

HIGH ROAD TO WORK ORGANISATION

CASE STUDY

Interpay



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Abstract

Organisations have become much more aware of the need to learn more about the skills and potential of their employees in order to get good results. Multidisciplinary teams often are important building stones of these knowledge intensive companies. An important company in the Dutch financial sector is one of these knowledge intensive organisations. In this case the application of self managing teams within an ICT department is described.

HI-RES Case Study: Financial Company

Sector

Finance. Nace Code J65

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1. Background Information

The financial company (J.65) is a daughter of Dutch banks that are active in the Netherlands. The company provides services for processing payments and for the development of bank payment services and products. Many people are unaware that they make daily use of the company's services – for example when they withdraw money or pay by credit card. The unit described in this case is the clearing house for the whole Dutch interbank payment market. It processes payment orders and provides related information to involved parties and takes care of the calculation of the transaction between these banks. These processes are nearly completely automated: automation is an important core competence. Approximately a quarter of the 500 employees of the unit - 125 employees - work on the development and maintenance of the computer systems that are used to process the payment transactions. These 125 employees work in one department.

2. Drivers for Change

Clients want their financial transactions to be processed even more quickly and confidentially than before. Combined with newly available information and communication technologies (e-commerce and e-business), these were the essential drivers for changing the company's organisational structure. In 1999, the management decided to implement the work. The automation department had to become a flexible and client-focused organization based on flow-based organization, result responsibility for employees and teams, decentralisation, facilitation of self-management, integral management and a coaching style of management.

A change team was formed consisting of employees with various competences and some managers. This change team was managed by one of the managers, who was responsible as well for the linking-pin role to the management team of the unit. A consultant supported the change process.

3. Characteristics and Process of Change

The new organisational model had to be designed based upon a few guiding principles:

- flow oriented approach
- result responsibility for employees and teams
- decentralisation
- facilitation of self management
- integral management
- a coaching style of leadership

Once formed, the change team started to draw-up several design alternatives for a new organisational model. These were presented to, and discussed with, the employees of the department in meetings and news flashes and designs were published and discussed on a special intranet site. Two large half-day workshops were held during which all employees discussed the proposed design and were able to comment upon it. The workshops were based on round-table conference theory. During the workshops sub-groups were formed consisting of around 8 employees, with a maximum mix of competencies. These sub-groups worked on several topics and the results of each group were presented and discussed in a plenary session. There appeared to be a broad acceptance of the new design. The steps taken in the change process were:

1. Initiation of management team to change
2. Formation of change team
3. Design of a new organisational model by change team
4. Presentation and discussion among all employees in several meetings
5. Organization of two round table conferences to explicit the design for all employees
6. Implementation

4. Obstacles to Change

The experience gained in the design process and in the implementation process makes clear that the development of the potential of self management requires a huge investment in the development of mind-sets and in interviewing and selection techniques. This costs time which is rare in the highly occupied automation department. Hence departmental management is continuously confronted with a dilemma. Another dilemma experienced by management is the tension that exists between wanting/having to be in control and letting go.

5. Risk Analysis

The company feels that one of the risks of self managing teams is that a high rate of autonomy can lead to the formation of little 'islands' in which little attention is paid to the interests of other teams or even of the enterprise as a whole. To prevent this happening, so-called functional relationships are created. These functional relationship bring together employees from different teams requiring them to cooperate regarding a specific features. An example is knowledge development: the project managers from all teams form a work group in which they are involved in project managing knowledge development.

6. Benefits of Change

Because the company is still in the process of implementing the plan, it is quite difficult to determine the financial benefits. Nevertheless the employees feel that the quality of work has improved. The self-managing concept provides a wider degree of freedom to manage group work which enables the automation department to be more flexible and client-focused. Furthermore employees see the coaching style of management as beneficial.

Conclusions

Currently the company is working hard to implement the new organisational model. The workshops showed a great acceptance of the new design. The company realises that the development of self managing potential requires for a shift in mind setting which is quite time consuming. However the company is convinced that enhancing the self-determining potential of its' employees is the right way to increase competitiveness.

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