

HIGH ROAD TO WORK ORGANISATION

CASE STUDY

Carlsberg A/S



Annemarie Holsbo and Thomas Hermann

Danish Technological Institute

January 2002

Abstract

Carlsberg was chosen as a case since the company has been through a long period of structural changes. The specific area, though now closed, served as an interesting show case in the company, because the actors in the process were very much aware of their targets and means. Today the managers and employees are joined on new production lines.

Table of Contents

Abstract	1
Key Words	1
1. Background Information	2
2. Drivers for Change	2
3. Characteristics and Process of Change	2
4. Obstacles to Change	3
5. Risk Analysis	3
6. Benefits of Change	3
Conclusions	4

Key Words

Production groups in process industry; increased productivity; high degree of automation; high degree of autonomy; development process driven by middle management.

1. Background Information

Carlsberg in Copenhagen is a company founded in 1847 and has currently been rebuilt and expanded with a production plant consistent with the company's technology, products and market shares. In the beginning of the 1970'ies there were only in Copenhagen app. 7000 brewery hands. The production processes have currently been automated, and productivity per hand has increased immensely. Today, 400 brewery hands are employed at Carlsberg that, together with the brewery in Fredericia, covers the production of Carlsberg, Tuborg and Wiibroe products. The soda water production has been removed from the breweries and today takes place at other facilities.

Carlsberg A/S has become an international group with breweries all over the World. This means that the Danish breweries are mainly producing for the Danish market although there are exceptions.

Bottling unit N9 is situated on the 5th floor in a building erected years back for the purpose of bottling. At that time the whole building was filled with bottling units and app. 1000 hands worked in treble shifts. Today, the building is on the whole empty, and on many floors there is nothing but the conveyors transporting empty bottles up to N9 and the filled ones in the opposite direction.

Today, 30 workers divided into three shifts are employed on the unit, and together with a single supervisor and a production engineer they are sending up to 85.000 beers on the street per hour – 24 hours on weekdays and often during the weekends as well.

2. Drivers for Change

At Carlsberg the development project was started in connection with an expansion of the bottling capacity in Valby. This requirement was caused by the shut down of the Tuborg brewery in Copenhagen.

The manager of the new bottlery wanted to create workplaces with greater challenges for the employees and thereby larger job satisfaction. Therefore, it was the intention from the beginning that an extensive autonomy should be applied.

The workers who had been employed at Tuborg, were offered jobs at Carlsberg, and when the jobs were advertised, it was announced that new technology would be involved, and that the workers would get more influence on the jobs. At the briefings, the potential new workers were informed of the bottling manager's plans as regards job development, and that to a certain degree they could have co-determination on the design of the production area.

So, the workers in the new bottlery had chosen to work in a new type of organisation, and this has had a great influence on the way the development project was perceived. No one could later assert that the ideas had been put on to him and that they would rather have worked in a traditionally organised production.

3. Characteristics and Process of Change

The bottling manager described the process as being loose since there were no fixed deadlines as to when the groups should take over new areas and when the middle managers should cede them. Thus, it was not until a streamlining process 4 years after the start that the production groups took over the last tasks such as planning, debriefing, planning of manpower and final quality check. Furthermore, the workers took over part of the communication with other departments.

Today, one bottling master in N9 is functioning as administrative manager and supports the production groups, among other things by preparing manuals and tools for the daily production. The bottling manager has physically moved to other premises and is today manager for all the bottling activities. The shift to a production without bottling masters took place in February 1999.

In connection with the shift to production groups there is a 'gross staffing' in N9, meaning that the workers themselves are responsible for the operation of the unit regardless that a few might be on the sick list, on vacation or on shorter courses.

4. Obstacles to Change

The top management was not directly involved in the decision to start the development process. Neither had an aim or a strategy been laid down for the direction in which the company wanted to move as regards work organisation. The top management has currently been advised of the development, but decisions and solutions became very dependent on the manager/middle manager group, and the development project did not have a formally established steering group with participants from the top management.

In practice it caused some problems that the decisions were not co-ordinated from the top level, for instance in relation to the separation of responsibility for production/operation and maintenance. The production's requirement for quick access to craftsmen and a high service level became inconsistent with the maintenance organisation's desire to reduce the spare parts stock, for instance as regards when and who was supposed to take action.

Furthermore, it is difficult - in a busy ordinary day - without the engagement of the top management not to lose moment for periods which meant that the development project has taken a very long time, and that in between it was difficult for all involved to detect any kind of drive.

5. Risk Analysis

Since the top management was not much engaged in the project but was 'allowed' by the middle managers to implement a project for which they were enthusiastic, it is our evaluation that the project was implemented for two reasons:

- 1) The production groups could create a more flexible and self-sustaining organisation. Thereby it was possible to reduce some levels of middle management, and thereby the top management got an organisation model that could accommodate the currently implemented reductions.
- 2) The production groups should take part in making the jobs in Carlsberg's production areas more attractive to young employees.

6. Benefits of Change

In many ways, the project became an informal pilot project - a demonstration project - as regards the delegation of responsibility and competence, autonomous groups and new middle manager roles. Thus, the top management has afterwards decided that the principles applied in the development project shall be valid for all production units at Carlsberg in Valby.

Conclusions

In the Carlsberg case it is evident that the implemented structural changes could not have worked successfully without production groups.

The concept, method and management serve as an inspiration to other departments.

Publication Details

Published by: Danish Technological Institute **Error!**
Bookmark not defined.

Publication date: 2002

Journal:

URL:

Revised:

Notes:

© 2002 Danish Technological Institute