

The structure of involved employees and interlocking teams required to eliminate bureaucracy, minimize overhead, and promote responsiveness to market conditions.

The continual process of constructing a flat, team-based organization of vertical and horizontal networks that builds and leverages the learning capability of all employees.

Level 1 Plan	Level 2 Pilot	Level 3 Deploy	Level 4 Integrate	Level 5 Excel
<ul style="list-style-type: none"> <li>▪ Employees are viewed by management as disposable labor --an expense; employees are not expected to contribute anything to the enterprise beyond the labor demanded and directed by managers</li> <li>▪ Military-style chain-of-command; "commanders" coordinate most of the activity</li> <li>▪ Informal networks coordinate activities between functional silos, but poorly</li> <li>▪ Management recognition of employees is sporadic, typically private, and often arbitrary</li> <li>▪ Compensation based mainly on hours and seniority</li> <li>▪ Administration and support services operate independently from value-delivery process</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee skills and experience are acknowledged as valuable contributions to the enterprise; management sees need to transform and manage cultural variables to support world class methods and high technology</li> <li>▪ Employees viewed as members of a cooperative team, but team participation is limited</li> <li>▪ Cross-functional committees begin to replace the informal network</li> <li>▪ Employee and team contributions are recognized and rewarded through suggestion schemes; annual performance evaluations have some link to company goals, but still focus on individual performance</li> <li>▪ Increased awareness in administration and support services of their supporting roles in production and equipment management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees are understood as a potential resource for adding value within the enterprise; employee knowledge, skills, and experience are actively cultivated through training and career-planning programs</li> <li>▪ Teams established in most main areas, but not fully developed; team activities supported with training, resources, and time for participation</li> <li>▪ Cross-functional organization reasonably effective, but departmental managers still hold balance of power; alignment improves</li> <li>▪ Flexible system based on balanced monetary and nonmonetary motivators is used to recognize employee contributions; performance evaluations match company policy</li> <li>▪ Administrative losses visibly reduced</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees are recognized as a critical factor in the success of the enterprise</li> <li>▪ Team culture is refined through feedback to management; team training and activities integrated with comprehensive employee education program</li> <li>▪ Cross-functional, team-based organization is established and vector alignment is good; power is balanced between cross-functional team managers and department heads</li> <li>▪ Recognition system is refined so rewards are linked to company policy</li> <li>▪ Employees have flexible compensation packages tailored to individual needs</li> <li>▪ Continuous improvement redesign of administration and support prepares for appropriate automation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employees are understood as the essential heart and value of the enterprise; all employees are treated as dynamic partners in the enterprise and share in the profits it generates</li> <li>▪ Small group and team activities are vital and well integrated with company policy</li> <li>▪ The company is an "all weather" organization of individuals and networked teams that can respond flexibly to changing needs of competition</li> </ul>