Cambridge work team in their daily meeting.

I had the privilege to observe a Cambridge Clothing team in action in a morning meeting—along with 20 representatives of Auckland businesses who were interested in the self-directed concept as part of a MBIE-sponsored programme. Something that stood out was the willingness of the Cambridge team members to speak up, in front of an audience, and fully participate in the discussion.

We were able to see the team resolving, among themselves, difficult problems that most work teams would not bring up openly and, if they did, would refer up to their superiors for a decision. The individuals in the team showed levels of self-confidence and interpersonal trust that many senior management teams would not have.

AN EVOLUTIONARY PROCESS

Building this level of self confidence among team members is an essential part of developing self-directed teams. It doesn’t happen overnight. To build this confidence, leaders must create a number of conditions in their workplace:

- A fear-free culture—somewhere where failure and mistakes are opportunities for learning and people can speak up honestly without fear of ridicule or being ignored;
- An environment where people feel valued, their skills are developed and their efforts recognised;
- Practise at making decisions and implementing solutions at worker level. The best place to start with this is dealing with issues staff think are important, not the ones managers select;
- A workplace where managers and supervisors are seen as walking the talk and conversations are authentic.

In some workplaces, these conditions already exist. For many, however, it would be foolish to assume that this kind of work environment is how staff perceive their culture. Ask yourself: “Would I be confident that my people, in the weekend at a

barbecue with their friends, would say the kinds of things listed above about their workplace?"

IT CAN BE DONE

If you can't confidently answer the culture question then don't despair!

Several of the companies in the MBIE programme have begun the self-directed work team approach. Early reports are that the initiatives are being picked up by staff and are reaping real performance benefits. An essential part of the development has been the willingness of leaders in these companies, as part of the programme, to undergo and act on a rigorous 360-feedback diagnosis of their leadership styles.

In addition, the programme included training and facilitation in bottom-up problem solving and lean concepts to teach skills and increase confidence in speaking up and making decisions. The companies have measured their culture and know exactly

how far they will have to go in building confidence at the shop floor in order to introduce self-directed teamwork.

THE NEXT PIECE IN THE PERFORMANCE JIGSAW

Cambridge found that self-directedness provided a boost to earlier productivity raising initiatives. I believe that for many New Zealand companies which have implemented lean and other improvement programmes, this approach provides the next step in their improvement journey.

Success does depend on getting the culture right, more so than other programmes. Done right it will boost performance and provide that additional sense of accomplishment for your staff. That is a nice added bonus. **ET**

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