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CASE STUDY

Described for the project: "The Hexagonal Leader"

Name of the organization
Grupa Doradcza Projekt Spółka z o.o.

Website of the organization
www.gdp-krakow.pl

Logotype of the organization

Type of organization
x☐ **Business organization**   ☐ Public administration   ☐ NGO's   ☐ Others (what kind?) ………………………………….

Size of the organization
x☐ **Small**   ☐ Medium   ☐ Large

Economic sector
Service industry

Brief description of the organization
GDP is a consulting company existing since 2007. It supports public institutions and private companies in the process of planning and implementing projects that shape their economic and organizational development. It offers comprehensive support in the process of obtaining EU funds, starting from the analysis of funding possibilities, through the preparation of a complete project and application, to its final settlement.

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Case study description (situation / the problem they are facing) [max 2000 characters]

Description of the situation

2011 - 12. The company has been operating for 5 years and deals mainly with the implementation of EU projects. He succeeds. It grows. In the described years, it implements approx. 8-10 projects in 4 voivodships. The projects cover 1,500-2,000 people. They are quite complicated and implemented according to strictly defined procedures and in the design regime (i.e. under the constant supervision of contracting institutions - local and central government administration). The company employs 14 people at the headquarters in Krakow, and 12 people in regional offices (3 offices + several temporary service points in 4 provinces). In addition, in the implementation of projects, the company cooperates with approx. 30 external persons under contract of mandate (trainers, advisers, employment agents and other consultants).

Problem.

Along with the increase in the number of projects - multi-threaded and substantively complex projects, the number of organizational, technical and logistic problems also increases (communication in several offices, supplies of office supplies and necessary for the implementation of e.g. training, consulting and other design activities, logistics, rental of premises and utilities, etc.)

There is a problem with "covering" all matters related to the implementation of projects - substantive as well as organizational and technical. The existing team-project system (i.e. each project has its manager and a team of 2-3 people to implement, works independently and emergency cases or non-standard decisions are taken to the level of the company's Management Board) is no longer working - the number of organizational and substantive problems related to projects it becomes too big and too absorbs and engages the Management Board. There is also a classic problem of "headquarters - peripheries" conflicts with the classic burden of burdens in such situations (the company's office in Krakow vs. field offices). There is a need to change / verify the current organizational structure (flat linear: management - project managers - employees).

Suggested solutions (added pros and cons)

1. resignation from involvement in such a large number of projects
2. further expansion of the company's organizational structure
3. changing the existing organizational structure and preparing designated persons to perform managerial functions

Chosen solution

Option 3 has been selected - changing the existing organizational structure and preparing designated persons to perform managerial functions. It was connected with new challenges and problems related to choosing the right person for managerial positions

Rationale of the decision taken

The assumption was that a too vertical and hierarchical structure cannot be created, the project-team system is to be maintained and slightly modified so as to improve the operation in terms of both organization and content, but not to create a too sharp management pyramid.

Solution implemented in practice

Solution attempt.

For this purpose, several meetings of the company's partners (3 people) took place. A decision was made to separate an accounting and HR unit (coordinating activities also in projects in strictly accounting matters) and a unit for the so-called commercial activities. Projects are further implemented in a project and team system (manager + project employees + support of the accounting unit). A decision was also made to create an intermediate level between the management board and individual project teams in the form of 2 management positions - Substantive Director and Organizational Director - coordination positions with great independence and independence.

So there was also a problem: who should take up these positions. There were 2 candidates: 1 person X - a lady working from the beginning of the company, great in terms of content and with high social competences, liked and respected by the team, so far de facto holding the position of an informal coordinator - Mrs. X became the Organizational Director. 2 person Y - a gentleman working in the company for about 5 months, ambitious and committed, with initiative and ideas, good substantive - Mr. Y became the Director of Content.

Introductory talks were conducted with both people - concerning the reasons for the changes, goals to be achieved, scopes of duties and responsibilities, and principles of cooperation.

Development of the situation

Already after a month, signals of dissatisfaction and conflicts within the team began to reach the management board. While Director X was accepted and her authority was somewhat natural and so was accepted by the employees, Director Y encountered considerable resistance among the team. His experience and substantive competences were questioned by some of the employees who asked Director X or the management board for final decisions. This caused sudden and often nervous reactions of Director Y, who decided to break the resistance and build his own authority on the formal path. When the information about the situation reached the management board, the conflict was already quite developed. Nevertheless, the management board decided to intervene in a "soft" manner - to explain, moderate, bring about an agreement and maintain the new status quo. After collecting the information, it turned out that Director Y is not accepted by the majority of employees, both in the headquarters and in the field offices. He came into conflict with a large number of employees, and his authority was slim. This also translated into substantive problems in some projects (delays, failure to meet deadlines, disruptions in schedules, etc.). An informal "circulation 2" was also created - employees regularly asked Director X for confirmation or substantive decisions.

After the diagnosis, management made attempts to rectify the situation. An interview with Director X and key employees confirmed the above diagnosis. It turned out that the management board had significantly overestimated the substantive qualifications of Director Y. Additionally, it turned out that Mr. Y's social competences are also at least unsatisfactory. He developed the classic "2 faces" syndrome - he behaved and communicated completely differently with the management (superiors), and completely different with his own subordinates. On top of that, there was also a lack of management experience (Mr. Y was a project manager at an early stage - and the current situation in the company definitely exceeded his managerial competences).

Despite the quite unambiguous and unpleasant diagnosis, the management board decided to save the situation - 2 factors played a role here: 1. The decision to promote Mr. Y was a decision of the management board and any violent reactions, including demotion, would be perhaps too damaging; 2.

Reluctance of the management board to admit making a wrong personnel decision.

Action taken
A series of a dozen or so meetings (management board - director Y) of a quasi-coaching nature were held - the aim was to be accelerated "psychological and management" education - unfortunately the results were not satisfactory - Mr. Y kept a far-reaching distance and suspicion. Therefore, the Management Board concluded that its coaching competences were insufficient and engaged professional coaches who were friends with the company - 1 for task coaching, 2 - for development coaching. Both directors and 2 more key employees were coached. Duration - nearly 2 months, several meetings per person. At the same time, more frequent working meetings were introduced - summarizing the effects of substantive activities (twice a week) - meetings of the management board, directors and project managers - where misunderstandings were explained, possible disputes were resolved, and goals and priorities were set. 2 integration meetings were also organized, including one 2-day trip for the entire team - the aim was to improve the relationship (including director Y - the team) and involvement of employees in the company's operations.
The effects of the described activities were only partial. In relation to Director Y, coaching brought very moderate results. Paradoxically, other employees subject to coaching benefited much more. Working meetings improved the work of project teams and the company as a whole, but did not especially raise the authority and improved relations of Director Y with the team. The arrangements were treated as management arrangements and so implemented. Integration meetings - short-term goals, and even in some cases medium-term goals were achieved, unfortunately the relationship of Director Y - team improved briefly and quickly returned to the previous state.

Effect of actions
The entire process of repairing the described conflict situation took approx. 3 months (from the moment of identifying the problem). After this time, the management board faced a choice: whether to continue educational activities (training, coaching and mentoring) in relation to Director Y, - hoping that after a sufficiently long time they would bring the desired results, also being aware that it would be at the expense of atmosphere in the team and perhaps the effects of work - or make other personnel decisions. More than 4 months after the nomination, a decision was made to change the organizational structure. Previous director positions were abolished. The Finance Director (became the Chief Accountant) and the Office Director (Director X) were appointed
Director Y became the manager of a large project implemented in Krakow under the direct supervision of the management board.
Director Y finished the project after a few months and went to Warsaw to work in another company. Interestingly, he parted ways with us in a friendly manner, showing signs of maturity previously unobservable.

Lesson learned

As the organization grows and develops, it is necessary to implement structural changes so that the organizational structure of the company is adjusted to the amount and nature of the services provided

It is very easy to overestimate an employee's managerial competences if there is no feedback from his/her subordinates.

The assessment of managerial competences is possible only from the perspective of time, on the basis of information on how a given manager deals with managing people in practice

Connection to the six skills depicted in the project

The case study described above is an example of how problems arise that require structural change as the organization expands and grows.

Decisions taken by the management board are not always correct, even if they have been well analyzed beforehand.

Much depends on the vision of the company's owners regarding the development strategy and what organization we want to have in the next few years.

There are many factors that should be taken into account when planning to change the company's organizational structure. The human factor is especially important. This is because not every good employee has the appropriate competences to manage people. What's more, sometimes it may seem like this from the perspective of the management board, but only after receiving feedback from subordinates, you can see the entirety of the manager's actions.