



Metalik Creations [a fictional company] provides interior designers with metallic sculptures made from scrap metals and more recently has started a direct sales mail-order operation for anyone interested in owning one. The rapid rise in popularity of these sculptures due to the new service has led to a need to increase production to meet demand without losing creativity, innovation or quality.

Because production of the sculptures is team-based, the managing director has decided to involve two teams in increasing the production levels. He calls in the team leaders of Team A and Team B and informs them both that due to higher demand for the sculptures they are required to increase their levels of production over the next year to meet this increase without compromising on the build quality. Both team leaders are told they can interpret and communicate the new objectives set by the managing director to their teams.

Team A are told by their team leader that they are required to produce more sculptures to meet the increase in demand. As a result of this, the team agrees on the following measurements to assess their performance:

- how quickly the materials for producing the sculptures can be obtained
- who obtains the most scrap metal (for which an award would be given)
- how many sculptures the team produced.

Team B are told by their team leader that they are required to produce more sculptures of the same quality as those already being produced to meet the increase in demand. The team leader makes it clear that the

innovative nature, creative qualities and overall quality of the sculptures must be maintained despite having to produce more sculptures. The agreed performance measurements are as follows:

- the amounts of good-quality scrap metal found by the team and used in the sculptures
- the number of good-quality sculptures produced.

To help Team B in identifying their performance levels a bulletin board was set up to monitor their progress. The measurements agreed focused on the quality of the scrap metal obtained, the quantity effectively used against the wastage from each batch of work, and the successful identification of high-quality sources of materials. Team B also had an opportunity to assess their level of performance through regular feedback sessions during the year, and an incentive scheme was introduced based on the production levels of good-quality sculptures and the profits made.

Questions for discussion

Consider what the possible consequences might be from the way the organisation's goals and objectives are communicated downwards to the teams.

At the end of the year, what do you think the outcomes were specifically as a result of the way the team leaders communicated the objectives set by the managing director?

Answer first for Team A, and then for Team B.