

Team approach wins points with workers

By Kara K. Choquette
USA TODAY

WEST HENRIETTA, N.Y. — Four assembly lines roll until midnight at Diamond Packaging Services Division without a supervisor in sight.

Instead, about 20 temporary workers take direction from a team of 11 full-time colleagues. The team decides who will fold cartons and who will fill boxes. The team tracks product quality and profit. The team decides when to call it a night.

The team approach, which Diamond began developing in 1995, has boosted employee satisfaction and increased the company's productivity, quality and sales.

It also helped the company win the 1998 RIT/USA TODAY Quality Cup for small business.

"I've never seen a team so absolutely autonomous," marveled Janet Barnard, a Quality Cup judge and professor at the Rochester Institute of Technology College of Business. "They were head and shoulders above all the nominees I saw."

Diamond Packaging, a family business since 1973, created the Packaging Services Division (PSD) in 1989 to fill the cardboard boxes it made. But PSD broke off in 1994 to become an independent profit center.

Manager Kirsten Voss knew she had to change the top-down management structure to survive. PSD's business is based on getting last-minute jobs from clients, such as Westwood-Squibb and Polaroid, that need extra help packaging their pharmaceutical or photographic products. There isn't time to work through long management chains.

"We have to be flexible and responsive," says Voss, who employs 45 people. "We couldn't do this without teams."

To motivate the teams, PSD also created a daily scorecard that each assembly line on each shift uses. It measures performance in five areas: profit (maximum 45 points), quality (35), cleanliness (20), training (15) and safety (5).

For every 100 points scored, a \$5 token is set aside. When employees earn \$1,000, the money is divided among all the full-time employees.

"It makes everyone really aware of what we're doing," says Anne Faulhaber, who posts scores for everyone to see. "It's more rewarding."

Teams also set a weekly scorecard goal for themselves — and decide how they'll be rewarded if they meet it. For example, if the average weekly score for all shifts reached 110, all shifts got to leave an hour early on Friday, with pay.



SMALL BUSINESS

Diamond
Packaging
Services
Division, West
Henrietta, N.Y.

What the team did:

They operate multiple packaging assembly lines without direct supervision or management support, increasing the company's profitability, flexibility and quality.

What a judge said:

"The management leadership saw a need for having a team and gave them the authority, the ability, to make it work. And it's a self-directed team — that makes it stand out. They were really, really impressive. It really is ordinary people doing extraordinary things."

— Mary Nell McCorquodale,
president, McC Consulting

"It becomes very clear what the objective is," Voss says. "That drives not just production but quality, training and safety." Since the team scorecards started in 1996:

► Employees have developed three times as many job skills. Everyone has a training and development plan.

► Employees can get points for their scorecards if they turn in ideas on how to improve operations. The number of ideas is up 52%.

► The average score per card increased from 86 to 94. Employees are on pace to exceed 100 this year.

► Employees earned twice as much reward money, \$5,220, and are on pace to earn \$8,200 this year.

► Customer complaints fell 25%.

► PSD, which wasn't profitable in 1995, increased profits 350% from 1996 to 1997.

PSD's revenue also jumped from \$2.4 million in 1996 to \$3.4 million last year. However, the number of late deliveries — four — didn't increase. And so far this year, no deliveries have been missed.

"Whether they are thinking about how to prevent errors or how to be better tomorrow, they are always making small, incremental improvements each day," Voss says.

"You have an incentive now," says Floyd Reeves, at a machine that will slip plastic sleeves over 25,000 film canisters before midnight. "You get to make more decisions."

Office ethics: Teams make it hard to tattle

By Stephanie Armour
USA TODAY

A co-worker fakes a document, swipes cash or sneaks trade secrets to the competition. Do you tell the boss?

That may depend on whether you work alone or on a team.

The rise in employee teams has some experts worried that unethical behavior is going unreported.

Blame it on peer pressure. "You know them, and you're more dependent on one another," says Ed Petry, executive director of the Ethics Officer Association, a professional association in Belmont, Mass.

"If you tell, it would make it harder to work in a small group."

A February survey by the Society for Human Resource Management found that 21% of workers said they did not report misconduct by a colleague.

And 96% of those who failed to turn in a co-worker for unethical behavior didn't tell for one reason: They feared the accusation that they weren't a team player.

Experts say that reluctance makes sense. Those working on a team often forge close ties.

"It certainly is an issue," says Graham Phaup, at the Institute for Global Ethics in Camden,

Maine. "It's truth vs. loyalty. Is it right to tell the truth and lose friendships?"

Those who do report problems, he says, risk being shunned by others on their team if word gets out.

Managers say they strive to let workers know they should tell if something is amiss.

"It has to be kept confidential," says Joe White, 43, a district manager at MQS, a quality-assurance firm in Roxana, Ill. "A lot of the employees know they can talk to me behind closed doors. But a lot of times, it's hard for them."

And there are reasons for managers to be on guard. A

1997 study, sponsored in part by the Ethics Officer Association, found 48% of employees admitted to illegal or unethical actions the previous year.

Even people who want to do the right thing worry that turning in a team member reflects badly on the whole group.

Gary Namie, employee consultant at The Work Doctor in Benicia, Calif., says employees call him wondering what to do.

"They have a fear they'll be seen as divisive," Namie says. "We're social animals, and we so very much want to belong."

Experts recommend that companies draft ethics policies and give team members a way

to provide confidential information without fear of retribution. Employees who do report unethical behavior should get follow-up word that their input was taken seriously.

Whether an employee comes forward can have a lot to do with corporate culture. Bosses can pressure team workers to keep quiet.

It's important, some experts say, to have an open environment where workers feel safe voicing concerns.

They also say there may be ethical advantages to having teams: Peer pressure may make employees less apt to act unethically in the first place.