

## **MASTERS IN HUMAN RESOURCE DEVELOPMENT ASSESSMENT TOOL: PROGRAM OUTCOMES TWO AND THREE**

### **PROGRAM OUTCOME #2:**

**Students will be able to analyze complex factual situations using the important facts, concepts and theories of the Human Resource Development field to help diagnose best practices, problems, and opportunities for program development.**

### **PROGRAM OUTCOME #3:**

**Students will be able to integrate theories and models to develop solutions to complex HRD problems. They will demonstrate the effectiveness of their solutions using either qualitative or quantitative evaluation criteria.**

## **CASE TOOL FOR ASSESSMENT OF PROGRAM OUTCOMES IN HRDV 5630, ORGANIZATIONAL DEVELOPMENT AND CHANGE**

Johnson Engine Company is a specialty supplier of heavy duty and light weight diesel engines for the trucking industry. Its headquarters are in Indianapolis, Indiana, but its factories are located in rural areas known for their highly educated work forces, strong work ethics, and low tax rates. For the last half century, Johnson had been a predominately unionized organization. The four older plants in the Midwest were all union with high wage rates and adversarial labor management relations. In the early 1970's, the CEO of the company, Henry Shapp, attended a weekend workshop in Bethel, Maine. The topic was organization development and self-managed work teams. It was run by an organization development consultant named Peter Sneed. The workshop was unusual in that it included both expert lectures on the elements of high performance work systems and actual discussions with managers and self-managing work teams from corporations around the country. These people talked about the transformation of their slow-moving bureaucracies into team-based, vision-driven market leaders. Team members talked about improved quality, quantity, and team communications; managers discussed the bottom-line benefits of transforming their organizations. Their costs went down, they were competing with formidable Japanese competitors, and when conflicts between managers and workers emerged, they were able to sit-down and "problem-solve" their differences. These organizations had strategic visions developed by all levels of the organizations, and these visions were idealistic portraits of what the organizations hoped to be in 5-10 years. According to Sneed, organization development (OD) consultants would work with different levels and functions of the organization to create a set of principles and values that all employees could live by. Everyone was trained in these and held accountable in their team and individual performance reviews. An outside consultant(s) sponsored by senior management would also work with different levels of the organization to diagnose problems at the individual, team, cross-team, organizational, and organizational/environment levels of analysis. The organizations were able to "transform" because senior "champions" committed themselves, money, and time to empower their employees. They had made the journey from bureaucratic, adversarial cultures to high performance work systems characterized by "facilitative" managers.

Henry left Bethel excited and exhausted. He couldn't believe what might now be possible for his company. So many of his supervisors and managers were old school. They had little management education and their practical experience was 10-25 years of the same old drill-sergeant style leadership. He had watched again and again as some bright new high school or college graduate had hired-on, only to quit after 6 months of dull, monotonous work, and coercive supervisors who were trying to *force* them to do what no one believed they *wanted* to do! It depressed him; and the cost of the turnover was threatening the bottom-line. Now here were these new companies saying that "more could be done with less". That did it! When he arrived home that night, he decided he would call Pete Sneed the next day and see if he could bring him in for 3-4 days of management education. He would put all of his managers through it. Pete could explain how the company needed to be turned-around and could get people fired-up about the high performance work system model.

The following morning, Henry told his Union President counterpart, Julie Phillips, about what he'd learned and what he intended to do. He expected she would buy-in right away, but instead, she looked at him warily and asked about the meaning of "self-managed work teams" and "high performance work systems". At corporate, all of Julie's senior team of Union Officers were wary of management promises. They had seen too many lay-offs, too many controlling "bosses", and watched company grievances sky-rocket. As the low-cost Japanese producers hit the U. S. mainland, they had seen their senior management counterparts become less and less approachable. Julie, herself, was open-minded, but she couldn't help but wonder whether "teams", "consensus", and "facilitative management" were simply buzzwords for a restructuring that might take away an individual worker's right to file a grievance and replace it with "teams" that had no power. She couldn't imagine this company's managers and supervisors holding meetings where discussion and problem-solving would occur. These people (mostly guys, with a few exceptions) just didn't have it in them! And how would the unions retain its power? What was their place in the new structure?

Julie said she would try to be open-minded and asked to be included in initial discussions with the consultant. Henry agreed, and shortly after their breakfast at a local coffee bar, he was able to reach Peter Sneed. He made his proposal about management education and was surprised when the consultant suggested, instead, that he come to Indianapolis and meet with Henry and Julie to discuss their overall goals and what he and they, working together, could do to reach them. Management education on these concepts and results might be one way to go, but there could be others. He would meet with them for the morning, and if they reached agreement on possible next steps by noon, he would stay the rest of the day. If not, he would only charge for ½ day of work plus expenses. Henry thought this sounded a little like gobbledygook, but having seen Peter perform in Bethel, he was willing to give it a try.

### **CASE QUESTIONS:**

- (1) Use the organizational development model of “contracting” to explain what is happening in this case.
- (2) Use the facts of the case and theories and best practices from the course to explain how this organization might be able to move from a traditional organization to become a high performance work system.
- (3) Explain how you would demonstrate the effectiveness of the organizational development interventions you mentioned in Question #2?