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EXECUTIVE SUMMARY

Changes in organizational structure are being used by many corporations today to try and create an edge over their competitors. Reorganization may be beneficial, but it isn't accomplished easily. Simply changing to a new structure is no guarantee of success. The corporation must determine the correct structure and then provide adequate direction and empower employees to make the change.

XYZ Corporation has been severely affected by the recent economic downturn. With the United States economy in recession, widget sales have dropped to record low levels. XYZ has tried to compensate for this by offering buy-out programs to both hourly and salaried personnel. The targeted 20% reduction in salaried personnel has left the assembly department with only 50% of its' Group Leaders. This has caused the department to scramble and try to run production with only half of its supervisors.

The purpose of this field project is to attempt to provide a structure which will allow the assembly department to function effectively with a reduced number of Group Leaders. This project will be performed by mid-level managers who are normally not responsible for providing this type of direction. The processes used for completion of the project are detailed and the results are reviewed with upper management.

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CHAPTER 1: INTRODUCTION

Recent economic trends across the globe have negatively affected all businesses and sectors. Low consumer confidence and spending has helped to spark recession in the United States and, in turn, has brought down other markets. The US widget sector has been hit particularly hard. While US widget transplants have been affected the US based companies, which are seen by the public to produce lower quality products, have borne the brunt of the economic downturn.

XYZ Corporation has the weakest position of the three US based widget manufacturers (ABC Company and DEF LLC being the other two). High debt and low cash reserves have forced the corporation to ask for monetary assistance from the federal government in late 2008. Just prior to the request for assistance, however, the corporation had made an effort to shed some costs. In February 2008 the corporation announced a buy-out program to all hourly personnel. Through the buy-out program XYZ shed nearly 19,000 workers and hoped to replace them with new workers at a lower pay scale. (Isidore, 2008) A second buy-out plan was implemented mid-year to reduce 20% of white collar costs by November 1st, 2008. The white-collar based plan targeted a reduction of 3,000 white collar employees across the corporation. It was successfully met with 3,460 salaried workers taking the buy-out offer. (Strumpf, 2008)

In addition to these workforce reductions, XYZ also announced several plant closings and additional personnel reductions in late November. Other efforts were made to cut costs through reductions in employee benefits and suspension in the payment of stock dividends. With these efforts XYZ entered a full scale restructuring of corporate business objectives and of its organization.

As is common with most struggling companies, part of the restructuring plan involves the restructuring of personnel. Re-organization is seen as a way to better align personnel with the current goals and long term objectives of the business.

1.1 Project Background

The purpose of this Field Project is to propose a restructuring of first-line supervision in the assembly department of XYZ Corporation. First-line supervisors direct the daily activities of hourly workers across the corporation and, in particular, the assembly department. In addition to the corporate changes mentioned above the assembly department has experienced several other changes over the past few years which have challenged the management staff to rethink its' mode of operation. In order to completely understand the scope of work expected for the project an understanding of the events which have taken place over the last several years in the assembly department is required. A listing of significant events is as follows:

February 2003: Completion of production of 1997-2003 model years Widget-One.

Assembly department begins removal of old production equipment and installation of equipment for production of 2004-2007 model years Widget-Two (2008 as Widget-One Classic).

2005: 50,000 square-foot building expansion added for installation of equipment necessary for production of current model Widget-Three.

2006: 100,000 square-foot building expansion added for installation of equipment necessary for production of current model Widget-X and proposed future programs.

2007-2008: Installation of equipment for future programs.

Building expansion is generally seen by management and hourly employees as a positive change. Corporate investment into an increased work area is viewed as a promise of growth, future plant viability and, in some sense, job security. Growth, however, does not come without associated pains and the need to make adjustments to the structure and responsibilities of affected management and workers.

One such area experiencing growth pains is the area of first-line supervision. Assembly department supervisors experience first-hand the effects of an increased work area and subsequent relocation of various pieces of equipment across the shop floor.

1.2 Project Description

The white collar buy-out program offered by XYZ targeted a 20% reduction in costs across the corporation. The buy-out program, however, had a greater impact on the Assembly Department management staff. Eleven salaried employees who accepted the buy-out accounted for 50% of the total number of first-line supervisors in the department. As a result the remaining supervisors have had to cover the vacancies as best as possible with additional assistance from upper management.

The main objective for the field project is to propose a restructuring of first-line supervision in the assembly department. The expected outcome is an organizational structure which allows first-line supervisors to be more effective. The restructuring plan will be created by a team of five individuals within the department. These individuals will represent both divisions of the department. Two will represent the maintenance organization and two will represent the

production organization. The fifth individual will work as the head of the project and the arbitrator. Upper management will be consulted as necessary. The final structure will be the group's recommendation of a plan which will allow the department to work effectively and efficiently to meet the organizational goals. The project will be completed by the group beyond normal responsibilities and will be presented to departmental upper management on completion. This leads to the scope of work and expected outcomes for the field project.

The team mentioned above will meet on a regular basis with the goal of redefining the role and organization of first-line supervisors. The new format will allow the assembly department to function effectively with a reduced number of supervisors. The addition of supervisors from other facilities that are closing will be considered up until the 20% reduction is met. The final decision to allow the addition of personnel is made by upper management and so any decision made by the team to add personnel will be presented as a recommendation.

For the project the team will review the daily responsibilities and tasks performed by both maintenance and production supervisors. They will also review interactions within the department and with those outside the department. The team will also review organizational structure and the goals set by upper management and the organization. The target for the final recommendation will be a streamlined structure and method for completion of all necessary tasks and which will allow goals to be met.

Measurement of the effectiveness of the final outcome can be accomplished through increases in product quality, increased equipment up-time, and decreased mean time for equipment repair. Other measures can be related to increased employee job satisfaction and decreased employee absenteeism.

1.3 Department's Background

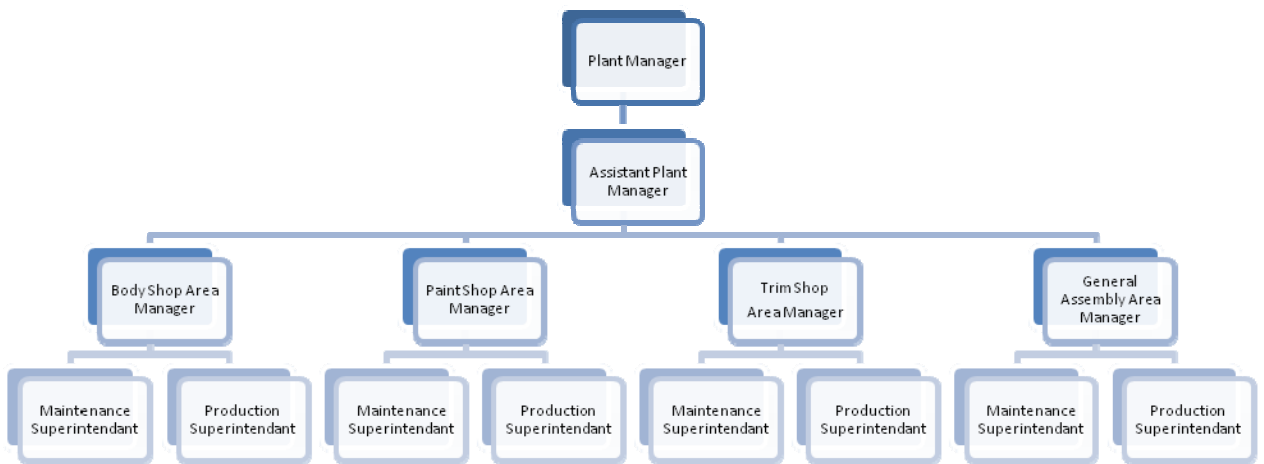
The assembly department came into existence with the construction of the plant on July 6, 1974. XYZ Corporation began operations with the production of the 1974 Widget-BC. Since that time the assembly plant has produced mid-size widgets and accessories for XYZ Corporation. The assembly department is also one of the largest departments in North America. At 1 million square feet the facility is capable of producing up to three different models with a line rate of 78 widgets per hour. The assembly plant itself is divided into four areas: Underbody, Framing, Fabrication, and B-side Assembly. As their names suggest the underbody area produces widget underbodies as would be seen in a uni-body construction. Uni-body widgets are those produced without an underlying frame. The Framing area adds the sides and roof to the underbody. Fabrication produces doors, fenders, hoods, and trunk lids, as well as, some subassemblies for the Framing area. B-side Assembly takes the completed body and installs the doors and other closures, performs widget body inspections, and prepares the widgets to be shipped to the Paint shop.

In addition to these areas the assembly department is also responsible for fitting processes on the final line. In this area there are assembly department personnel who are in place to check the vehicles for defects which may have been caused within the assembly department system.

1.4 Organizational Structure

Assembly plant and the assembly department in particular use a traditional hierarchical structure defined by corporate standards. With this structure the facility has a Plant Manager and Assistant Plant Manager. The four areas of the plant are then subdivided with an Area Manager for each. Below the Area Manager there are Production and Maintenance Superintendants. This structure may be better seen in the Figure 1.4.a: Upper Management Structure.

Figure 1.4.a: Upper Management Structure



The structure under the Superintendants follows in a similar fashion. The maintenance organization has a General Foreman who directs the Maintenance Group Leaders and the production organization has a Business Manager who directs the Production Group Leaders. Each sub area (Underbody, Framing, and B-side Assembly) then contains Maintenance and

Production Group Leaders which direct their respective hourly employees. Maintenance Group Leaders direct skilled tradesmen (electricians, pipefitters, and millwrights). Production Group Leaders direct line workers. The B-side Assembly area contains two Group Leaders due to the large number of production workers. The B-side Assembly Group Leader directs the assembly workers and the Metal Finish Group Leader directs quality inspection and repair production workers. The 90 Conveyor Group Leader directs workers on the final line before the vehicles exit the plant. He also directs vehicle repairmen who make any necessary repairs to vehicles which do not meet plant standards.

Third shift is a non-production shift and so there are only maintenance Group Leaders and workers. Third shift has three Group Leaders which are directed by the 2nd Shift General Foreman. Figure 1.4.b: Assembly department Maintenance Management Structure and Figure 1.4.c: Assembly department Production Management Structure shows a graphical representation of the organizational layout.

As an aside, the Dimensional Manager also reports to the Maintenance Superintendent. The Dimensional Manager has responsibility for the assembly quality of the vehicle and manages two Dimensional Group Leaders. These Group Leaders direct the activities of hourly toolmakers (machinists). In essence the dimensional group acts as a sub department to Assembly department maintenance. The Dimensional Manager holds the same level as a General Foreman.

Figure 1.4.b: Assembly Department Maintenance Management Structure

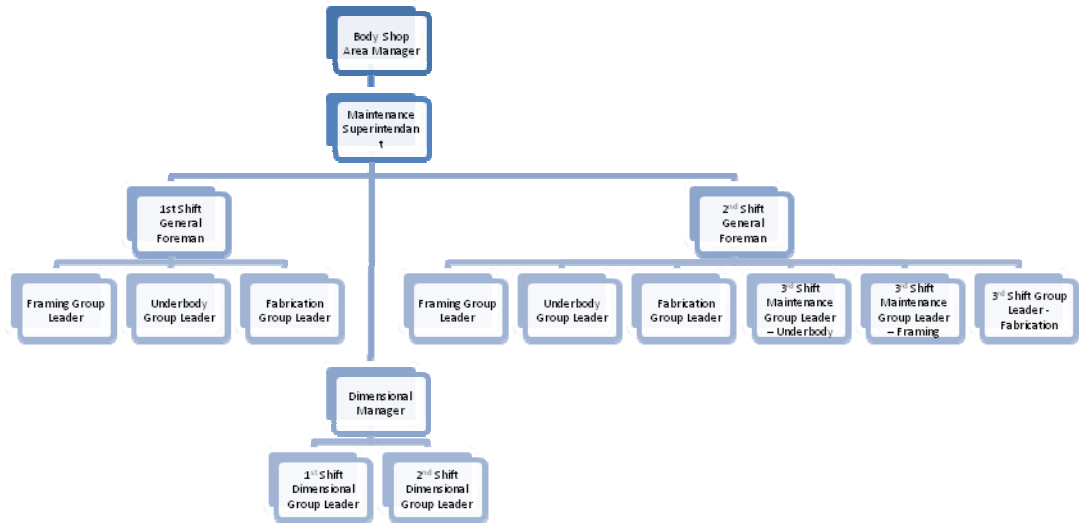
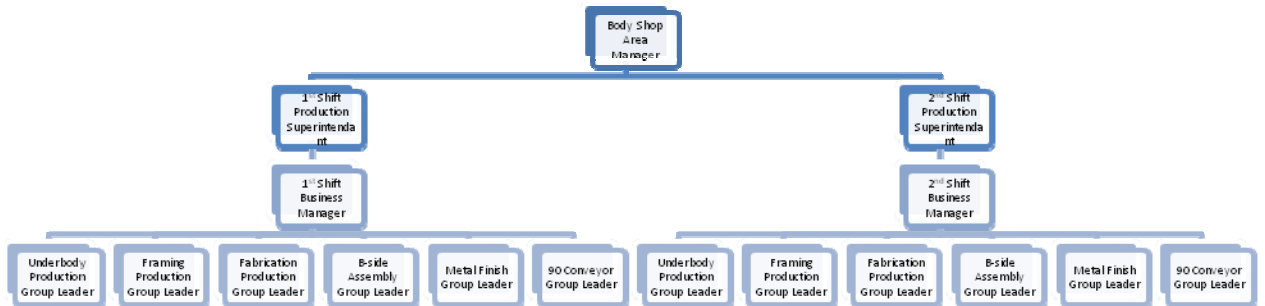


Figure 1.4.c: Assembly Department Production Management Structure



1.4.1 Problems with the Existing Organizational Structure

Problems with the organizational structure do not come from the structure itself. Instead, as discussed in the introduction, the problem originates with the lack of manpower to fill the positions dictated by the structure. When a position is not filled the roles and responsibilities associated with that position are either not completed or transfer to those positions above and below. With the 50% loss of salaried personnel in the assembly department if the amount of work completed was to remain at 100% then each employee would have a doubled work load. A doubled work load is neither realistic nor acceptable to the employees. As a result, the assembly department was forced to cope with the change by cutting out the work that was determined to be least necessary and in some areas upper managers moved to fill in lower management positions. For example, in the maintenance organization the 1st Shift General Foreman Position was not filled and the Maintenance Superintendent covered that position in addition to his own responsibilities. In other areas, Group Leaders cover both the production and maintenance workers in their area. Vacations and other absences are covered by the General Foreman or Business Manager. In a case where there is more than one absence the second absence would be filled by the corresponding shift Group Leaders. For example, if the 2nd shift Framing Group Leader was absent the 1st and 3rd shift Group Leaders would work 12 hours to fill in the gap. Figures 1.4.1.a and 1.4.1.b show the existing structure for maintenance and production areas, respectively.

Figure 1.4.1.a: Existing Maintenance Structure

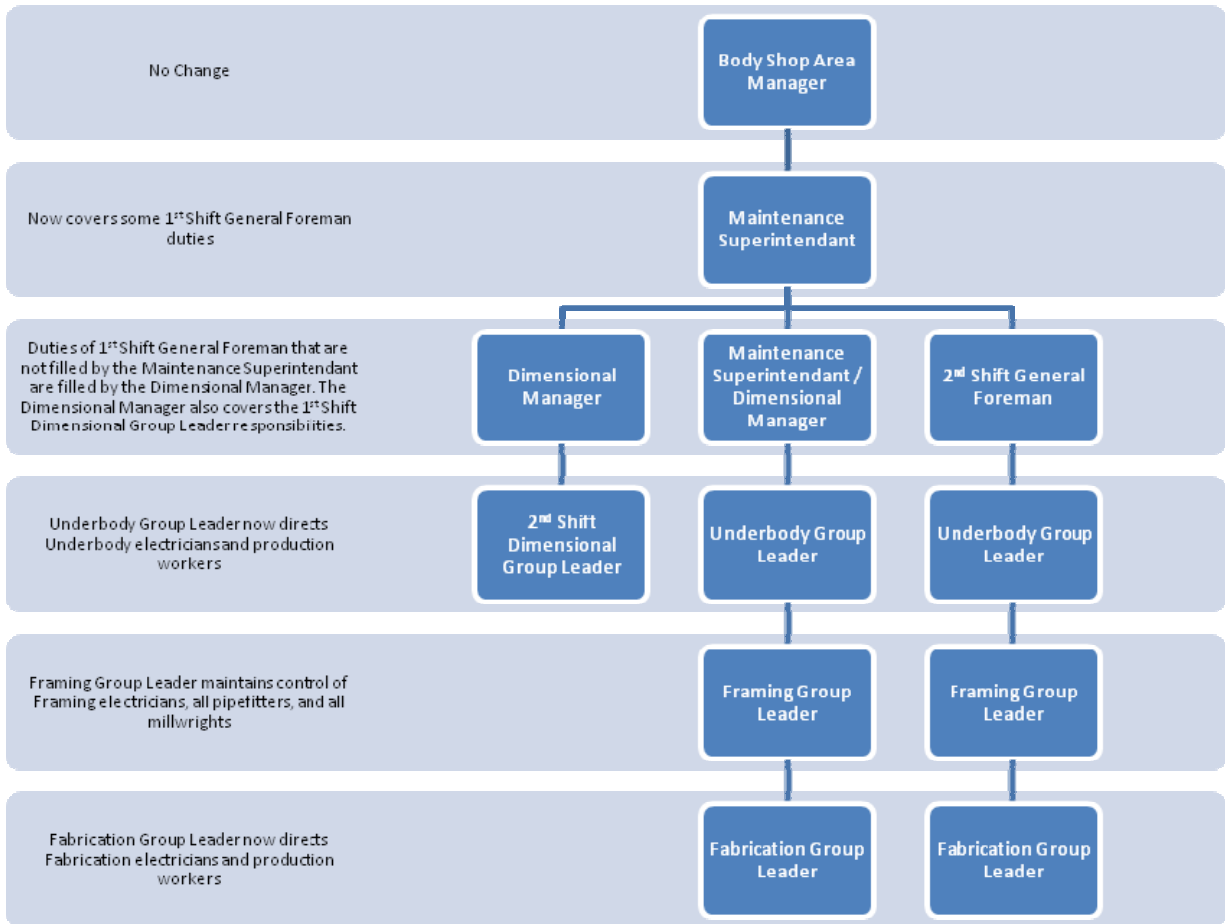
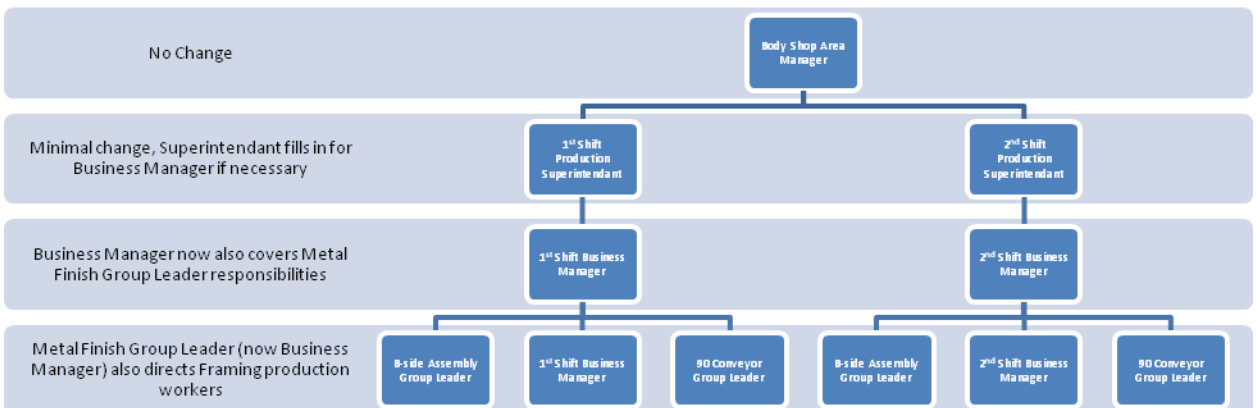


Figure 1.4.1.b: Existing Production Structure



1.5 Goal of Organizational Restructuring Effort

The goal of the restructuring effort is to create a median between the existing structure and the corporate hierarchical structure. As discussed in the introduction there was a 20% reduction in the number of salaried personnel in the corporation. Since the assembly department lost 50% of its salaried personnel the plan could add back 30% and still meet the corporate mandate. However, the main goal of the restructuring is to create a department which can fulfill its daily requirements and responsibilities. If this can be accomplished without adding back all 30% then the effort would still be considered successful.

CHAPTER 2: LITERATURE REVIEW

Evaluation of current literature shows that there is a lack of research concentrated on employee based restructuring of a department. Most information is targeted towards an hourly or salaried workforce as being restructured by upper management. In some cases, there is information reviewing re-organization of a middle-management layer, but the research is also done from the perspective of upper management. Other research comprised of restructuring of the entire corporation. The knowledge gap will attempt to be filled by breaking the project into a few sections and drawing on currently available research for each section.

For the project, information was gathered in reference to reasoning for an organization to consider a restructuring. Most arguments revolve around changing from a hierarchical to a team based structure. The drive is to implement a structure that will allow the organizations to more quickly respond to changes in the marketplace.

Once restructuring is determined to be acceptable the results may vary depending on the resulting structure. For the second part of the review, research was conducted on how to determine the right organizational structure. The use of a hierarchical structure is common place in many large corporations. Hierarchical structure follows a military doctrine where members toward the top command those that are below. New management trends call for transferring of some power to the lower echelons. In other words, allowing those that perform the work to determine how it should be completed.

The final section review common problems with and roadblocks to restructuring.

2.1 Research Summary

For the review, a literature search was done using the University of Kansas' Linda Hall library, Google Scholar, and hakia.com. Books, articles, academic journals and papers were collected and reviewed pertaining to the goals and ideas of this project. Search queries included items such as corporate restructuring, hierarchical structure, team based management, and resistance to organizational change. The gathered information was then organized into three main categories. These categories were: reasons for corporate restructuring, determining which structure, and problems with restructuring.

2.1.1 Why Organizational Restructuring

In today's fast paced economy organizations must use every advantage they can find to stay ahead of the competition. As the marketplace becomes more global and the amount of competition increases, traditional advantages can disappear. In *Producing Sustainable Competitive Advantage Through the Effective Management of People*, Pfeffer states, "As other sources of competitive success have become less important, what remains as a crucial, differentiating factor is the organization, its employees, and how they work." Pfeffer goes on to use Southwest Airlines and Nordstrom as examples of how effective management of people can be used to gain a significant advantage over competition. (Pfeffer 2005) A review of both companies shows that they are structured differently than their competitors. The success of these companies would indicate that structure plays an important role in corporate success.

The presence of a structure within an organization is no guarantee of success. For many years businesses operated with a hierarchical structure reminiscent of a military organization. Commands were issued from the top and were expected to be followed. Galbraith notes in *Designing Organizations* "The traditional hierarchical structure of organizations – with its

dysfunctional effects – continues to fall under harsher and harsher criticism.” He goes on to comment on how organizations are becoming flatter and that the employees of the lower tiers are having more input into how the work is actually completed. (Galbraith 1995)

Whyte echoes the need to move away from a deep organizational structure in *Social Theory for Action* where he promotes a more flexible design that is horizontal. He advocates an organizational design that supports work flow processes. He believes that organizational structure should follow from the way the work is actually performed not how upper management wants it to run. (Whyte 1991)

Michael Hammer may say it best in his book *The Agenda* when he states “Substitute inspirational leadership for formal structure.” There are many reasons why a corporation would want to restructure. The most important, as discussed above, is to provide better service for the customer and therefore beating out the competition. Another important reason would be to inspire teamwork among the employees. As he states “Only when people unite to pursue overarching goals that transcend their narrow domains will the separate dimensions of an organization coalesce into a whole.” (Hammer 2001)

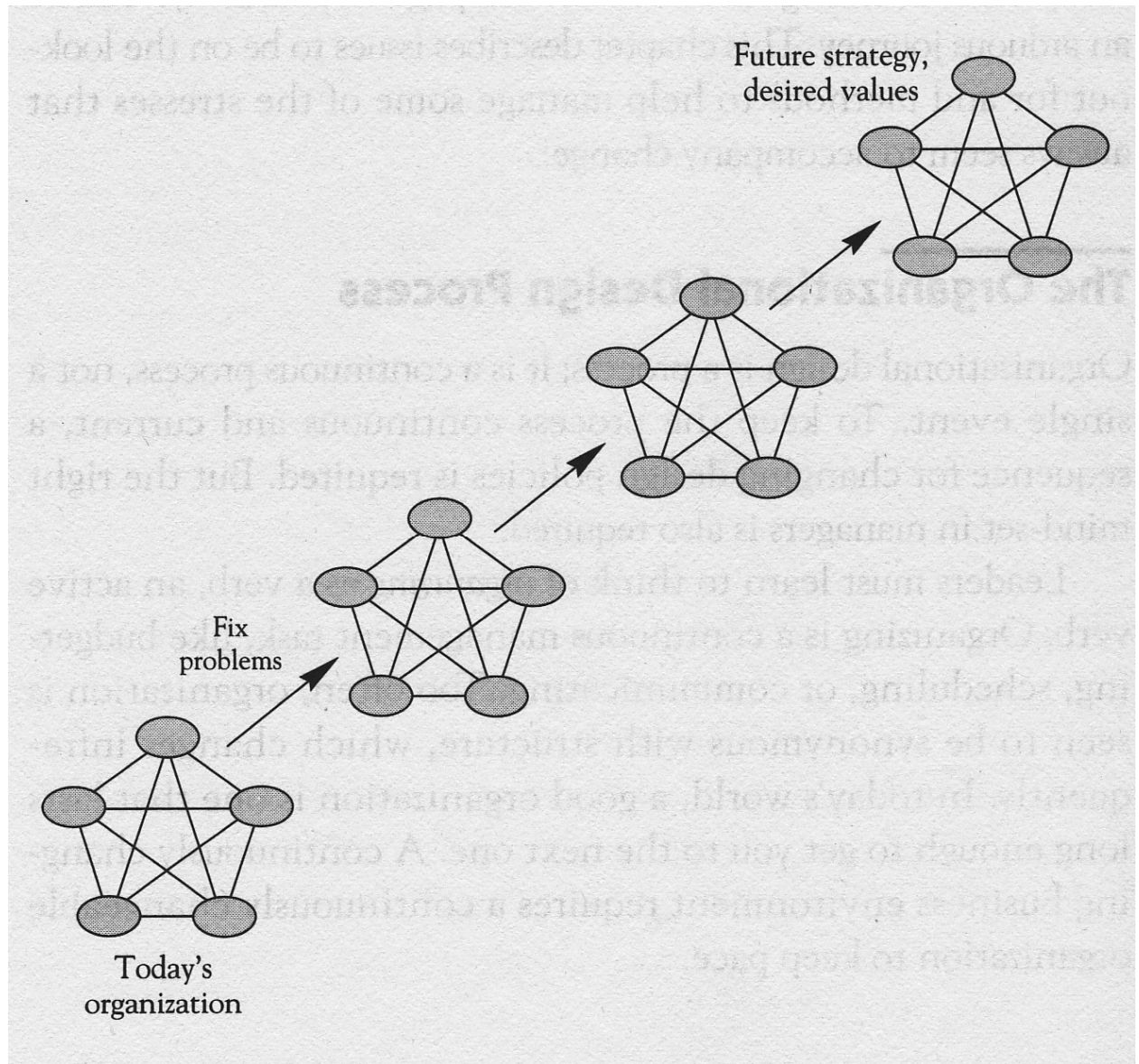
2.1.2 Determining an Appropriate Organizational Structure

Organizational restructuring is not a single iteration process. Oxman and Smith indicate that there is no single structure that can solve every problem. Each structure has associated positives and negatives. (Oxman and Smith 2003) Galbraith also tells us that “Organizational design is a process; it is a continuous process, not a single event.” Successful companies are always looking for an advantage and a way to succeed. No single structure will be successful for every situation.” Having said this, where should an organization start?

Jay R. Galbraith promotes a design process as shown in Figure 2.1.2.a on the next page. Similar to any project a plan is put together with a target and strategy, and then that strategy is executed. When determining how an organization should be restructured, there needs to be a future goal. A plan is then put together to try and reach it. The goal may change over time and the plan can then be adjusted to meet it. The right organizational structure may be fluid and change in order to best fit the current direction. (Galbraith 1995)

Given that the process in adopting an appropriate structure is iterative. How can an organization determine success? Cohen and Bailey cite three measures that can be used to measure a structure's impact in their article *What Makes Teams Work: Group Effectiveness Research from the Shop Floor to the Executive Suite*". They state "We categorize effectiveness into three major dimensions according to the team's impact on: (1) performance effectiveness assessed in terms of quantity and quality of outputs, (2) member attitudes, and (3) behavioral outcomes."

Figure 2.1.2.a: Continuous Organizational Design



2.1.3 Problems with Organizational Restructuring

If we continue to apply a project based thought process to restructuring we need to consider threats to the target, plan, and execution dimensions. Having a well defined target does two important things. It keeps everyone focused in one direction and it communicates the end of the project. An unclear target wastes effort and time and in a restructuring process causes loss of

employee enthusiasm. (Oxman and Smith 2003) Oxman and Smith in *The Limits of Structural Change* discuss the problems with and unclear target and state” ...confusion about roles, processes, compensation systems and ground rules for workall contribute to a fundamental breakdown in employee loyalty and a pervasive alienation and cynicism.”

It is also important that the target is significant and meaningful. For example, restructuring from one hierarchy to another could do more damage than good. “. . .it is a bit ironic that thousands of companies continue to spend millions of dollars continuously trying to identify an optimal hierarchy – one that employees then frequently proceed to ignore in favor of operating within their informal networks.” say Oxman and Smith.

When planning for a restructuring it’s important to have a plan of action that’s sound and well thought out. One of the mistakes mentioned in Jim Little’s *Making Teams Work: It Ain’t What You Think!* is that plans for change are made too rapidly. Little notes, “Unfortunately, many organizations make the serious mistake of forming teams without truly understanding the why’s and how’s of this new approach. Some managers attend a seminar and hungrily accept teams as a “quick fix” for complicated management issues.” (Little 1999) This also stresses the fact that organizational change might not be the correct answer to improving the organization.

The third and final dimension to consider for restructuring is the execution of the plan. Moving from one organizational structure to another often requires that those individuals involved in the restructuring need to change their way of thinking. (Labianca, Gray, and Brass 2000) In *A Grounded Model of Organizational Schema Change During Empowerment* Labianca, Gray and Brass discuss this change in reference to an employee empowerment restructuring, “For most empowerment efforts to succeed, managers and employees must transform their beliefs about who exercises influence in the organization – specifically, that decision-making influence will now be shared among individuals who are otherwise hierarchical unequals.

Because this process often involves radical change in the beliefs and values of organizational members, such empowerment efforts typically require a second-order change in the decision-making schema.” Failure for those involved in the restructuring to acknowledge or accept the fact that others may now be responsible for task that were formerly theirs could endanger the execution of the restructuring.

2.2 Literature Review Conclusions

The literature review investigated three aspects of restructuring an organization. These aspects are: reasons for restructuring, choosing the right structure, and problems encountered with restructuring.

The articles for this review did not directly address the restructuring of a department by employees within that department. The majority of articles reviewed addressed organizational restructuring as directed by upper management or restructuring of lower echelon employees such as hourly workers. Since a department lies between the two it is reasonable to assume that interpolation of data from above and below will give a reasonable analysis of how restructuring would work at a middle layer.

When considering restructuring at a middle department level it is important to consider why the restructuring should occur. Upper management and Chief Executive Officers consider restructuring as a possible means to make the organization as a whole more competitive. While a department may not need to be more competitive in its organization, restructuring may increase efficiency by streamlining processes.

The resultant or target structure is as important to consider as the decision to restructure itself. The fact that an organization is structured at all is no guarantee of success. Neither is the new resultant structure. Often times organizations may need to perform several iterative

restructurings in order to find one that works. Likewise, it is very rare for a single structure to satisfy all of the organizations goals. Overall, it is most important to continually evaluate the alignment between structure and target goals while balancing strategically placed changes in structure.

Finally, the literature reviewed presented challenges to restructuring. It is not enough to simply make a decision and present a target structure. In order for the process to be successful there must be some involvement from those participating in the restructuring. They must understand the reason why and the overall goal of the structure. They must also be willing to accept changes in their daily routines and responsibilities.

Overall, the literature reviewed on these three aspects were able to present a more clear view of what a restructuring process would be like in a middle management layer. The questions and challenges presented will allow the restructuring plan in the assembly department to be well thought out with an accurate goal and implementation plan. The plan will also be able to foresee possible problems and to set-up contingency plans.

Chapter 3: Department Restructuring Process

The procedure used for restructuring consisted of four meetings with data gathering performed between each meeting. The attendees to the meetings discussed the objectives and brainstormed processes to meet those objectives. Any data that was not readily available was gathered between the meetings and then reviewed at the next meeting.

No predetermined methodology was used to dictate the restructuring process. The main objective was given in the first introductory meeting and then the process was allowed to proceed naturally. As a guideline, no input from Upper Management was permitted so that this process was the complete work of middle level managers.

In addition to the special attrition programs described in the introductory chapter three new events were added at the beginning of the group's restructuring process. The first was the shutdown of the assembly plant for six weeks starting with the last week of December 2008. Second, it was announced that the plant would decrease line rate from 78 to 65 jobs per hour (JPH). Third, the plant would lay-off 350 hourly production workers and 65 skilled tradesmen. These changes were accounted for in the restructuring process.

3.1 Introductory Meeting

The first meeting held for the restructuring process was used to bring the team together and to present the objective of the process. The objective was set to have five main considerations.

- 1) Evaluate the current supervisory state within the assembly department
- 2) Identify supervisory areas that can be improved
- 3) Create an alternative Group Leader set-up / redefine the Group Leader role

- 4) Formulate a plan to achieve the set-up
- 5) Present the plan to Upper Management

The discussion that followed confirmed that all five of the participants were aware of the need to consider a restructuring of supervision within the assembly department. All five participants were also willing to participate in the following meetings to discuss and formulate a plan that would meet the presented objectives.

Once it was confirmed that the meeting attendees would participate in the process there was an evaluation of what initial information was needed to start the process. The group decided that the following information was needed and assigned members to collect that information for the next meeting.

- 1) List of daily Group Leader responsibilities
- 2) List of teams per Group Leader, specifically number of hourly workers per Group Leader

Other questions discussed in the initial meeting revolved around the ground rules for the process. It was decided that in order for the process to be the complete work of the group no Upper Management input would be sought until the end when the final product was presented. The decision was also made that the group should work to present a plan which would meet the recent twenty- percent reduction in salaried workers.

Appendix A contains the completed minutes for the introductory meeting.

3.2 Second Meeting: Data Review

Information gathered after the first introductory meeting was reviewed and discussed in the second meeting. Meeting minutes from the second meeting can be found in Appendix B.

The first piece of information was a list of Group Leader Responsibilities which is as follows:

- 1) Set-up manpower at start of the shift
 - a. Make sure all jobs are covered within the team
 - b. Redistribute extra manpower if needed for other areas
- 2) Assure jobs are completed to meet schedule
- 3) Communicate Business Plan to hourly workers (BPD reviews)
- 4) Assess discipline as needed
- 5) Review our processes to make sure they are correct and not creating defects
- 6) Troubleshoot process if defects are being created
- 7) Complete time sheets
- 8) Direct clean-up activities (Assure Workplace Organization standards are met)
- 9) Communicate with managers and superintendants on quality issues from other departments (Stamped part quality / defects)
- 10) Maintenance Group Leaders need to review processes to make sure equipment is operating such that the line rate can be met (look for changes in cycle times)
- 11) Production Group Leaders need to make sure operators are following Job Element Survey (JES), make sure operators are trained and certified on as many jobs as possible, and monitor operator quality items
- 12) Other activities as directed by Upper Managers

In addition to these responsibilities, the Framing Group Leaders have the additional responsibility to direct the activities of all millwrights and pipefitters on their shift within the assembly department.

The second piece of information gathered concerned the total number of hourly workers that each Group Leader supervised. These numbers take into account the recent hourly lay-offs due to line speed reduction. The chart below (Figure 3.2.a) shows the number of skilled tradesmen and hourly production workers per Group Leader per shift.

Figure 3.2.a: Number of Tradesmen per Group Leader per Shift by Organization

| Organization | | Hourly Workers | | | | | |
|--------------|--------------------------|----------------|------------|-----------|------------|-----------|------------|
| | | 1st Shift | | 2nd Shift | | 3rd Shift | |
| | | Skilled | Production | Skilled | Production | Skilled | Production |
| Maintenance | Underbody Group Leader | 7 | 19 | 11 | 16 | | |
| | Framing Group Leader | 21 | | 18 | | 36* | |
| | Fabrication Group Leader | 10 | 19 | 10 | 17 | | |
| | Tooling Group Leader | 12 | | 9 | | | |
| Production | B-side Assembly | | 44 | | 42 | | |
| | Metal Finish | | 44 | | 43 | | |
| | 90 Conveyor | | 20 | | 20 | | |

* All third shift tradesmen report to one Group Leader

Totaling these numbers without regard to skilled tradesmen or production workers shows a clearer picture of exactly how many workers each Group Leader supervises (Figure 3.2.b).

Figure 3.2.b: Total Number of Tradesmen per Group Leader per Shift

| Organization | | Total Number of Hourly Workers | | |
|--------------|--------------------------|--------------------------------|-----------|-----------|
| | | 1st Shift | 2nd Shift | 3rd Shift |
| Maintenance | Underbody Group Leader | 26 | 27 | |
| | Framing Group Leader | 21 | 18 | 36 |
| | Fabrication Group Leader | 29 | 27 | |
| | Tooling Group Leader | 12 | 9 | |
| Production | B-side Assembly | 44 | 42 | |
| | Metal Finish | 44 | 43 | |
| | 90 Conveyor | 20 | 20 | |

Given this information the group then considered making changes based on the number of workers that each Group Leader supervised. The first consideration was to even out the workers so that each Group Leader had the same number of workers. This idea was abandoned because the numbers were mostly equal already. There is also a limit to the number of workers allowed in a team from XYZ’s contract with the United Widget Workers union.

A second consideration was to re-arrange Group Leaders by physical area. This was considered because the Underbody and Framing areas are physically larger. However, the same restriction of team size applied to this possible change.

The third proposed change was to divide Group Leaders such that they only supervised workers in their own organization. For example, maintenance Group Leaders would only supervise the skilled tradesmen in their area. This proposal drove a necessary addition of eleven Group Leaders unless the General Foremen, Business Managers, and Dimensional Manager also took on a Group Leader role in addition to their normal activities. This was nearly identical to the current situation except without the Superintendants stepping into lower roles as well.

When the group compared this proposal to the recommended corporate template they found that it was nearly identical. The group's proposal called for 22 Group Leader positions and the corporate template recommended 23. The additional Group Leader was added to the third shift.

This proposal also neglected to take into account the 20% reduction in salaried manpower. With the 20% reduction the group had to determine how to cover the 23 positions with a maximum of 18 Group Leaders.

At this point the meeting was ended due to time constraints. The group agreed to meet the next week with some ideas on how to cover the positions.

3.3 Third Meeting: Three Scenarios

The group's third meeting started with a review of the second meeting's agenda and discussion items. Meeting minutes can be found in Appendix C. After that review the group decided to cover three scenarios with a Group Leader plan. The scenarios consisted of:

- 1) Continuing without addition of more Group Leaders
- 2) Creating a new organizational template taking into account the 20% salaried reduction
- 3) Filling the 100% corporate recommended template

3.3.1 First Scenario: Continuation of Current Operational Mode

The first scenario is really no different from the current situation. The recommended corporate template calls for 23 Group Leader positions. These positions are currently being covered by the remaining 11 Group Leaders plus the five Managers. In order for this plan to be successful on a long term basis Managers will split their time between their original job

responsibilities and those of a Group Leader. Superintendants will also need to continue to cover their own responsibilities plus assist in Manager and Group Leader positions.

The reduced number of Group Leaders also creates issue with vacation and absence coverage. In the event that a Group Leader is not present the Group Leaders on opposite shift will need to increase their number of working hours in order to cover the vacancy. This would also mean that if Managers or Superintendants are covering a Group Leader position they would also have to assist.

The assembly department has previously been operating in this condition for approximately two months. The group feels that if this were a normal operational mode there could be serious risks to vehicle quality and equipment downtime would increase. The slower line rate may help to negate this to some degree.

3.3.2: Second Scenario: 20% Reduction to Corporate Template

The second scenario consisted of adhering to the 20% salaried reduction from the corporate organizational template. Since the template calls for 23 Group Leader positions this would mean that there could be a maximum of 18 Group Leaders. In order to increase to 18 Group Leaders the assembly department would need to gain seven Group Leaders from other closing facilities. Figures 3.3.2.a and 3.3.2.b show how the group would organize the 18 positions.

Figure 3.3.2.a: 20% Reduction Production Organization

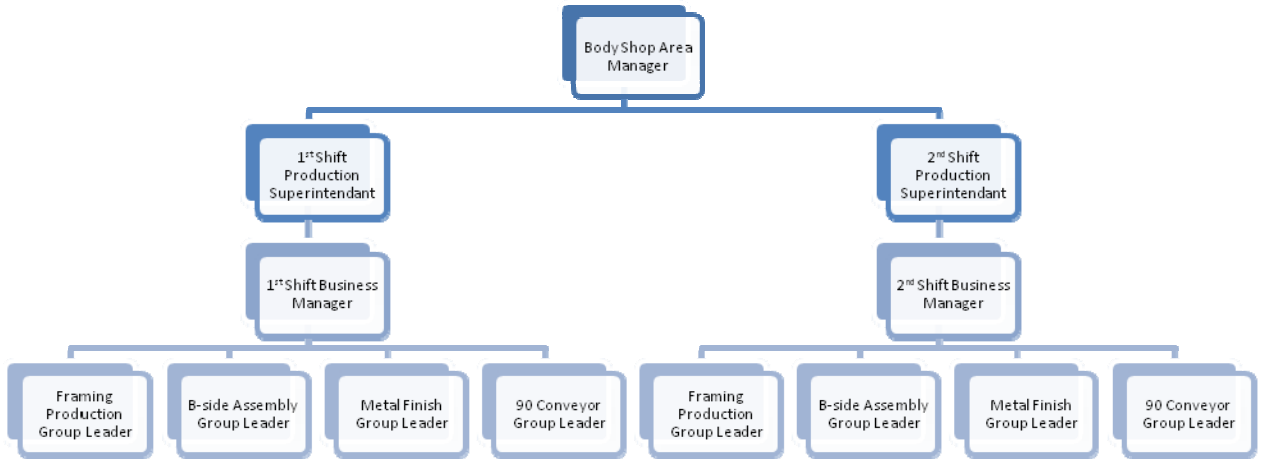
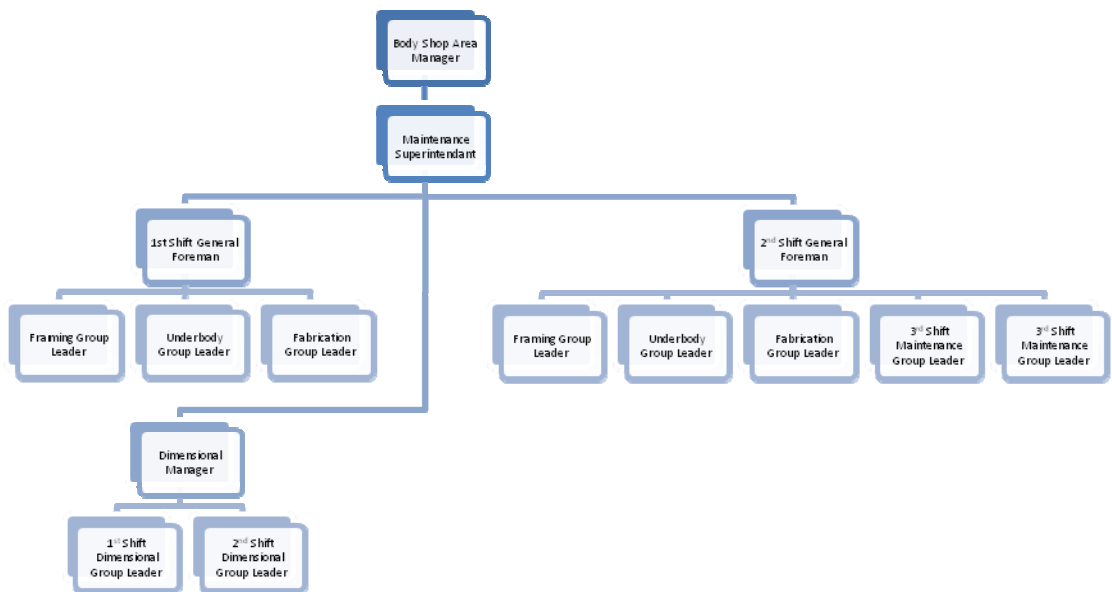


Figure 3.3.2.b: 20% Reduction Maintenance Organization



In this organizational template the Fabrication and Underbody Group Leaders would cover both maintenance and production workers in their areas. The Managers would cover for Group Leader vacations and absences. They would also take over all disciplinary, vacation

scheduling, and worker movement activities. This would help to free Group Leaders to take care of production issues within their areas and allow them more time to cover the increased number of hourly workers. Overall, the group felt that this organization was capable of meeting quality and production standards.

3.3.3 Third Scenario: 100% Corporate Template

The 100% Corporate Template scenario followed the corporate template exactly as it was recommended. The group felt that this would not be considered as a realistic possibility considering the recent 20% reduction in the salaried workforce. However, the group felt it was necessary to present this scenario as a contrast to the first two. It would also serve as a representation of where the assembly department was previous to the 50% Group Leader loss in November of 2008. The 100% Corporate Template represented all 23 Group Leader positions and could serve as a useful reference in future discussions.

3.3.4 Measurement of Scenario Effectiveness

After the set-up of the three scenarios the group felt that there must be a way to measure the effectiveness of the scenario which was finally put in place. Current quality and productivity measurement systems available within the assembly department would suffice for this. The assembly department currently tracks equipment downtime, quality defects, absenteeism, and line rate losses. Comparison of these measurements taken before and after any organizational change would give an indication as to the effectiveness of the structure currently in place.

3.4 Fourth Meeting: Presentation Review

The fourth and final group meeting was used to review the presentation which would be given to Upper Management. The presentation can be found in Appendix D. The results of the group's presentation and discussion with upper management follow in Chapter 4.

Chapter 4: Restructuring Process Results

Presentation of the group's ideas lasted approximately 20 minutes. Upper Managers in attendance included the Area Manager, Maintenance Superintendent, and Production Superintendents. They were glad to see that the group had taken the initiative to develop and organize some ideas which could help the assembly department overcome its' current difficulties.

4.1 Upper Management Comments

Once the presentation was completed the upper managers decided that they would share their own vision as to how to correct the current group leader shortage in the assembly department. The upper managers imparted to the group that they had also been working on this problem and had decided to bring in several group leaders from other plants that were closing. Beginning on February 16, 2009 there would be an additional four maintenance group leaders and two production group leaders. There would also be one additional group leader from a plant that would idle for several months and eventually an additional dimensional engineer. The upper managers also detailed an organizational structure as shown below in Figure 4.1.a and Figure 4.1.b.

Figure 4.1.a: Upper Management Maintenance Structure

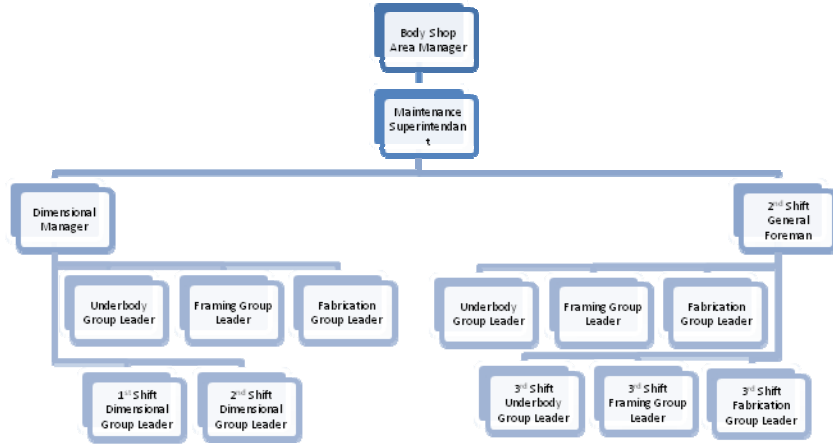
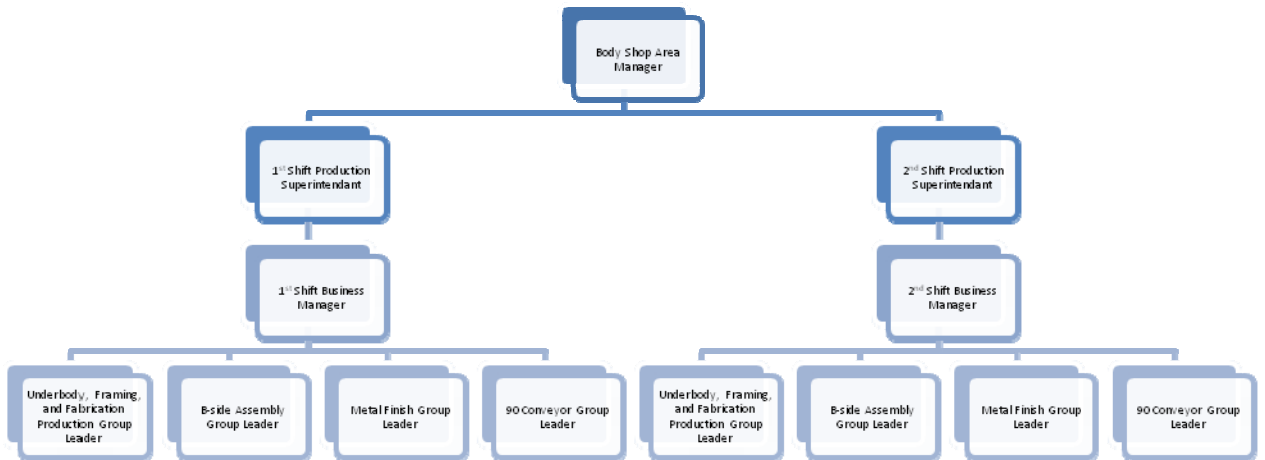


Figure 4.1.b: Upper Management Production Structure



In the maintenance structure there would no longer be a first shift General Foreman. All General Foreman duties would be split between the Maintenance Superintendent, Dimensional Manager, and 2nd shift General Foreman. The first shift Dimensional Group Leader position was

currently empty as the upper managers had yet to find a suitable candidate to fill the position. Until that time the Dimensional Manager would take care of all dimensional issues on first shift. There will also be three Group Leaders on third shift which will be directed by the second shift General Foreman.

The Production Group Leader positions would also change. There would now be only one Production Group Leader for the Underbody, Framing, and Fabrication areas. B-side Assembly, Metal Finish, and 90 Conveyor positions would remain intact.

Overall, the upper managers' plan was nearly identical to the group's second recommendation to add seven Group Leaders to bring the Assembly department count up to the 20% reduction mark. The main difference is the elimination of the first shift General Foreman position and the addition of a third Group Leader on third shift. The main reason for this change was to allow a greater focus on preventive maintenance activities and a better ratio of Group Leaders to tradesmen. The production change to have one Group Leader cover the areas of Underbody, Framing and Fabrication was also done to allow Maintenance Group Leaders to increase their focus on maintenance related items.

4.2 Current State

As of this writing the addition of the new Group Leaders in the Assembly department has helped immensely. After a four week period of training and transitional time the Group Leaders have fit in well with the rest of the Assembly department. This is most likely due to the fact that most had been Group Leaders in their previous plants. Additionally, three of the seven had been at a manager level in their previous plants. This seems to have allowed the natural formation of leaders among the Group Leaders themselves. Additionally, XYZ does not typically reduce an

employee's level when they accept a lower level position. This has helped to maintain the moral of those managers who are now working at a lower position.

Chapter 5: Conclusions

Comparison between the literature reviewed and this field project can most easily be done by comparing the field project's process and results to the three ideas researched in the review: reasons for corporate restructuring, determining an appropriate structure, and problems with restructuring. By doing this there will be a direct comparison of ideas expressed in the review and the actual work performed in the field project.

As expressed in the review there can be any number of reasons for why a corporation would want to restructure. Most recently, while business has become more global restructuring has been used to hone a competitive advantage over competitors who produce similar products. On this premise it can be reasoned that XYZ cut 20% of the salaried workforce in order to make itself more competitive in the global automotive market by reducing overall personnel costs. However, in reality had the corporation not been facing a severe lack of funds due to the economic climate it is also reasonable to assume that the corporation would not have made such a cut or would have made one of a lesser degree.

The method with which the corporation used to cut salaried manpower can be seen as blunt. The 20% reduction was produced by offering an early buy-out for those that were nearing retirement. This would produce the greatest cost savings to the corporation because those close to retirement generally have the highest salaries. This would produce the greatest cost reduction while minimizing overall personnel loss. However, it seems that there is no thought put into what extent of knowledge would be lost in this process. The general 20% reduction caused plants and departments, such as the assembly department, to re-align themselves in order that they can best meet the challenge of the personnel reduction. This leads into the determination of appropriate organizational structure part of the literature review.

The assembly department structure just after the 20% reduction was put in place out of necessity to cover the missing Group Leaders and to allow the assembly department to function as best as possible given the actual 50% loss of Group Leaders. The larger reduction was detrimental for a time, but in the end it may have been more beneficial because it allowed the assembly department management to pick suitable replacements from other facilities. By doing this the assembly department was able to choose three employees who had experience in the managers' positions and by putting them in the Group Leader position they effectively increased the overall knowledge and experience in the Group Leader tier. Two of the other employees have extensive electrical controls backgrounds which also improved the tier's ability to effectively troubleshoot and correct robot and computer control issues. Generally, as a whole, the structure of the assembly department changed very little. However the knowledge and leadership abilities of those filling the vacant positions increased the assembly department's ability improve production and quality reliability.

The literature reviewed focused on an overall change in structure as adding benefit to the corporation. This project shows that it isn't always necessary to change completely change the structure in order to benefit the corporation. In some cases, it is possible to change only the abilities of those within the structure to maximize its benefit. This also does not mean that there needs to be a change in personnel. Changes in personnel's abilities can be done through training programs or cross-training in different positions.

Finally, when we look at the transition of the new Group Leaders into the assembly department structure we find that it went smoothly. There were no real problems with integrating the new members. This was possible for three reasons. First, XYZ Corporation has a common structure in all assembly plants. This means that in general all positions have similar responsibilities in each plant. A Group Leader in a Sweden assembly plant has similar

responsibilities to those Group Leaders in France. Second, all employees spend some time as a Group Leader before being promoted to higher levels. Third, the assembly department upper management team realized that they would need to backfill those group leaders that would be accepting the buy-out program. They set a clear goal for themselves and worked towards it from the beginning. This allowed the assembly department to have to operate at the 50% reduction level for only six weeks.

Chapter 6: Suggestions for Further Research

From an XYZ assembly department view there still needs to be additional work done to fill the vacant first shift Dimensional Group Leader's position. There will also need to be a process started to replace the temporary production leader within the next six months.

The effectiveness of the restructuring could also be measured and compared to the previous structure. The measurement systems which are already in place could provide valuable feedback on the continuing success of the new organization.

On a long term basis the assembly department management organization should look to start cross training Group Leaders and Managers in different positions. For example, Maintenance Group Leaders could spend some time in a Production Group Leader role. Doing this would increase their knowledge of the production processes and give a bigger view of how the assembly department functions as a whole. Effectively this would increase the Group Leaders ability to satisfy intra-plant customers.

6.1 Recommendations for Additional Research

As stated in the literature review there seems to be a lack of any research conducted on restructuring activities from a middle management point of view. This research could cover the ability that middle managers have to restructure the groups they manage without direction from upper management. It could also cover what effect it would have on an organization if the middle managers were empowered to do so.

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Appendices

Appendix A: Introductory Meeting Minutes

XYZ Corporation

Assembly Department

Meeting Minutes

January 7, 2009 @ 1430

0.5 – 1.0 hour

Attendees:

Dimensional Manager

General Foreman

General Foreman

Business Manager

Business Manager

Agenda

Meeting Purpose:

- 1) To address the reduction of Group Leaders within the shop and try to maximize our ability to cover the positions with those that are left
 - a. Evaluate the current state within the shop
 - b. Identify supervisory areas that can be improved
 - c. Create an alternative Group Leader set-up , redefine Group Leader responsibilities
 - d. Formulate a plan to achieve the set-up
 - e. Present plan to Upper Management
- 2) Help Steve complete requirements for Masters Degree

Discussion Notes:

- 13) All attendees agree that this issue needs to be addressed and agree to participate in the project
- 14) Meeting schedule: Wednesdays for the next three weeks (January 14, 21, and 28)
- 15) What information do we need to evaluate/perform this project?
 - a. List of a Group Leader's expectations
 - i. We will probably have to create one since there is no official job description
 - b. Amount of hourly workers under each group leader
 - i. List of teams by Group Leader
 - c. We need to take into account upcoming events
 - i. Line rate reduction to 65 JPH
 - ii. Hourly lay-offs
 - d. What about Upper Management requirements?
 - i. Steve would like to do this project without consulting Upper Management until the end
 - ii. This will show the ability of the group to function without direction being set by Upper Managers and therefore the project will completely be the work of the group
- 16) Other questions
 - a. What will be our ability to complete (implement) this project?
 - i. That would be determined by Upper Management at the end of our "design" meetings. If it is decided that our plan will not be implemented that will not affect Steve's requirement to do the project.

- ii. For now, the concentration should be to come up with a plan to increase the effectiveness of the Group Leaders
- b. Can we bring in Group Leaders from other plants that are closing?
 - i. Yes, but Steve would like to stay at or under the 20% headcount reduction if possible.
 - ii. Actually bringing over more Group Leaders would have to be done by Upper Management.
- c. Who will provide the information required above?
 - i. Steve – Provide list of activities performed by Group Leaders
 - ii. Tom and Gary – Maintenance hourly lay-off numbers and Maintenance Group Leaders' team sizes
 - iii. John and Matt – Same as above for production

Appendix B: Second Group Meeting Minutes

XYZ Corporation

Assembly Department

Meeting Minutes

January 14, 2009 @ 1430

0.5 – 1.0 hour

Attendees:

Dimensional Manager

General Foreman

General Foreman

Business Manager

Business Manager

Agenda

Meeting Purpose:

- 3) To address the reduction of Group Leaders within the shop and try to maximize our ability to cover the positions with those that are left
 - a. Evaluate the current state within the shop
 - b. Create an alternative Group Leader set-up , redefine Group Leader responsibilities
 - c. Formulate a plan to achieve the set-up
 - d. Present plan to Upper Management
- 4) Help Steve complete requirements for Masters Degree

Discussion Notes:

- 17) Review information requested at the previous Meeting
 - i. Steve – Provide list of activities performed by Group Leaders
 - ii. Tom and Gary – Maintenance hourly lay-off numbers and Maintenance
Group Leaders' team sizes

iii. John and Matt – Same as above for production

18) Steve – Provide list of activities performed by Group Leaders

i. Common items

1. Set-up manpower at start of the shift
 - a. Make sure all jobs are covered within the team
 - b. Redistribute extra manpower if needed for other areas
2. Assure jobs are completed to meet schedule
3. Communicate Business Plan to hourly workers (BPD reviews)
4. Assess discipline as needed
5. Review our processes to make sure they are correct and not creating defects
6. Troubleshoot process if defects are being created
7. Complete time sheets
8. Direct clean-up activities (Assure Workplace Organization standards are met)
9. Communicate with managers and superintendants on quality issues from other departments (Stamped part quality / defects)
10. Maintenance Group Leaders need to review processes to make sure equipment is operating such that the line rate can be met (look for changes in cycle times)
11. Production Group Leaders need to make sure operators are following JES, make sure operators are trained and certified on as many jobs as possible, and monitor operator quality items
12. Other activities as directed by Upper Managers

ii. Maintenance - Special Items

1. Framing Group Leader

a. Control usage of Millwrights and Pipefitters

- i. Make sure tradesmen are utilized correctly and at
100%

19) Tom and Gary – Maintenance hourly lay-off numbers and Maintenance Group Leaders’
team sizes

i. Lay-off Numbers

1. 2 Millwrights and 2 Toolmakers per shift
2. 4 electricians per shift
3. No pipefitters

ii. Maintenance Groups (Numbers after layoffs)

1. Underbody (4301 – 1 / 2 / 3)
 - a. 7 / 11 / 5 electricians
2. Framing (4303 – 1 / 2 / 3)
 - a. 12 / 10 / 6 electricians
 - b. 4 / 3 / 3 pipefitters
 - c. 5 / 5 / 7 Millwrights
3. Fabrication (4304 – 1 / 2 / 3)
 - a. 10 / 10 / 7 Electricians
4. Tooling (4305 – 1 / 2 / 3)
 - a. 12 / 9 / 8 Toolmakers

iii. Totaled by Group Leader

Number of Tradesmen per Group Leader per Shift

| | Shift | | |
|--------------------------|-------|--------|-------|
| | First | Second | Third |
| Underbody Group Leader | 7 | 11 | 5 |
| Framing Group Leader | 21 | 18 | 16 |
| Fabrication Group Leader | 10 | 10 | 7 |
| Tooling Group Leader | 12 | 9 | 8 |

20) John and Matt – Production hourly lay-off numbers and Maintenance Group Leaders’ team sizes

i. Lay-off Numbers

1. 30 Production Workers across the shop for each shift

ii. Production Groups

1. See attached sheet 602 sheet
2. 1st shift: 146 operators in 20 teams
3. 2nd shift: 138 operators in 18 teams
4. The two extra teams on first are for 353 production readiness

21) Group Leader Manpower Totals

i. Totaled by Group Leader

1. See attached spreadsheet

22) What can we do with this information?

i. Re-arrange Group Leaders by the number of hourly workers.

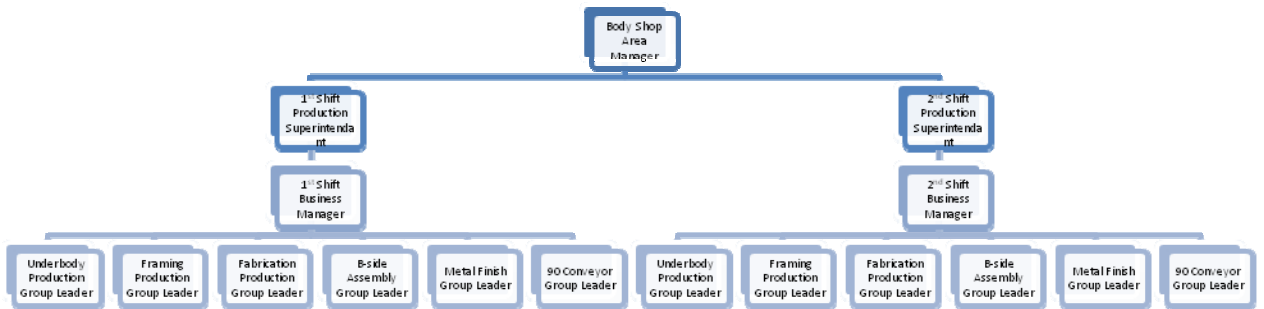
1. Try to even it out
 - a. Numbers are mostly even already
 - b. Completely evening out the number may cause Group Leaders to have to manage people that aren’t close together

- c. Run into team size restriction
- ii. Re-arrange Group Leaders by physical area
 - 1. Equalize by square area
 - a. May cause some logical areas to be split between two Group Leaders
 - b. Also may run into the splitting of hourly teams which isn't possible
- iii. Divide Group Leaders into maintenance and production only
 - 1. Do we have enough people to cover doing this?
 - a. Underbody Maintenance Group Leader
 - b. Underbody Production Group Leader
 - c. Framing Maintenance Group Leader
 - d. Framing Production Group Leader
 - e. Fabrication Maintenance Group Leader
 - f. Fabrication Production Group Leader
 - g. Tooling Maintenance Group Leader
 - h. B-side Assembly Production Group Leader
 - i. Metal Finish Group Leader
 - j. 90 Conveyor Group Leader
 - 2. Total would be 10 leaders per shift (20 total) but would also need at least two maintenance on 3rd shift (22 total)
 - a. Currently have only 11 actual Group Leaders
 - b. General Foreman, Business Manager and Dimensional Manager are trying to make up the difference

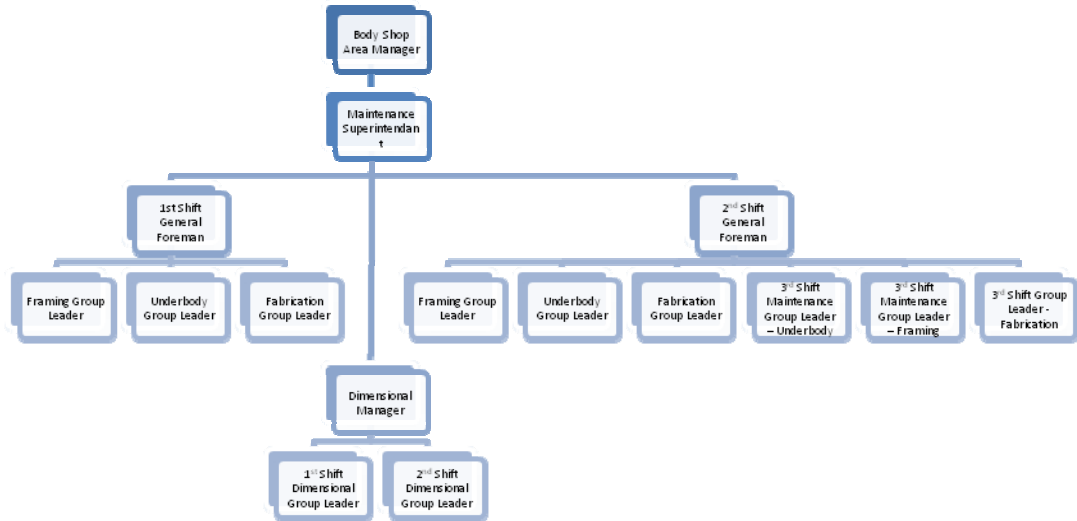
c. That brings the total to 16, still need 8 to complete

iv. What does the corporate template say we should have?

1. Production Template



2. Maintenance Template



3. Template dictates 23 Group Leader Positions

- v. What kind of structure can we make from 16 to cover the 23 positions?
 1. Reduce 3rd shift to one Group Leader
 - a. He will have to direct over 30 tradesmen
 2. Combine more areas
 - a. Combine B-side Assembly and Metal Finish
 - b. Move Framing Production to Framing Maintenance Group Leader
 - c. Combinations might work okay, but Group Leaders will have a large number of workers to take care of
- vi. What about adding more Group Leaders
 1. Would need 12 in order to get back to the corporate template
 2. Would need seven to get to 18 (20% reduction)

- a. $23 - (23 * 0.2) = 18.4$ Group Leaders
- b. Can we add seven to get us to the corporate 20% reduction?

23) Break Meeting due to time constraint

- i. For the next meeting
- ii. Reschedule to Thursday January 22, 2009 due to departmental meeting on Wednesday
 - 1. Formulate a few scenarios based on the number of additional Group Leaders
- iii. Is any additional information needed?
 - 1. None

Attachments:

1st Shift Production 602 Operations Sheet (Pages 1 and 2)

| 11-17 | | | | 11-21 | | | | 11-23 | | | |
|----------|---------|--------------------------|-------------|----------|---------|---------------------------|------------|----------|---------|---------------------------|--------------|
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator |
| 31 | | TEAM LEADER | KELLUM | 71A | | TEAM LEADER | TAYLOR, D. | 81A | 10 | FINAL PROCESS REPAIR | GOLUBSKI |
| 31 | 11-040L | HOOD HINGE INSTALL | BERKOVICH | 71A | 11-370L | METAL FINISH UPPER | DOWNEY | 81A | 10 | FINAL PROCESS REPAIR | VANDERMILLON |
| 31 | 11-060L | FRONT DOOR HINGE INSTALL | WHITMARSH | 71A | 11-370R | METAL FINISH UPPER | SAMPEL | | | | |
| 31 | 11-060R | FRONT DOOR HINGE INSTALL | REYES | 71A | 11-390L | METAL FINISH LOWER | MURRAY | | | | |
| 31 | 11-080L | REAR DOOR HINGE INSTALL | STROMBERG | 71A | 11-390R | METAL FINISH LOWER | PRECHT | | | | |
| 31 | 11-080R | REAR DOOR HINGE INSTALL | JOPSON | 71A | 11-060R | METAL REPAIR IN PAINT | ARMON | | | | |
| | | | | 71A | 11-451L | REPAIR | FORD | | | | |
| | | | | 71A | 11-451R | REPAIR | HUMPHREY | | | | |
| | | | | 71A | 092 | PAINT DINGMAN | STACK | | | | |
| | | | | 71A | 574R | 90 CONV DINGMAN | COWSERT | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator |
| B-2 | | TEAM LEADER | WHITMER | 72B | | TEAM LEADER | ZVACEK | 82B | | TEAM LEADER | HAYS |
| OFF | X23A | DOOR SEQUENCER LH | MAXWELL | 72B | S29J | SAT CTR PLR & BSO LH | GOODWIN | 82B | 555L | FIT LH FRT & RR DOOR(G/A) | JOHNSON, A. |
| B-2 | 11-190R | FRONT & REAR DOOR FIT | SHULOCK | 72B | S31P | SAT CTR PLR & BSO RH | FROST | 82B | 555R | FIT RH FRT & RR DOOR(G/A) | LOWE |
| B-2 | 11-160R | REAR DOOR INSTALL | CALDWELL | 72B | T32A | 386 BODY SIDE OUTER LH | SANDBERG | 82B | 556R | FIT HOOD (GA) | HIME |
| B-2 | 11-180R | FRONT DOOR INSTALL | ROZAK | 72B | U30E | 386 ROOF RAIL LH | ROSSITER | 82B | 557R | FIT DECKLID/LIFTGATE (GA) | WILLIAMS, R. |
| | 17B | COMMITTEEMAN | RODRIGUEZ | 72B | V30E | 386 CENTER PILLAR S/A L/R | MCKENNA | 82B | 570L | FIT & REPAIR - CONV 90 | CORYA |
| | | | | 72B | V32J | 386 ROCKER BUILD UP LH | LEDFORD | 82B | 570R | FIT & REPAIR - CONV 90 | SWITLIK |
| | | | | 72B | V33A | 386 RKR SUB ASM L/R/RH | WILLINES | | | | |
| | | | | 72B | W30E | 386 ROOF RAIL RH | LEBLEU | | | | |
| | | | | 72B | W32J | 386 ROCKER BUILD UP RH | CARTER, T. | | | | |
| | | | | 72B | X32A | 386 BODY SIDE OUTER RH | TAYLOR C. | | | | |
| | | | | 72B | | X353/354 PLANNER | BURNETT | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | | | | |
| B-2 | | TEAM LEADER | LEWIS A. | | | | | | | | |
| B-2 | 11-230L | FENDER INSTALL | HILDRETH | | | | | | | | |
| B-2 | 11-230R | FENDER INSTALL | JOHNSON, G. | | | | | | | | |
| B-2 | 11-250L | REAR IMPACT BAR INSTALL | MCCRAY | | | | | | | | |
| B-2 | 11-250R | REAR IMPACT BAR INSTALL | KLINE W. | | | | | | | | |
| B-2 | 11-260R | FENDER LOWER SECURE | WALLACE | | | | | | | | |
| | 17C | JOB DOCUMENT CENTER | JONES, K. | | | | | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | | | | |
| B-2 | | TEAM LEADER | HARRIS M. | | | | | | | | |
| B-2 | 11-260L | FENDER LOWER SECURE | HUELSKAMP | | | | | | | | |
| B-2 | 11-290L | HOOD INSTALL 353 | GERARDO | | | | | | | | |
| B-2 | 11-290R | HOOD INSTALL 353 | ANDINO | | | | | | | | |
| B-2 | 11-300L | FESM INSPECT AND FIT | TAYLOR, S. | | | | | | | | |
| B-2 | 11-300R | FESM INSPECT AND FIT | SCOTT | | | | | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | | | | |
| B-2 | | TEAM LEADER | HOWARD J. | | | | | | | | |
| B-2 | 11-160L | REAR DOOR INSTALL | BROWN, C. | | | | | | | | |
| B-2 | 11-180L | FRONT DOOR INSTALL | SHELTON | | | | | | | | |
| B-2 | 11-190L | FRONT & REAR DOOR FIT | LLOYD T. | | | | | | | | |
| OFF | X20A | DOOR SEQUENCER LH | MANUEL | | | | | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | | | | |
| B-1 | | TEAM LEADER | CALL | | | | | | | | |
| B-1 | 11-030L | DOOR OPENING GRIND | HUFFAKER | | | | | | | | |
| B-1 | 11-030R | DOOR OPENING GRIND | BROWN S. | | | | | | | | |
| B-1 | 11-040R | HOOD HINGE INSTALL | O'NEAL | | | | | | | | |
| B-1 | 11-100L | HOOD INSTALL | LANASA | | | | | | | | |
| B-1 | 11-100R | HOOD INSTALL | BRUTON | | | | | | | | |
| | | | | | | | | | | | |
| TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | TEAM NO. | STA NO. | OPERATION DESCRIPTION | Operator | | | | |
| B-2 | | TEAM LEADER | KAHN | | | | | | | | |
| OFF | Z27A | 386 FENDER S/A RH | EDWARDS | | | | | | | | |
| OFF | Z29A | 386 FENDER S/A LH | ZINN | | | | | | | | |
| OFF | Z28A | 384 FENDER S/A LH | KEEPEERS | | | | | | | | |
| OFF | Y33E | 384/386 DECK LID INNER | NEECE | | | | | | | | |
| OFF | Z31J | 384/386 DECK LID HINGE | WILLIAMS C. | | | | | | | | |
| B-2 | 11-320L | DECKLID INSTALL | MASCHGER | | | | | | | | |
| B-2 | 11-320R | DECKLID INSTALL | HORNE | | | | | | | | |
| | | | | | | | | | | | |

Authorized 30 On Roll 30 Authorized 9 On Roll 9

| TOTAL | |
|------------|---------|
| AUTHORIZED | ON ROLL |
| 143 | 148 |
| 0 | 0 |

FINLEY ON 8711

Authorized 44 On Roll 44

| 11-01 | | | |
|----------|----------|---------------------------|----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 01A | | TEAM LEADER | GAST |
| 01A | U20A | 384/386 COWL S/A | GALES |
| 01A | R19P | FRONT HNG PLR & COWL LOA | CARTER |
| 01A | T19A | LH HINGE PLR S/ASM & LOAD | INGRAM |
| 01A | T20E | RH HINGE PLR S/ASM & LOAD | NORTON |
| 01A | T20J | LD F/E UPR T/B S/A-STA 10 | SEBER |
| 01A | W20A | LH FRT WH ASM STA 10,60 | SMITH |
| 01A | W21J | RH FRT WH ASM STA 5,10 | VILLA |

| TEAM 01B- | | | |
|-----------|----------|----------------------------|----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 01B | | TEAM LEADER | GRUN |
| 01B | P20J | PLENUM/EXT/DASH LWR/CNSL | MASON |
| 01B | M20E | LOAD MOD PLATES | MEREDITH |
| 01B | D19P | L/R RR WH/HSE INNER S/A | REID |
| 01B | G20A | 384/386 RR WDO SUPT ASM | DEAVER |
| 01B | K20A | TIE BAR BRKT ASM/BMPR BAR | DURHAM |
| 01B | J21P | LD TNL REINF, L/R RKR INRS | GARNER |
| 01B | L20A | MOTOR RAIL | FINLEY |

| TEAM 01C- | | | |
|-----------|----------|-----------------------|-----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| | | TEAM LEADER | KOKARUDA |
| | P23E | MOTOR COMPARTMENT | TOOTHMAN |
| | K24J | REAR COMPARTMENT | STOVERINK |

| 11-03 | | | |
|----------|----------|-----------------------|-----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| | | MSU LASER GAGE | BAYNO |
| | | MSU LASER GAGE | SMITH P. |
| | | MSU DECKLID FIT | MILLER D. |
| | | MSU CONTAINMENT | ROBERSON |
| | | MSU BATCH & HOLD | CREWS |
| | | MSU B.S. OUTER | DELK |

| TEAM 03B-12 | | | |
|-------------|----------|---------------------------|----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 12B | | TEAM LEADER | PACHECO |
| 12B | G27A | 386 BODY SIDE INNER #1 LH | ROSS |
| 12B | D27P | 386 BODY SIDE INNER #2 LH | CARVER |
| 12B | D28A | 384 BODY SIDE INNER | CAMPBELL |
| 12B | G27P | 386 BODY SIDE INNER #1 RH | GRAY |
| 12B | F27A | 386 BODY SIDE INNER #2 RH | MCKINSEY |
| | | 303 BODY SIDE INNER | MATTHEWS |

| TEAM 03C-13 | | | |
|-------------|----------|-----------------------|-------------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 13C | | TEAM LEADER | CHEATWOOD |
| 13C | X26P | FRONT DOOR INNER LH | COOKS, C |
| 13C | X26A | FRONT DOOR OUTER LH | CRABLE |
| 13C | U26P | REAR DOOR INNER RH | WILLIAMS J. |
| 13C | T27A | REAR DOOR OUTER RH | SHAFFER |
| 13C | V22E | X384/6 HOOD INNER S/A | CARNEY |
| 13C | W24A | X384/6 HOOD HINGE S/A | MIELENZ |

| TEAM 03D-14 | | | |
|-------------|----------|-----------------------|-----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 13C | | TEAM LEADER | FULBRIGHT |
| 13C | U28J | REAR DOOR INNER LH | COLEMAN |
| 13C | T28E | REAR DOOR OUTER LH | FREGOSA |
| 13C | W28J | FRONT DOOR INNER RH | PEARSON |
| 13C | X28A | FRONT DOOR OUTER RH | VALENTINE |

| 11-07 | | | |
|----------|----------|-------------------------|------------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 07A | G35A | WLD DSTRCT/WRKNG TM LDR | CELLA |
| 07A | D27J | WELD DESTRUCT/BAS S/A | DURHAM |
| 07A | D27J | WELD DESTRUCT/BAS S/A | DION |
| 07A | C23A | ROVING WELD MONITOR #1 | K. COOPER |
| 07A | C23E | ROVING WELD MONITOR #2 | T. HALL |
| 07A | | ROVING WELD MONITOR #3 | J. MCCRORY |
| 07A | H33A | FRAMING WELD MONITOR | GARTH |
| 07A | M22E | UNDERBODY WELD MONITOR | CRAGG |

Authorized 19 On Roll 19

Authorized 25 On Roll 25

Authorized 8 On Roll 8

| APPLIC. DATE | RETIREMENT REQ. DATE | Operator |
|--------------|--------------------------|----------|
| 2/18/2009 | REQ. # 62 REGULAR 6000 | WELLS |
| 2/25/2009 | REQ. # 62 LONG LEAD 6001 | CELLA |
| 2/25/2009 | REQ. # 62 LONG LEAD 6000 | GARTH |
| 3/3/2009 | REQ. # 62 LONG LEAD 6000 | DURHAM |

Authorized On Roll 4

| TEAM NO. | STA. NO. | POOL | OPERATION DESCRIPTION | Operator |
|----------|----------|--------------|-----------------------|-----------|
| | 10/13/75 | POOL - 21 | | GOMEZ |
| | 12/06/81 | POOL - 21 | | BISHOP |
| | 01/07/85 | POOL - 17 | | WELLS |
| | 04/10/95 | POOL - 03 | | COOPER A. |
| | 07/14/97 | POOL - 01 | | AVERY |
| | 07/14/97 | POOL - 03 | | BECKER |
| | 11/23/98 | POOL - 17 | | MCKIGNEY |
| | 08/16/99 | POOL - 23 | | LOEFFEL |
| | 04/02/85 | FLOATER - 17 | | AYERS |
| | 01/24/00 | FLOATER - 17 | | BLACKMON |
| | 07/31/00 | FLOATER - 17 | | CLARK |

Authorized 8 On Roll 11

| TEAM NO. | STA. NO. | BUBBLE TO 2ND | OPERATION DESCRIPTION | Operator |
|----------|----------|--------------------|-----------------------|----------|
| | 06/05/02 | TO 2ND - COOPER D. | | |
| | 06/06/02 | TO 2ND - HICKLIN | | |
| | 10/30/01 | TO 2ND - HARRISON | | |
| | 10/30/01 | MAXWELL | | |
| | 07/31/00 | CLARK | | |
| | 04/10/00 | KLINE W. | | |
| | 03/06/00 | LANASA | | |
| | 01/24/00 | BLACKMON | | |
| | 09/27/99 | REYES | | |

Authorized On Roll 0

| TEAM NO. | STA. NO. | SICK LEAVER | OPERATION DESCRIPTION | Operator |
|----------|----------|-----------------|-----------------------|----------|
| | | SICK LEAVE | | STURGILL |
| | | SICK LEAVE - 01 | | ASHLEY |
| | | SICK LEAVE - 17 | | LYONS |

Authorized On Roll

| 11-01 | | | |
|----------|----------|--------------------------------|-----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 01A | | TEAM LEADER | CLINE W |
| 01A | M20E | LOAD MOD PLATES | BRIGGS |
| 01A | P20J | PLENUM/EXT/DASH LWR/CNSL | BUCKLEY |
| 01A | R19P | FRONT HINGE PILLAR & COWL LOAD | JOHNSON D |
| 01A | T19A | LH HINGE PLR S/ASM & LOAD | VASSAR |
| 01A | T20E | RH HINGE PLR S/ASM & LOAD | MACKENDER |
| 01A | T20J | LD F/E UPR T/B S/A-STA 10 | MAIN |
| 01A | W20A | LH FRT W/H ASM STA10,60 | BENFORD |
| 01A | W21J | RH FRT W/H ASM STA10,60 | DYOTT |

| 11-03 | | | |
|----------|----------|-------------------------------|------------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 02B | | TEAM LEADER | WILLIAMS C |
| 02B | D19P | LH RR WHLHSE INNER S/A | MAGG |
| 02B | G20A | 384/386 RR WDO SUPPORT ASSEMB | QUERRY |
| 02B | J19J | LOAD FRT WHL HOUSE LT/RT | KENNEDY |
| 02B | J21P | LD LH RAIL S/A & FLR TNN | MASON |
| 02B | L20A | MOTOR RAIL | STRICKBINE |
| 02B | U20A | 384/386 COWL S/A (AD ZONE) | RAY |

| 11-03 | | | |
|----------|----------|---------------------------|------------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 12B | | TEAM LEADER | ADAMS |
| 12B | C27A | 386 BODY SIDE INNER #1 LH | HILDEN ## |
| 12B | D27P | 386 BODY SIDE INNER #2 LH | MAYS |
| 12B | D28A | 384 BODY SIDE INNER | HAWKINS |
| 12B | G27P | 386 BODY SIDE INNER #1 RH | WILLIAMS C |
| 12B | F27A | 386 BODY SIDE INNER #2 RH | CURREY |

| 11-07 | | | |
|----------|----------|-------------------------|----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 07A | G35A | WLD DSTRCT/WRKNG TM LDR | JACOBS |
| 07A | C23A | ROVING WELD MONITOR #1 | LOCKE |
| 07A | C23E | ROVING WELD MONITOR #2 | EVANS E |
| 07A | | ROVING WELD MONITOR #3 | HAUSE |
| 07A | H33A | FRAMING WELD MONITOR | DAVIS R |
| 07A | M22E | UNDERBODY WELD MONITOR | FAWVER |

AGUIRRE LE, RETURN FROM
S/L SEN 4/20/98 TEAM 12B

| 11-03 | | | |
|----------|----------|-----------------------|-----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| 13C | | TEAM LEADER | DONLEY |
| 13C | W28J | FRONT DOOR INNER RH | MILLSAPP |
| 13C | X25P | FRONT DOOR INNER LH | GATHERS |
| 13C | X29A | FRONT DOOR OUTER RH | MEDINA ## |
| 13C | X28A | FRONT DOOR OUTER LH | BEATY |
| 13C | U28P | REAR DOOR INNER RH | ALLEN |
| 13C | U29J | REAR DOOR INNER LH | ROSE |
| 13C | T27A | REAR DOOR OUTER RH | PIATT |
| 13C | T28E | REAR DOOR OUTER LH | CORTEZ |
| 13C | V22E | X384/6 HOOD INNER S/A | DAVIS E |
| 13C | W24A | X384/6 HOOD HINGE S/A | NOBLIN |

| 11-03 | | | |
|----------|----------|-----------------------|----------|
| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
| | | | |
| | | | |

Authorized 16 On Roll 16

Authorized 17 On Roll 17

Authorized 6 On Roll 6

| TOTAL | |
|------------|---------|
| AUTHORIZED | ON ROLL |
| 126 | 138 |
| 6 | 17 |

| LEAVING DEPT | SEN |
|--------------|-----------|
| MCMAHON J | 2/16/2004 |
| GRAY A | 2/23/2004 |
| DAHLKE K | 3/1/2004 |
| HARDY B | 3/15/2004 |

Authorized On Roll 3

| OPERATORS TO BE PLACED | SEN |
|------------------------|--------------------|
| OTTO D | FROM 43 6/28/1977 |
| RICHARD B | FROM 43 3/28/1995 |
| SHANNON T | FROM 43 3/28/1995 |
| STEEB S | FROM 43 11/11/1998 |
| SIMS C | 4/20/1998 |
| HUFFAKER W | FROM 43 6/29/1998 |
| HOUSEMAN A | 8/23/1999 |
| GREENFIELD G | 8/30/1999 |
| MEDINA J | 8/30/1999 |
| HALL O | 9/7/1999 |
| HILDEN A | 9/7/1999 |
| ROBERTS J | 9/7/1999 |
| GOMEZ A | FROM 43 9/27/1999 |
| MITROVIC M | 2/7/2000 |
| LANASA J | FROM 1ST 3/8/2000 |
| KLINE W | FROM 1ST 4/10/2000 |
| YANCY J | 7/24/2000 |
| CLARK JM | FROM 1ST 7/31/2000 |
| CARNAHAN R | 9/6/2000 |
| ESTIS C | 11/21/2000 |

| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
|----------|----------|-----------------------|-----------|
| | | POOL UBDY | JACKSON C |
| | | POOL FAB | HARRIS R |
| | | POOL "B" SIDE | SANBORN |
| | | POOL "B" SIDE | BOSWELL |
| | | POOL "B" SIDE | JONES N |
| | | POOL "MF" | CLINE J |
| | | POOL "MF" | JONSCHER |
| | | POOL "90" | JUAREZ |

Authorized 8 On Roll 8

| OPERATORS TO BE PLACED | SEN |
|------------------------|---------------------|
| FUNK J | FROM 43 11/21/2000 |
| HARRISON V | FROM 1ST 10/30/2001 |
| MAXWELL J | FROM 1ST 10/30/2001 |
| CLARK S | 6/5/2002 |
| HICKLEN N | FROM 1ST 6/6/2002 |
| ROSS A | 6/13/2002 |
| MORRIS D | 8/26/2002 |

| TEAM NO. | STA. NO. | OPERATION DESCRIPTION | Operator |
|----------|----------|---------------------------|------------|
| | | LAY OFF 1/29/07 4/21/05 | MORROW T |
| | | LAY OFF 1/29/07 6/27/05 | MONROE R |
| | | LAY OFF 10/15/07 4/18/06 | LOGSDON L |
| | | LAY OFF 10/15/07 5/6/06 | GOLIBSKI P |
| | | LAY OFF 10/15/07 7/18/06 | GROSS M |
| | | LAY OFF 10/15/07 10/24/06 | REDMON P |
| | | LAY OFF 6/9/08 2/25/08 | POLANDO D |
| | | LAY OFF 6/9/08 4/5/94 | KAGY J |
| | | LAY OFF 6/9/08 11/7/94 | MCGEE M |
| | | LAY OFF 6/9/08 4/3/95 | BURK R |
| | | LAY OFF 6/9/08 5/15/95 | STREHE D |
| | | LAY OFF 6/9/08 5/30/96 | TAUBERT S |
| | | LAY OFF 6/9/08 1/15/97 | KNESE E |
| | | LAY OFF 6/9/08 1/15/97 | TITUS D |
| | | LAY OFF 6/9/08 6/14/99 | CLARK B |
| | | LAY OFF 6/9/08 6/16/99 | SCHUCK B |
| | | LAY OFF 6/9/08 6/23/99 | HOSIER J |
| | | LAY OFF 6/9/08 9/15/99 | GRAY T |
| | | LAY OFF 6/9/08 10/11/99 | CRABTREE T |
| | | LAY OFF 6/9/08 10/11/99 | MILLER M |
| | | LAY OFF 6/9/08 2/28/00 | IRWIN G |
| | | LAY OFF 6/9/08 4/28/03 | WALKER F |
| | | LAY OFF 6/9/08 6/9/08 | NICKELS M |
| | | LAY OFF 6/9/08 6/9/08 | ROSS B |
| | | LAY OFF 6/9/08 6/9/08 | WARFIELD A |
| | | LAY OFF 6/9/08 6/10/08 | ALLEN B |
| | | LAY OFF 6/9/08 6/10/08 | FREEMAN T |
| | | LAY OFF 6/9/08 6/10/08 | RILEY L |

Authorized On Roll 28

Appendix C: Third Group Meeting Minutes

XYZ Corporation

Assembly Department

Meeting Minutes

January 22, 2009 @ 1430

0.5 – 1.0 hour

Attendees:

Dimensional Manager

General Foreman

General Foreman

Business Manager

Business Manager

Agenda

Meeting Purpose:

- 5) To address the reduction of Group Leaders within the shop and try to maximize our ability to cover the positions with those that are left
 - a. Evaluate the current state within the shop
 - b. Create an alternative Group Leader set-up
 - c. Formulate a plan to achieve the set-up
 - d. Present plan to Upper Management
- 6) Help Steve complete requirements for Masters Degree

Discussion Notes:

- 24) Re-cap Previous Meeting
 - i. Divide Group Leaders into maintenance and production only
 1. Do we have enough people to cover doing this?
 - a. Underbody Maintenance Group Leader

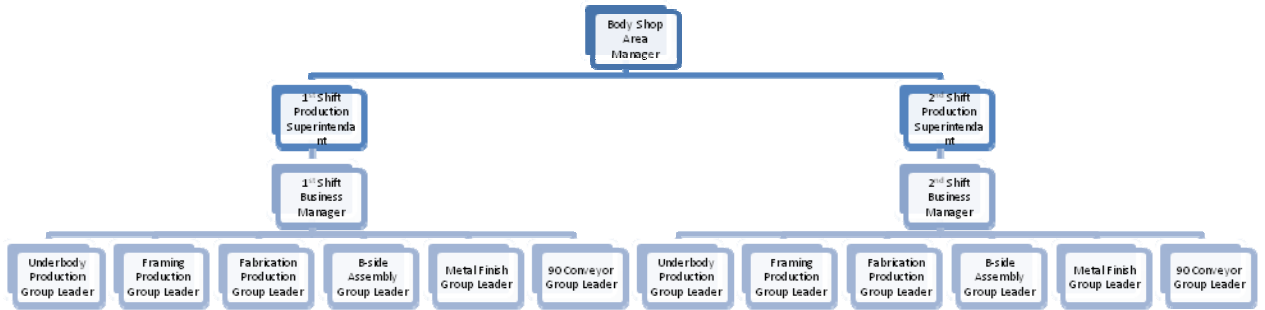
- b. Underbody Production Group Leader
- c. Framing Maintenance Group Leader
- d. Framing Production Group Leader
- e. Fabrication Maintenance Group Leader
- f. Fabrication Production Group Leader
- g. Tooling Maintenance Group Leader
- h. B-side Assembly Production Group Leader
- i. Metal Finish Group Leader
- j. 90 Conveyor Group Leader

2. Total would be 10 leaders per shift (20 total) but would also need at least two maintenance on 3rd shift (22 total)

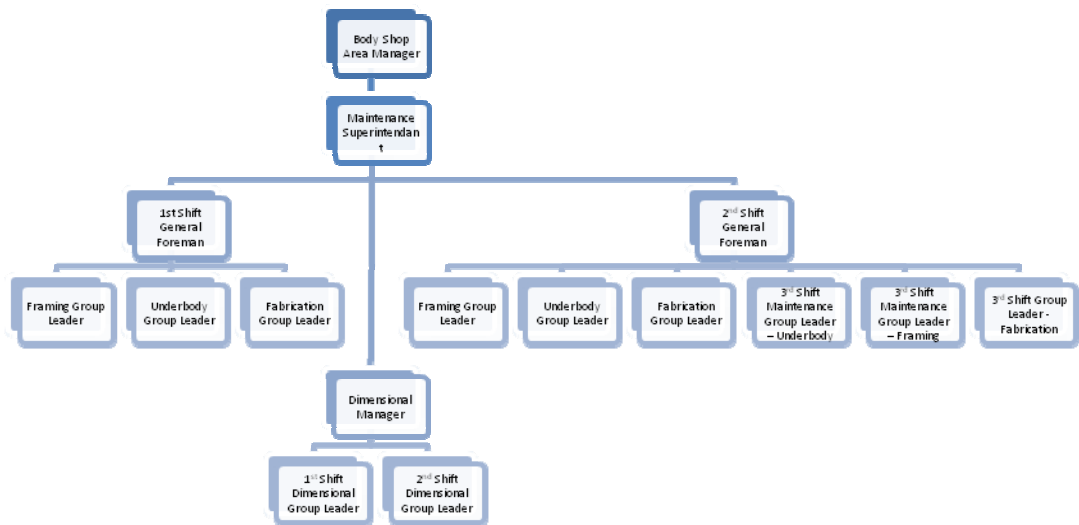
- a. Currently have only 11 actual Group Leaders
- b. General Foreman, Business Manager and Dimensional Manager are trying to make up the difference
- c. That brings the total to 16, still need 8 to complete

ii. What does the corporate template say we should have?

1. Production Template



2. Maintenance Template



3. Template dictates 23 Group Leader Positions

iii. What kind of structure can we make from 16 to cover the 23 positions?

1. Reduce 3rd shift to one Group Leader

- a. He will have to direct over 30 tradesmen
 - 2. Combine more areas
 - a. Combine B-side Assembly and Metal Finish
 - b. Move Framing Production to Framing Maintenance Group Leader
 - c. Combinations might work okay, but Group Leaders will have a large number of workers to take care of
 - iv. What about adding more Group Leaders
 - 1. Would need 12 in order to get back to the corporate template
 - 2. Would need seven to get to 18 (20% reduction)
 - a. $23 - (23 * 0.2) = 18.4$ Group Leaders
 - b. Can we add seven to get us to the corporate 20% reduction?

25) Can we present three different scenarios?

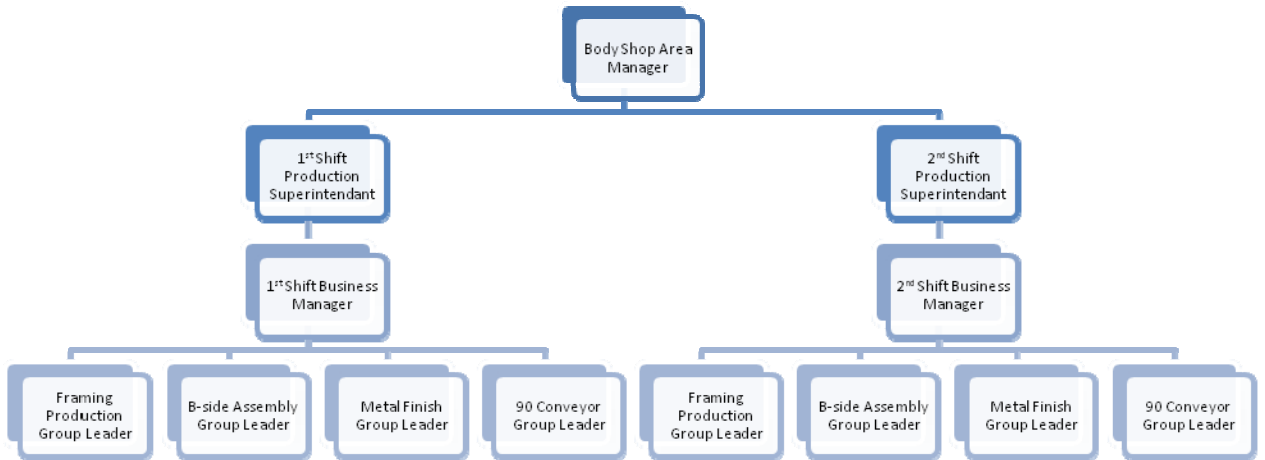
Scenarios to Consider:

- 1) Adding no additional Group Leaders
 - a. Current Format
 - b. Business Managers, General Foreman, and Dimensional Manager will need to continue to cover Group Leader positions in addition to other duties
 - c. Vacation and absent relief will be covered by opposite shift Group Leaders
 - d. No one's favorite solution
- 2) 20% Reduction Corporate Template
 - a. Total of 18 Group Leaders (18.4 is 80% of 23)
 - b. This would require adding seven additional (new) Group Leaders

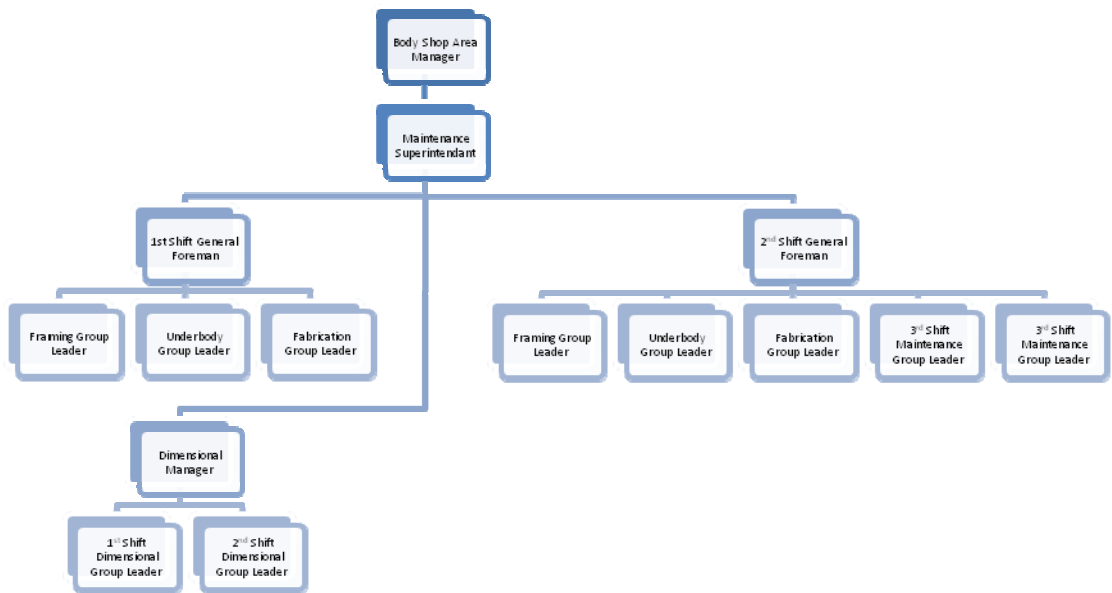
c. What would the template look like?

d. Production Template

a. Add Framing Production Group Leader



e. Maintenance Template



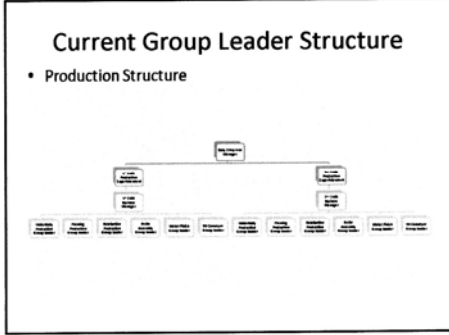
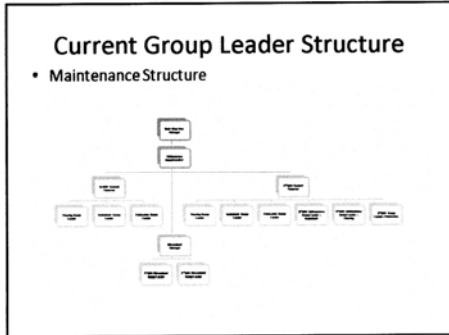
f. This would cover all positions with 18 Group Leaders

Group Leader Restructuring

- ### Agenda
- Purpose
 - Quick Facts
 - Current Group Leader Structure
 - Three Alternatives
 - Effectiveness Measurement
 - Comments / Questions

- ### Purpose of this Presentation
- Present to upper managers alternatives to the current Group Leader structure in the body shop
 - Demonstrate managers' awareness of current issues in the body shop with Group Leader structure
 - Offer alternatives that can improve Group Leader effectiveness
 - Demonstrate managers' ability to effectively utilize their own manpower

- ### Quick Facts
- Salaried buy-out program targeted 20% salaried personnel reduction
 - Fairfax body shop lost 50% of Group Leaders
 - Excessive lost has caused managers and superintendents to have to backfill Group Leader positions
 - Backfill has been in effect for 2 months
 - January downtime is a prime opportunity to bring in and train new Group Leaders before production resumes



Three Alternative Structures

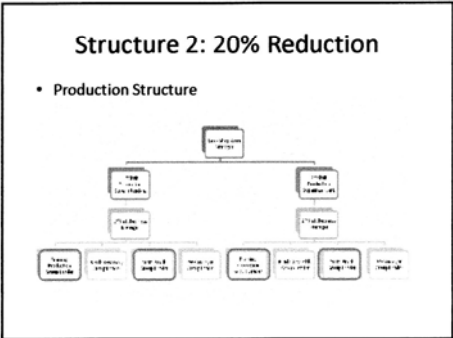
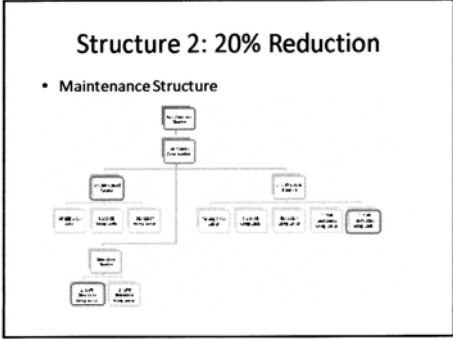
- **Structure 1**
 - Continue to backfill Group Leaders
- **Structure 2**
 - Bring in seven Group Leaders from other facilities that are closing (maintain 20% reduction)
- **Structure 3**
 - Bring in eleven Group Leaders from other facilities that are closing (return to 100%)

Structure 1: Continue Backfill

- Recommend transferring vacation scheduling, timekeeping, and disciplinary activities to managers
 - This would free up time for Group Leaders to concentrate on production, maintenance, and quality activities in their area
- Business Managers would also run Metal Finish group
- General Foreman would run mechanical tradesmen (except toolmakers)

Structure 2: 20% Reduction

- Enlist seven Group Leaders from other facilities that are closing
- **Organization**



Structure 3: 100% Position Fill

- Fill all positions according to corporate template