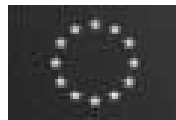


HIGH ROAD TO WORK ORGANISATION

CASE STUDY

Musgrave Super Valu-Centra



Irish Productivity Centre

IPC

1998

Abstract

The case study describes an intensive approach to change, based largely on a teamwork approach and on the opportunity afforded by participation in an externally supported networking project up to 1999. Partnership between management and trade unions figures prominently as does the stimulus to change processes provided by networked learning. The teams created allowed members to make recommendations directly relevant to their own work places and work practices. The overall outcome has provided the company with a framework for ongoing change, which can be adapted to circumstances

HI-RES Case Study: Musgrave SuperValu~Centra

Sector

Grocery Distribution/Retail Outlets

Key Words

Teams; networked learning; Partnership; Steering Committees; Diagnostic analysis; Participation in externally funded Projects.

Training for Partnership

Table of Contents

Abstract

'Good Practice' Case Study: Musgrave SuperValu~Centra

Sector

Key Themes

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

1. Background Information

Musgrave SuperValu~Centra (MSVC) is a wholesale franchise distribution company which was founded in 1876 in Cork, Ireland. It employs almost 1,000 people across four locations nation-wide, with its head-office in Cork and further distribution outlets in Dublin, Belfast and Galway. These outlets service almost 500 franchised retail units throughout the country, 29 of which are in Northern Ireland. MSVC is Ireland's largest grocery and food distributor servicing over 22% of the grocery market in the Republic of Ireland and 10% in Northern Ireland. The company achieved sales in 1998 of IR£737m (€935.8m).

MSVC has experienced phenomenal growth over recent years. This has been due to the establishment of chilled warehouses in Cork and Dublin, which complement their ambient produce distribution service and to their entering into a supply agreement with Roches Stores, another major retail outlet in Ireland. This growth is reflected in the numbers of people employed by the organisation, which has increased substantially over the last two years and in fact, continues to rise. The market in which MSVC operates also has experienced enormous change over the years with the entry of UK and other multiples into the Irish market, which is also on the increase. These factors create a very demanding competitive arena for the company to operate in and also a very dynamic environment in which to work for its employees.

2. Drivers for Change

Over the last 30 years, MSVC's people management has been characterised by an approach typical of many Irish organisations in the genre - a highly unionised workforce, a history of adversarial collective bargaining and low levels of trust between management and unions. The last few years however, have stimulated a desire on behalf of both these groups to work closer together in the facilitation of change within the organisation. A joint Partnership Steering Committee was established to oversee the Partnership Process within MSVC when the organisation decided to become involved in a New Work Organisation Project (NWO), which was co-ordinated, by the IPC in Ireland in the late '90s.

Having established their own Terms of Reference, the Committee, with the facilitation of the NWO Lead Facilitators / Trainers, embarked upon a comprehensive Diagnostic Analysis of the organisation. From this, six improvement areas were selected. Multi-functional and location task teams were established to address these areas. The teams produced final reports and recommendations for change in March 1999. These were presented to the Steering Committee and to the MSVC management team. A Leaders Liaison Group was established in early 1999.

3. Characteristics and Process of Change

With the facilitation of NWO lead facilitators / trainers, MSVC established a joint Partnership Steering Committee. The committee of ten people is made up of senior management, middle management, clerical staff and floor operatives, and is representative of all four locations of the organisation. The committee decided to rename itself the 'Making Partnership Work' (MPW) Group within the organisation in an effort to boldly state its purpose and also to create a heightened sense of ownership of the

partnership process within the programme. Having received partnership training, the group established and agreed it's own Terms of Reference and operational guidelines.

They then set out to carry out a Change Needs Analysis covering almost the entire organisation with the objectives of establishing what the goals of the organisation were, who were it's main competitors, and problems that the organisation faces, now and in the future. Ultimately, the Analysis would identify improvement areas, to be addressed. This Diagnostic Assessment was comprised of four levels: (1) a series of Partnership Presentations and Information sessions to the entire workforce; (2) a Company wide Questionnaire; (3) a series of random Search Conference Style sessions (4) One-to-one Interviews with key personnel.

Information gleaned from the four levels in the Diagnostic Assessment were combined and analysed by the NWO Lead Facilitators / Trainers and a comprehensive report produced. From this, a selection of improvement areas were identified and prioritised by the MPW Steering Group. Six key improvement areas were chosen to be addressed by task teams:

- Communications
- Training
- KPIs (Indicators)
- Pay / Parity / Remuneration
- Work Practice Change - Clerical Area
- Work Practice Change - Ambient Warehouse

There were also a number of areas or local issues, which arose out of the Diagnostic Analysis that it was felt, did not merit the establishment of a task team to address them. These issues were dealt with locally.

The MPW Steering Committee established six multi-functional and locational task teams. Personnel selection was based upon suitability to the task and willingness to participate, and was agreed by consensus by the MPW Steering Committee. The teams received training in team working.

Two MPW Steering Committee members were assigned to each task team as facilitators. Every three weeks, each team presented a progress report to the MPW Steering Committee. Final Reports and recommendations from the task teams were presented to the MPW Committee in March, 1999 and to the MSVC Management Team over two days in mid-April, 1999.

In parallel, a Leaders Liaison Group, comprised of the Chief Executive of MSVC and senior Trade Union Branch Secretaries, was established to provide feedback to, and receive progress reports from, the MPW Steering Committee on a three-monthly basis.

4. Obstacles to Change

While the change process were widely welcomed, a number of potential obstacles arose:

- The need to integrate the change processes with conventional operations requiring a delicate balancing of available resources.
- As the change described in the late '90s derived largely from the stimulus of participation in an externally generated project it was difficult to assess how the removal of such a stimulus will affect longer-term progress. To a degree the activity was conforming at times to NWO specifications and care was necessary to ensure that all activities added value.
- A number of employees may not always fully embrace the partnership ethos; this can be addressed through training or possibly through redeployment.

5. Risk Analysis

The entire change approach adopted, during this period was intense and demanding and some questions arose around the consolidation of benefits before additional activities were contemplated. The essential change processes occurred at a time of growth and opportunity in the industry and it is not possible to anticipate how a climate of reduced demand or necessary cost cutting might affect the evolving change process.

6. Benefits of Change

Towards end 1999 a number of trends were emerging as follows:

- The challenges of improving the quality of employees' working lives and increasing competitiveness were formally placed on the agenda of the organisation as a whole for the first time.
- The process provided a vehicle to increase the involvement and empowerment of people at all levels and in all sites within the organisation.
- The increased exposure of a broader range of people to the challenges of the competitive environment is expected to lead to greater commitment and increased awareness of the need for improved customer service.
- A number of specific local issues were addressed. All of the local issues in Galway and Belfast have been addressed satisfactorily. In Cork and Dublin the progress has been slower but is ongoing.
- The partnership process will involve more people in the decision making process which will give greater variety to the nature of many people's roles and increase their own feelings of self worth.
- The company will benefit through the harnessing of the talents of many more individuals throughout the organisation. It will be possible to resolve a larger number of problematic issues by engaging a greater proportion of the workforce in the process. In particular, benefits will accrue directly from proposed work practice changes in the ambient warehouses. These will lead to improved productivity from less demarcation and improved customer service.
- Through the development of a suite of departmental specific KPI's the organisation will benefit through greater alignment of individuals with company goals.

- Through the development of a more people friendly participate approach the MPW initiative will contribute to creating a work place of significant difference to the norm which will be conducive to attracting and retaining key personnel in the future.
- Progress has been made on the key issue of trust between management and unions.....
- Management has addressed the issue seriously and changes have been forthcoming in their attitudes to involving their people and in the energy being put into appraisals and communication. Most importantly, the development of trust has been seen as a two way street with responsibility resting equally on management and staff.
- Cross-functional team working has become an accepted part of the working life of the organisation. The partnership initiative has introduced it into levels and areas of the company where it was not considered possible or useful in the past. As a result, first line employers from our warehouse, clerical and administration staff and new recruits from all areas are actively participating on a wide range of teams.
- Exposure of first line employees to senior management has increased which has had an enormously beneficial impact on morale
- The impact on individual roles across the organisation has started to be felt. Broadly, there is now recognition that the traditional approaches in certain functions are no longer appropriate either to the needs of the employees or the company.
- In general the thrust of the changes implemented and planned is to lead the company towards a flatter structure (ideally only one layer between function head and lowest level) with employees who are able and willing to embrace change and take on extra responsibility. The partnership initiative is key to driving this forward.

Other specific benefits to 1999 can be seen by the progress of the team-based initiatives that operated as vehicles for change:

The **ambient work practice change** team allowed those employees in the ambient warehouse to address the challenges faced by the organisation in their own terms and to provide solutions which could benefit both the company and the workforce. New people friendly work schedules will now be based on fixed incomes rather than piece rate schemes. Thus, employees will not be dependent upon what they produce to bring home a living wage. In addition, through better work methods greater efficiencies will be achieved leading to better pay and a reduced reliance on overtime working.

The **communications** team examined best practices and compiled proposals, which were people friendly and geared towards greater efficiency. More open and informative communication should benefit everyone and help to eliminate the sense of isolation felt in certain sites.

The KPI team worked with each department has produced a set of measures, which will ensure that departmental contribution to the organisation is measurable in a meaningful way. All employees will then be clear about what the organisation expects of them and will be able to measure their performance against these KPI's.

The **training** team initiative addressed the company's desire to ensure that training activities will be directly tailored to meet the needs of the organisation now and in the future and that employees will feel more valued as the company invests in their development. This, along with better induction and appraisal processes, is expected to contribute to improved morale across the organisation.

The **pay/parity/remuneration** team examined proposals for a reward and remuneration system, which reflects the company's desire to be a single status organisation. Furthermore, some operatives in Galway have been brought up to the same wage level as their counterparts in Cork.

The **clerical work practice change** team have identified the technology driven changes, which will be introduced into their area, the impact that this will have on jobs, and importantly, measures to be taken to ensure that staff are equipped to meet these changes.

Conclusions

In the longer term the company intends to continue to develop the partnership approach. The vision of the future is to recreate the culture of the organisation and to develop it, such that partnership and involvement are the normal ways of life for all, and where trust underpins relationships between management and staff at all levels. The organisation will attempt to utilise all the talents of its personnel for the benefit of both the company and the employees. The relative success of the initiative to date is that the first difficult steps of a journey have been taken and everyone is still on board.

Publication Details

Published by: IPC

Publication date: 1998

Journal: -

URL: -

Revised: -

Notes: -

© 1998 IPC. All rights reserved.