Jackson Industries

"I wish the hell that they had never invented computers," remarked Tom Ford, president of Jackson Industries. "This damn computer has been nothing but a thorn in our side for the past ten years. We're gonna resolve this problem now. I'm through watching our people fight with one another. We must find a solution to this problem."

In 1982, Jackson Industries decided to purchase a mainframe computer, primarily to handle the large, repetitive tasks found in the accounting and finance functions of the organization. It was only fitting, therefore, that control of the computer came under the director of finance, Al Moody. For two years, operations went smoothly. In 1984, the computer department was reorganized in three sections: scientific computer programming, business computer programming, and systems programming. The reorganization was necessary because the computer department had grown into the fifth largest department, employing some thirty people, and was experiencing some severe problems working with other departments.

After the reorganization, Ralph Gregg, the computer department manager, made the following remarks in a memo distributed to all personnel:

> The Computer Department has found it increasingly difficult to work with engineering and operations functional departments, which continue to permit their personnel to write and document their own computer programs. In order to maintain some degree of consistency, the Computer Department will now

assume the responsibility for writing all computer programs. All requests should be directed to the department manager. My people are under explicit instructions that they are to provide absolutely no assistance to any functional personnel attempting to write their own programs without authorization from me. Company directives in this regard will be forthcoming.

The memo caused concern among the functional departments. If engineering wanted a computer program written, they would now have to submit a formal request and then have the person requesting the program spend a great deal of time explaining the problem to the scientific programmer assigned to this effort. The department managers were reluctant to have their people "waste time" in training the scientific programmers to be engineers. The computer department manager countered this argument by stating that once the programmer was fully familiar with the engineering problem, then the engineer's time could be spent more fruitfully on other activities until the computer program was ready for implementation.

This same problem generated more concern by department managers when they were involved in computer projects that required integration among several departments. Although Jackson Industries operated on a traditional structure, the new directive implied that the computer department would be responsible for managing all projects involving computer programming even if they crossed into other departments. Many people looked on this as a "baby" project management structure within the traditional organization.

In June 1992, Al Moody and Ralph Gregg met to discuss the deterioration of working relationships between the computer department and other organizations.

Al Moody: "I'm getting complaints from the engineering and operations departments that they can't get any priorities established on the work to be done in your group. What can we do about it?"

Ralph Gregg: "I set the priorities as I see fit, for what's best for the company. Those guys in the engineering and operations have absolutely no idea how long it takes to write, debug, and document a computer program. Then they keep feeding me this crap about how their projects will slip if this computer program isn't ready on time. I've told them what problems I have, and yet they still refuse to let me participate in the planning phase of their activities."

Al Moody: "Well, you may have a valid gripe there. I'm more concerned about this closed shop you've developed for your department. You've built a little empire down there and it looks like your people are unionized where the rest of us are not. Furthermore, I've noticed that your people have their own informal organization and tend to avoid socializing with the other employees. We're supposed to be one big, happy family, you know. Can't you do something about that?"

Ralph Gregg: "The problem belongs to you and Tom Ford. For the last three years, the average salary increase for the entire company has been 7.5 percent and our department has averaged a mere 5 percent because you people upstairs do not feel as though we contribute anything to company profits. My scientific programmers feel that they're doing engineering work and that they're making the same contribution to profits as is the engineer. Therefore, they should be on the engineering pay structure and receive an 8 percent salary increase."

Al Moody: "You could have given your scientific programmers more money. You had a budget for salary increases, the same as everyone else."

Ralph Gregg: "Sure I did. But my budget was less than everyone else's. I could have given the scientific people 7 percent and everyone else 3 percent. That would be an easy way to tell people that we think they should look for another job. My people do good work and do, in fact, contribute to profits. If Tom Ford doesn't change his impression of us, then I expect to lose some of my key people. Maybe you should tell him that."

Al Moody: "Between you and me, all of your comments are correct. I agree with your concerns. But my hands are tied, as you know.

"We are contemplating the installation of a management information system for all departments and, especially, for executive decision making. Tom is contemplating creating a new position, Director of Information Services. This would move the computer out of a department under finance and up to the directorate level. I'm sure this would have an impact on yearly salary increases for your people.

"The problem that we're facing involves the managing of projects under the new directorate. It looks like we'll have to create a project management organization just for this new directorate. Tom likes the traditional structure and wants to leave all other directorates intact. We know that this new directorate will have to integrate the new computer projects across multiple departments and divisions. Once we solve the organizational structure problem, we'll begin looking at implementation. Got any good ideas about the organizational structure?"

Ralph Gregg: "You bet I do. Make me director and I'll see that the work gets done."