Identification of the element of the organization in which the problem resides: The element of the organization in which the problem resides is the organizational structure. The current structure is such that there are conflicts, quarrels, and disputes. These are dysfunctional for the organization. The current production department has four divisions namely forging, machining, casting, and assembling. Each of these divisions has separate heads. The personnel in each division are required to interact with persons from the other departments.

A clear statement of the specific problem: Conflicts in the production department have been an increasing problem for the company. The conflicts lead to delays in deliveries, deadlines being violated and cancelled orders. Too many cross relationships between divisions and persons make it difficult to pinpoint the cause of conflict. Since there are different divisional heads, the responsibility for performance is not fixed. There are four divisional heads and there are clashes. Production decisions are delayed because several bosses have to be consulted. For example, if an “emergency” purchase is to be made signatures from at least three divisional heads have to be obtained. The coordination breaks down.  
If these problems are not solved, there will be an increasing delay of deliveries, poor quality of machines produced, and increase in production costs. The total impact on the company will be a decline in revenue and profits.  
To combat this change in organizational structure of the production department is required. The new structure should be such that workers work towards a common goal, while completing individual tasks. The new structure should foster cooperation and collaboration. There should be improved communication and the new structure should be less hierarchical. The new structure should foster problem solving, decision making, and collaboration.

The impacts on the organization:  
Any organization that is torn with interdivisional conflict is in a serious problem. The organization cannot meet its targets; it misses its deadlines and has budget overruns on regular basis. Employees blame other departments for the loss. No department takes responsibility and information is not easily passed from one department to another. The employees take permission of the divisional head before giving information to a person from another department. There is distrust between persons from different divisions and indifferent quality is blamed on the other departments. The impact is poor quality, slow production, cancelling of orders, loss of reputation for the company, and decline in revenues and profits.  
By completing this project we intend to achieve a structure where individual members not only communicate with each other but also learn from one another. Our company has highly qualified personnel. They are well trained in their fields. With this project we intend to achieve synergistic combination of personnel and ideas. With this project we hope to reduce conflicts. We also hope to create a structure that will improve quality, delivery timing, and order execution (Heiko Gebauer, Christian Kowalkowski, 2012). The impact on the organization will be that new approaches to executing orders will be identified. For example, the employees will sit together contribute their expertise and chalk out the process that will be used to execute each order better. The impact will be that there will be a lower number of rejects; the employees will cooperate to improve the quality of the finished product. The performance of the organization will improve.

The initial goals of the project:   
The initial goals of the project are to restructure the organization from a functional organization to a team based organization. The teams will have persons from each individual area. Each team will be given a responsibility for an order. The individual team members will be required to work together to execute the order properly and on time. Each team will have a team leader who will be given responsibility for his team members. He will ensure that team members cooperate, contribute, and communicate with one another. In this manner independent work flow will be enhanced. There will be ownership of work created. Each team will be responsible for the order allotted to it. The teams will be evaluated based on their performance on the orders during the year (Anton Franckeiss, 2012). The initial goals of the project will be to communicate the urgency for the restructuring, building and guiding team, and communicate the reasons for the change. The project will communicate with the employees so that they are persuaded to go with the project, allot orders to the team, and celebrate the successful completion of the first orders with each team. The new structure will be supported; trouble shooting will be carried out, so that the new structure works properly.