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## An Investigation Into the New Management Methods That Fully Utilize the Employees Potential

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## **An Investigation Into the New Management Methods That Fully Utilize the Employees Potential**

### **Abstract**

The problem of this study was to examine how American industries could fully utilize their human resources to be more competitive in the world market. An investigation of two progressive and innovative U.S. companies was examined. A study took place on how these companies fully utilized their employees abilities and skills. Additionally, this study was to demonstrate how these same companies have implemented procedures and policies that helped tap into each employee's full potential.

**AN INVESTIGATION INTO THE NEW  
MANAGEMENT METHODS THAT FULLY  
UTILIZE THE EMPLOYEES POTENTIAL**

**A Research Paper for Presentation to the  
Graduate Faculty of the Department of  
Industrial Technology University of Northern  
Iowa**

**In Partial  
Fulfillment of the Requirements for the  
Non-Thesis Master of Arts Degree in  
Technology**

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Winter, 1991**

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## Chapter 1

### INTRODUCTION

#### Background of the Problem

In many industrial organizations there seemed to be a problem of under-utilization of the employee's skills and talents. Many companies had a high rate of turnover in the first five years of service by their employees. Employee absenteeism became a major problem, morale and enthusiasm started to fade into oblivion. Creativity and talent seemed to wither away, and work was no longer fun. In this type of situation, employees usually shrank to the responsibilities given to them, and the lack of stimulation caused their minds to cease functioning as a creative unit. Most employees then found outside interests to fill the creativity gap in their lives. In the past, firms expected an employee to sit at a desk or a machine and perform the same job day in and day out.

Once employee's mastered the job, they were considered experts in that area. The employees were not expected to increase their knowledge or expertise. What actually happened was that the employee never received future continuous training or skills. These people became less adaptable, less creative and less flexible.

In today's work environment, things must change in order to withstand the worldwide competition that each company faces. We must fully utilize all of our assets in order to survive as a profitable business. Many businesses found out that the true difference in the service, or product they provided, could only come from their employees attitude and creativity. Industry was just beginning to understand the untapped potential that their employees could provide. The goal of the present and future was to have employees continually becoming experts and improving their skills, rather than becoming an expert and never developing new skills and abilities.

#### Statement of the Problem

The problem of this study was to examine how American industries could fully utilize their human resources to be more competitive in the world market. An investigation of two progressive and innovative U.S. companies was examined. A study took place on how these companies fully utilized their employees abilities and skills. Additionally, this study was to demonstrate how these same companies have implemented procedures and policies that helped tap into each employee's full potential.



### The Statement of the Purpose

The purpose of this study was to provide the traditional industrial management group the tools necessary to improve the usage of their most important asset, their employees. This research examined some companies that started using these new concepts to show and establish certain policies that allowed employees to reach their full potential. This study examined the benefits to the employee as well as the benefits to the companies.

### Statement of Need

The need for the study was based on the growing concern that American businesses are not competitive. With this being the era of global competition, fresh and new ideas became the most important raw material. This means that companies suddenly wanted employees to think on their own. This was a dramatic change in management's objectives. Employees became the most important asset a company or business could develop.

### Statement of Hypothesis

It was hypothesized that if a company had developed this full utilization philosophy, and had the proper policies in place, one could expect continuous improvement, lower overheads

and higher employee and customer satisfaction. There would be improvements in the areas of product, service and quality. This in turn allowed our manufacturing industries to be competitive, and profitable, for future business opportunities.

### Assumptions

The following assumptions were made in the pursuit of this study:

1. The improvement of employee skills and abilities rested with both the employer and employee.
2. Most employees desired to become more important assets in their job function.
3. Both the employer and employee saw the value in upgrading skills for these programs to be successful.
4. The organization, the employee, and the customer benefited greatly from this new working environment and the continuous educational process.

### Limitations

The following limitations were inherent in this research study:

1. This research study was determined by the selection of two progressive and innovative companies chosen for review.
2. There are obviously more than two American companies that fit into the description of an innovative and progressive company. The area of study was narrowed down to two outstanding companies that have received the Malcom Baldrige Award.

### Definitions of Terms

The following terms were defined to clarify their use in the context of the study:

1. Statistical Process Control: The use of statistical techniques such as control charts to analyze a process or its outputs so as to take appropriate actions to achieve and maintain a state of statistical control and to improve the process capability (Norte, 1985).

2. **Human side of quality:** The ability to manage work forces and create an environment that empowers people and continually taps human potential (Smith, 1990).
3. **Malcom Baldrige National Quality Award:** Named for the late Secretary of Commerce, the MBNQA was created by Congress in 1987 to rivet public attention on quality issues in business to spur U.S. corporations to produce high quality products and services (Bohl, 1991).

## Chapter 2

### THE REVIEW OF THE LITERATURE

In today's business environment there was a continuous growing need for better communication, faster computations and improved quality of products and services. Graham (1991) stated that the key to being on top in business today was creativity. A dynamic environment started the ideas flowing. New philosophies, such as lifetime customer satisfaction, the human side of quality, and bench marking became mandatory in our business world. Finney (1988) agreed that the quality improvement process required the involvement of top management to generate awareness and commitment. Many of the company's top officers and other executives contributed heavily to the communications process. Aggressive ideas and competition came from any place in the world. One of the ways these concerns and challenges were addressed was to make sure that the business developed its employees on a continuous employee improvement training or education process. Gellerman (1969) addressed the idea that people changed without any sense of responding to management at all. They changed because they thought this was the wise, natural, and obvious thing to do. He went on to state that what they had to

do was alter the nature of the experience people underwent, so that whatever their natural reaction was, this would be the change they were trying to accomplish. He believed you could not alter human nature, you could only work with it. Hence my focus on the institution and not on the people in it.

One of the leading companies in this area was Motorola. Wiggernhorn (1990) identified some of the problems their management encountered at Motorola when trying to improve their employees skill level. He stated that at Motorola they required two things of their manufacturing employees. They had to have communication skills at the seventh grade level, and they had to be able to do basic problem solving, not only as individuals, but also as members of a team. Ten years ago, they hired people to perform set tasks and didn't ask them to do a lot of thinking. Then all the rules of manufacturing and competition changed, and in our drive to change with them, they found out that Motorola had to rewrite the rules of corporate training and education.

An interesting observation by Racine and Bowers (1990) who examined many manufacturing companies around the world stated that many efforts underestimated or ignored the need for improving the critical thinking skills of factory workers, overemphasizing the technological aspects of

manufacturing and quality assurance. He stated that thinking skills enabled workers to tap into their own wealth of specialized knowledge - knowledge that was essential to quality improvement efforts.

It should be noted that most companies had the same exact resources available to them, but Smith (1990) and McKenna (1983) stressed the point that people, and the training of these people, were the key to success. Smith stated that the ability to manage work forces and create a work place environment that empowered people and continually tapped human potential are the challenges before us. Sikula and McKenna (1983) also agreed and suggested that the main problem which organizational scholars and managers had was to develop effective and continuous matching of the needs and expectations of the employer with the needs and expectations of the employee.

In most industries, under-utilization was a major concern. Gellerman (1969) focused on the reason why businesses had not developed their employees and stated that the root of this tragic under-utilization of talent in organization was grounded in the fact that the process of management had become antiquated. Managers monopolized unto themselves far too many components of the process which should have been, and were, accomplished by people who

were not in management at all. He also commented on the concern that employers changed in businesses to promote creative thinking. That meant that now companies suddenly wanted their employees to think on their own.



## Chapter 3

### METHODOLOGY

#### Type of Research Used in this Study

The research and design methodology section consisted of the type of design being used, the sample description and collection of data collection techniques, and the analysis of data with recommendations and a summary review. The type of research method used to collect the data was a descriptive research design method. It was the most frequently used method and most reliable for collecting descriptive information (Israel and Wright, 1987). This method of research allowed the study to observe and understand the phenomena that was occurring in the two companies chosen for this research investigation. The purpose of this research method was to determine what new management policies and philosophies had occurred in these businesses to fully utilize an employees abilities. From this type of research we saw drastic changes in management policies and practices that had allowed companies to empower the employee.

### Sample Description

The two companies examined were chosen because they were outstanding leaders in their fields of business. They were identified as leaders not only by size, but because they had received the highest quality award possible by an American firm, the Malcom Baldrige Award. These companies were managing their people much differently than the traditional management style found throughout this country.

### Collection of Data

The collection of data was accomplished by an extensive library research that collected valuable data in the current Business and Industrial periodicals.

1. It was examined to see if a need existed in the manufacturing industry to develop employees to their full potential.
2. Two progressive companies were examined with business articles and corporate information that had faced similar problems with improving employees participation and improvement of total employee output.

3. Compiled this information into a concisely written document that outlined policies and procedures that other companies had developed to use their employees to their maximum potential.

### Analysis of Data

The data was gathered from these current business periodicals and examined to determine why these companies had been progressive and innovative in their particular field of business. This method provided detailed information that showed an accurate answer to management's age old question: How do we tap our employees full potential? This detailed information allowed us to make generalizations about the characteristics of each company compared to a traditionally managed firm.

## Chapter 4

### REPORT OF THE FINDINGS

#### Information About the Study

There was a common thread, or many common threads, that each one of these examined businesses had in order to be the best in their class. With the industrial world constantly changing, these two major leading companies continued to strive to improve in every business aspect or they would be overtaken by their competition. The interesting point made here was that the world competition had all of the same resources that Motorola and the Federal Express Company had at their disposal. But even when the competition had the same assets, these two companies out-performed their rivals consistently.

There seemed to be three very important areas that needed to be focused on when examining these companies. The first area, and probably the most important, was the way these businesses managed their human resources which allowed them to be leaders in their respective fields. The second important area was that of education and training of human resources. The third area of concern was the process of

promoting continual improvement or change. These three key components distinguished the best from the rest. It was decided that businesses in the coming decade would be to continually improve and upgrade their processes, product and human resources. The companies that were flexible to continual improvements, which was actually change, would out-perform the other competitors. New technology and information would be available to everyone almost instantly, but how a business managed its human resources would determine their competitive advantage. Here were a couple of examples of what happened when employees were given the opportunity to do their jobs.

David Luther, senior vice-president and Corporate Director of Quality at Corning stated that "Customers came to us and said if we didn't change, they would go somewhere else to buy the product" (Cocks, 1989). Management at Corning gave its employees the unusual freedom to solve problems and develop solutions.

They created a work environment that was positive and allowed people to take risks. Corning backed off of the traditional hands on, top down management style and then organized the staff into some 3000 teams with approximately 15 members to a team. With this new environment, one result

was employee satisfaction which led to customer satisfaction, that increased profits up to 250% (Cocks, 1989).

Managers at Eastman Kodak plant, which produced professional film, decided to let the employees on the shop floor use their ideas to run the manufacturing unit. In 1989 this unit was 1 million dollars over budget. Now this unit is 1.5 million dollars under budget because of this new work environment. The problem that American businesses and industry had with this new management style was that it was to some degree uncontrollable (Cocks, 1989).

### Human Resources

The first subject to be examined was that of human resources. People, or human resources, was the variable that could make or break a company's present and long term future. The amazing thing about people was that each person was different, and it was that difference, or potential, that each company had to tap into in order to be successful. Depending upon how each company used their people potential, it effected their growth, profitability, continued improvement and potential to change. Dr. Edward E. Lawler III, director of the Center for Effective Organizations at the University of Southern California in Los Angeles stated that, "Companies have to get

better every week, every day and every hour, or lose out." He also stated that, "because the traditional competitive advantages a business can have, where you manufacture and where you are headquartered have eroded. Using people as a competitive edge was more sustainable over a longer period of time" (Verespej 1991, p.19).

In order to manage the human resources better we had to evaluate or measure the current resource and then improve those resources so that each person added value to the business all the way to the lowest level. Years ago, industries hired people to perform only certain tasks, they were given a job description or job detail card that would tell them exactly what was expected of them and what to do.

We need to understand some of our American industrial history in order to examine how we received our present business philosophies. Frederick Taylor was one of the key players in our current work methods and environment. "As the 1900's began, Frederick W. Taylor, a native of Germantown, Pennsylvania, was the first person to apply scientific principles to management, the way organizations work, and the methods of production. In his studies at the Midvale Steel Company, where he was chief engineer, and later as the United States best-known management consultant, Taylor earned the title

"Father of Scientific Management." Taylor was also a advocate of piece rates. If a person exceeded the standard during a normal work period, they would be paid more than a person who just met the standard" (Steinmetz, 1986, p. 8).

Here is an example of the the Frederick Taylor impact on the past manufacturing processes. The past process would have an employee at a workstation. The parts would be assembled, and the work would be passed on to the next employee. Each worker would have detailed instructions, which is called a Job Split. A typical job split could read like this, "Assemble R74278 rod thru hole in boot, leave loose. Then procure (2) 14H822 jam nuts from tote tray, start (1) nut to each of (2) R74278 and R74279. Procure air gun with 1/2" deep well socket, run down (2) nuts on rods, aside air gun to bench" (Deere, 1989, p.1).

These instructions informed the four wheel drive assembler how to put together the product. Each employee would then assemble the parts with the tools required to complete the task. In an incentive department, each operator received payment on the number of parts produced. So as more parts were produced, the more money was then made by the operator. In order for the work to run smoothly, each job had a standard so that each operator stayed within the same time



factor. This eliminated any wait time for the next assembler. Each operator would perform the same amount of work per time allowed, and the assemblers, as a group, would receive pay for the number of units that came off the assembly line. In theory the more times the operator performed the same task, the better the quality.

One can see with the example above that one of the main problems with Frederick Taylor's philosophy was that everyone's job responsibility was in written form and no one was to do anything more than what was described. Frederick Taylor's assumptions stated: "There is one best way to do every job. It is management's responsibility to study each job, and instruct workers so that every job is performed in a manner that reflects the result of scientific analysis" (Steinmetz, 1986, p. 8). With this type of management philosophy we became a poor quality nation. Myron Tribus, who left MIT in 1987 to head the American Quality and Productivity Institute, said it best: "The inventor of time and motion studies, Taylor laid down the principles of "scientific management" at the turn of the century. Today the end result of blindly following his mechanistic, hierarchical methods is that U.S. factories have become riddled with creeping inefficiency. Compare similar products from the U.S. and Japan,

and the amount of labor needed to turn out the products is higher in the U.S., and the ratio worsens as the products get more complicated. This extra labor not only hikes the product's cost, but also increases the risk of human error" (Port, 1987, p. 132).

The workers were not asked to do much thinking. When problems would arise the workers were to notify a supervisor, electrician, mechanic, or engineer. In today's business environment each company needed every employee to fully contribute to improve all aspects of the task that were to be performed. Questions were asked as to why things were the way they were, and whether there was a way to make the process better or improved. This continual improvement would not just happen by itself. Upper management must be committed to, and actually orchestrate, these changes in the organization. Critical thinking skills of all workers need to be tapped. The heart of critical thinking skills was problem solving, and in problem solving the main attribute was creativity. Many managers thought that problems were being solved, but most times these problems were being bandaged and the problem surfaced again later. Organizations changed their thinking on how to fully utilize their human resources.

Jack Grayson, Chairman of the American Productivity and Quality Center stated that, "The job of management is to control. The adjustment isn't easy. They are still fearful, apprehensive and unwilling to give up power" (Cocks, 1989). American companies had to change the work place to allow employees to be fully utilized. The only difference in this worldwide global market was our most important asset ... our employees.

There are a few companies that were on the leading edge of developing their employees natural untapped resources. Motorola and Federal Express were two of the current leaders in this area and had taken on this challenge to increase employee's potential and fully utilize their creativity. But to do this Motorola had to change their traditional way of thinking about managing the organization. If a company really wanted workers from all levels to add value to the process and product, the decision making process had to be at the lowest level possible. Motorola developed work groups or teams that actually made out their own schedules and work assignments. All workers, when recommending a change, examined the cost of the idea and the potential saving. Top management at Motorola learned some key lessons when they took on this new course (Wiggenhorn, 1990, p.75).

Mr. William Wiggernhorn, Motorola's corporate vice president for training and education, and the president of Motorola University, stated, "Just as we began to capitalize on the change we thought we were achieving, we discovered to our astonishment that much of our work force was illiterate. They could not read. They couldn't do simple arithmetic like percentages and fractions. At one plant a supplier changed its packing, and we found in the nick of time that our people were working by the color of the package, not by what it said (Wiggernhorn, 1990, p.77).

These discoveries led them into areas of education they had never meant to enter, and into budgetary realms they would have found unthinkable ten years earlier. Workers needed to know their equipment and begin any troubleshooting process themselves. If they did need an expert, they had to be able to describe the malfunction in detail. In other words, they had to be able to analyze problems and then communicate them. Quality was seen as a process that prevented defects from occurring, a common corporate language that pervaded the company and applied to security guards and secretaries as well as manufacturing staff (Wiggernhorn, 1990, p.79). Mr. Wiggernhorn gave us valuable insight into unleashing the potential of employees. First,

Motorola evaluated their work force and found out their educational deficiencies. Then the corporate presidents made financial commitments to provide the proper education and training for their workers.

Because of this commitment, Motorola had one of the most advanced and effective education and training programs in the world. American industry had to understand that if any company hired an employee to do value added work, and intended to keep this employee for their career life, then continuous education needed to be available and must be provided to enhance the employees value and worth. Many good companies used the latest updated industrial technologies, continually upgraded computer systems and improved engineering designs, but they forget about their most important asset, their employees. Businesses changed and made human resources, people, the center of their continual improvement strategies. The first important point of these strategies was to motivate people to continually improve.

Jude Rich, chairman of Sibson & Co., Princeton, N J., stated that, "The old motivational tools have lost their magic. The greatest challenge that lies before us is to restructure how we do work and reward people. It's time to tear up job descriptions. They will be irrelevant 10 years from now. They

have been on the way out for the past five years because all they do is get in the way. Companies need to judge people by their competencies and the contributions they add" (Verespej, 1991, p.20). Mr. Rich was correct when he suggested that companies started making reward systems for employees more sensitive to customer satisfaction and customer needs.

Fredrick Taylor's model of incentive piecework dictated that we build a product good or bad at all costs. The past reward was based on how many pieces were built, not how many quality pieces were built. New incentive systems were built around assembling the product right the first time, using "just in time" inventories to reduce the overheads, and delivering the product on time and in an excellent condition. These adequate reward systems, and recognition policies were implemented to increase participation from each employee. If the company installed these important recognition policies, they found increased employee enthusiasm and improved work environment. But if current businesses do not change the way work is performed, without changing the reward system at the same time, complete failure will occur.

### Education and Training

In the business environment, education and training became an important factor in the everyday work life of many employees. Many employers required minimum scores on a number of battery of tests in order to get a better job in the factory. More and more jobs and machines required computer skills used in NC programming, and assembly areas. Some employers were using employment agencies to screen new potential job applicants. These employment agencies provided one day or two day long testing. They not only tested for areas of capability, but also provided drug testing. The potential job seekers agreed to this testing in advance. The testing demonstrated the communication and computation skills of a potential employee. Also, some companies allowed current workers to determine if a new employee was capable of handling the work and able to get along with other employees.

Both Motorola and Federal Express did extensive training and educating of their employees. Motorola was the expert in this area. As already stated, many of Motorola's employees could not read or do simple arithmetic. Once these employee evaluations were completed, a game plan for education was developed. Upper management assumed that once the courses

were provided the people who needed them would willingly sign up. The workers resisted formal classes on a voluntary procedure. So Motorola went back to the drawing board to see if there was another way to get people to learn the basic skills they needed. They developed a self-help program that allowed the employees to take the educational material home, study it and then be tested. This program failed also. Finally it was determined that formalized education would need to be mandatory and not only supported by top management, but continually reinforced by top management.

Motorola wanted their employees to be able to read and write so that they could communicate effectively in all aspects of their job. Motorola wanted to implement a total quality system in all areas of their operations. They budgeted over 35 million dollars for a five-year period to develop these employee skills. During this process, Motorola asked two universities to evaluate their return on the education and training investment. This evaluation found that the training fell in one of three groups. In those few plants where the work force absorbed the whole curriculum of quality tools and process skills, and where senior managers reinforced the training by means of new questions appropriate to new methods, we were getting a \$33 return for every dollar spent,



including the cost of wages paid while people sat in class. Plants that made use of either the quality tools or the process skills, but not both, and then reinforced what they taught, broke even. Finally, plants that taught all or part of the curriculum, but failed to reinforce with follow-up meeting and a new, genuine emphasis on quality had a negative return on investment. By 1992 this company would like their work force literate at the seventh grade level. But their goal continues to improve their employee's education, so by 1995 the workers will be literate at the ninth grade level (Wiggenhorn, 1990, p.78).

These findings are very interesting. When proper education and training were given, the return on investment was very high as long as top management reinforced this training with follow-up meetings. When only one of the educational instruments were used, such as the quality tools or the process skills, the return on investment only had a zero return, even though follow up meetings took place. And when both skills were taught, but no follow-up meeting was generated, there was actually a loss on this education and training investment. These findings were applied to all training and education that took place in industry. Motorola

found out that support and follow-up meetings were key elements to successful training and education.

At Federal Express, training and education were very important. They combined those abilities and skills into an environment that put a great emphasis on employee satisfaction, which gave them a highly motivated work force. Mr. James Perkins, senior vice president of the personnel division stated that, "People are important, and they should be treated with dignity and respect that human beings rightly deserve" (Finney, 1988, p.44). They worked hard to create an environment that stimulated the best performance possible. The president and founder of Federal Express, Frederick W. Smith, stated this business principle: "We learned a long time ago that employee satisfaction is a prerequisite to customer satisfaction. That belief is articulated in these three words within our corporate philosophy statement: People, Service, Profit. We believe that when our people are placed first they will provide the highest possible service and profits will follow. Why? Because "people first" is fundamental to the quality effort. The bottom line is that to satisfy our customers we must first treat our employees as our customers" (Manning, 1991, p.17).

In order to understand the size and growth of this company one must examine its history. By 1983, Federal Express became the only U.S. company in history to top 1 billion in revenues within its first 10 years. Now, less than two decades after its inception, the firm stood as the unquestioned leader in overnight air express, generating more than \$7 billion in 1990 revenues, a commanding 43 percent share of the air express market. More than 94,000 employees worldwide served the logistics needs of Federal Express customers, moving nearly 300 million packages each year to and from destinations in more than 130 countries. With a fleet of more than 420 aircraft, including Boeing 727's and 747's, and McDonnell Douglas DC 10's and MD 11's, Federal Express claimed the world's largest air cargo fleet.

In 1990, when the U.S. military exercised its rights under the civil reserve air fleet to mobilize commercial aircraft of Operation Desert Shield, one third of all cargo planes called to duty bore the Federal Express logo. That same year, in what is perhaps the crowning accomplishment of its still relatively brief (18 year) existence, Federal Express was named winner of the Malcolm Baldrige National Quality Award (MBNQA). An award many believe represented the highest distinction for

quality an American corporation could win (Manning, 1991, p.10).

At Federal Express there were no secret formulas for success, but their philosophies were grounded in sound management ideas and communication. They created trust through honest and open communication. They improved this communication by having only five management levels between non-management people and the chief officer. Also to enhance this communication, Federal Express developed one of the largest private television networks in the world. This FXTV Global Network was used for live phone-in sessions between senior management and employees. The FXTV had been used for sales programs and ground operation training. At Federal Express employees had universal questions and up front answers. These questions deal with issues such as, "What do you expect of me?", "What's in it for me?", and, "Where do I go with a problem?"

The answer to the first question began with believing that most people want to do a good job, and will, if they receive proper education and training and know what is expected of them on their job. Continuing education was required for everyone, and every six months employees took a test and had a performance appraisal with their manager. They required

that all managers pass a semi-annual test on information regarding Federal Express manager's guide. In this company they believed that employees closest to the job knew the best way to improve it.

The second question, "What's in it for me?" was answered by the fact that people enjoyed incentives to improve their performance. The job performed was the reward in itself. Performance rather than years of service determined progress at Federal Express. If the company did not reach its written explained goals, no one got a bonus. A reward did not necessarily mean a monetary reward at Federal Express. They had many ways to recognize performance. They had the Quality Success Story Award, Bravo Zulu Award, and the Golden Falcon Award which were designed to culminate in promotion as often as possible. To make sure this happened they promoted within their work force. More than 3/4 of all positions were filled with current Federal Express employees. They made sure the message was clear that outstanding performance and teamwork, along with taking appropriate risks, would benefit the employee and improve customer service. Permission to take risks was reinforced with procedures that would ensure justice, fairness and trust. It

also answered the last question, "Where do I go with a problem?" (Smith, 1990, p. 20).

When employees had questions or concerns there must be an outlet for expressing grievances without the fear of losing one's job. If this condition doesn't exist, a company would have unhappy, negative, unproductive employees. This was really the main reason for labor unions in the United States today. At this corporation they had a number of different ways of addressing this concern. Guaranteed Fair Treatment, Survey Feedback Action and the Open Door Process. The Guaranteed Fair Treatment policy allowed any employee an appeal process who felt he or she had been wronged. The Appeals Board consisted of four top management personnel that met once a week to address any problems. The Survey Feedback Action process was an employee attitude survey. Each employee responded anonymously to questions about their work environment. This information was given to the managers in a six-week time frame. Feedback sessions were held with employee work groups, and any concerns were examined and corrective action taken.

The Open Door program allowed an employee to question any policy or procedure. Questions were submitted in writing and a person had ten working days to reply in writing. All

these company policies and procedures were based on treating the employee with dignity and respect. These ideas and philosophies demonstrated how Federal Express put their employees first. The result created a positive environment where people were empowered with the proper education and training to perform their jobs at all levels (Smith, 1990, p.21).

Empowering people was the most important factor at Federal Express. The more power spread throughout the company, the stronger the company became. A traditionally managed company hoarded power at the top level of the organization, and its only concern was short term profits. Communication was relayed from the top to bottom, but not the bottom upward. The traditionally managed company discouraged risk taking and based rewards on years of service rather than performance. Many companies across America have not developed educational and retraining programs like Motorola. At Federal Express and Motorola they understood that they needed to fully utilize their employees potential, but a positive work environment had to be in place before any of this could happen. At Federal Express their people commitment, and the willingness to act on it, gave them a 94 percent "completely satisfied" rating in a recent customer satisfaction survey (Manning, 1991, p.61).

## Chapter 5

### SUMMARY, CONCLUSION, AND RECOMMENDATIONS

#### Summary

The problem of this research study was to examine how a traditionally conservative industrial manufacturer could fully utilize their employees abilities and skills. In order to produce this type of environment, change must take place in the mindset of the business organizations. Additionally, this study was to demonstrate how some progressive companies on the cutting edge of new management had implemented procedures and policies that had helped tap into each employee's full potential. The two companies that were examined were Motorola and Federal Express. When these companies put the needs of their employees first and decided to educate and train their employees, they could expect continuous improvement to take place in all areas of the work environment. This research has shown by implementing these tools, improvements occurred in the areas of product and service quality, customer satisfaction and employee satisfaction.



### Conclusion

These corporate guidelines and policies of Motorola and Federal Express companies have explained to us that we were to be aware that the most important asset any company had was their employees. Many times the difference between success and failure rested with their skills and abilities. The way employees were treated had a direct relationship on the service or product that the external customer received. This effected the profitability of the company.

### Recommendations

If American businesses and Industries desire to remain competitive, each company, large or small, should implement the following four basic management commitments:

- 1). A new working environment that places people needs to be created. Developing a philosophy which treats people with respect and promotes, and demands employee satisfaction as the most important goal of any area. This produces a growing culture from which customer satisfaction and profitability continually improve.
- 2). Each business or company should empower their employees with the proper education, open communication,

training opportunities, continuous quality improvement tools and team work with excellent leadership. Employees must feel free to take risks and be creative in the desire to improve their performance and quality of the goods and services they provide.

3). Each area must develop measurement tools in every aspect of the business to determine the past success and the need for future continual improvement.

4). Each area needs clearly written goals and objectives for each function performed. Quality goods and services demand lifetime customer satisfaction.

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