

2. Case “Humanized robots?”

Helen Bowers was stumped. Sitting in her factory office, she pondered the same questions she'd been grappling with for months: how to get her company's employees to work harder and produce more. No matter what she did, it didn't seem to help much.

Helen inherited the business three years ago when her father, Jake Bowers, died unexpectedly. Company Bowers Machine Parts was founded by Jake four decades ago and has grown into a small corporation. Bowers produces spare parts for large production machines such as lathes and mills. The company is headquartered in Kansas City and has three manufacturing plants throughout Missouri.

Although Helen grew up in the family business, she never understood her father's approach. Jake treated his employees like members of his family. However, in Helen's opinion, he paid them more than he should have, asked their advice far more often than he should have, and spent too much time listening to their ideas and complaints. When Helen took over, she vowed to change the way things were done. Specifically, she decided to stop treating employees like kid gloves and treat them like what they are: hired help.

In addition to changing attitudes toward employees, Helen had another goal for Bowers. She wanted to take on the challenge of international competition. Japanese firms have actively entered the heavy industrial equipment market. She saw this as both a threat and an opportunity. On the one hand, if it could establish itself as a parts supplier to these firms, Bowers could grow rapidly. On the other hand, the lucrative aftermarket is sure to attract more Japanese competitors. Helen had to ensure that Bowers could compete effectively with the highly productive and profitable Japanese firms.

From the day Helen came to power, she practiced a completely different philosophy to achieve her goals. First, it increased production quotas by 20 percent. She instructed her immediate supervisors to deal with employees and eliminate all downtime. She also decided to close the softball field her father built. She thought employees really didn't use it much and she needed space for future expansion.

Helen also announced that future contributions to the firm's profit-sharing plan would cease. The workers were paid enough, she believed, and all profits legally belonged to the owner—her. She also had personal plans to cut future pay increases in order to bring average wages down to where she believed they should be. Finally, Helen changed a number of operating procedures. In particular, she stopped asking other people for advice. She reasoned that she was the boss and knew what was best. If she asks for advice and then doesn't take it, it will only cause resentment.

In general, Helen thought, things should be going much better. Production volume should increase and costs should decrease. Its strategy should lead to much higher levels of productivity and profits.

But this did not happen. Whenever Helen walked past one of the plants, she felt that people weren't trying their best. Productivity reports showed that production was only marginally higher than before, but the number of defects had risen sharply. Payroll costs were indeed lower, but other personnel costs were up. Employee turnover seemed to increase significantly, and training costs increased as a result.

In desperation, Helen finally hired a consultant. After carefully reviewing the history of the organization and Helen's recent changes, the consultant made some excellent suggestions. The point, according to Helen, was that the consultant felt that she should go back to the “humanistic nonsense” that her father had used. However, no matter how she turned, she simply did not see the wisdom in it. People worked to earn money and didn't want to be involved in all these things. Suddenly Helen knew what to do: She announced that all employees who failed to improve their productivity by 10 percent would receive the same pay cut. She breathed a sigh of relief, feeling confident that she finally understood the answer.

Questions

1. How successful do you think Helen Bowers' new plan will be?
2. What problems does Helen face?
3. If you were Helen's consultant, what advice would you give her?