Chapter 47
Macro–Change in a Micro–Firm

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ABSTRACT

This reflective case history is about a Dutch micro-firm in the technical sector that was grappling with social issues on the work floor. Quarrels between the brothers of this family-owned and operated firm were negatively influencing business processes, teamwork, employee relations, and other social factors, resulting in complaints from customers. The goal of this change program was to help management improve workflow coordination and teamwork, in turn increasing product quality and customer satisfaction.

INTRODUCTION

This reflective case history focuses on how using Lewin's (1948) social conflicts theory and Emery and Purser's (1996) search conference methodology for organizational change helped a micro firm expose and discuss hidden problems in an open and productive way, as well as find effective solutions supported by the entire team. This case history is an example of how a relatively simple change management program specifically aimed at these social problems positively influenced the operations of the firm—its work atmosphere, teamwork, and employee development—and consequently the quality of the product.

The case history took place in Extowet Manufacturing located in North Holland, the Netherlands. Extowet is a family-owned and operated manufacturing business that designs and makes high-precision metal parts for other firms' products. Founded by the owner in 1999, Extowet supports firms in their manufacturing processes in the form of advice, machine maintenance, prototypes, and development of new product lines. This means they work very closely with their clients. They have a strong market position as leaders in custom precision metal parts and continually develop their craftsmanship in order to maintain competitive advantage.

Extowet has ten employees, but this may fluctuate according to the number of ongoing projects. They are certified trainers for technical vocational students and usually have a number of apprentices working for them. Two employees are sons of the owner, and both have been working there since the start of the company. The quarrels between the brothers are the stimulus for this change program, as we'll learn in the next section.

EVIDENCE-BASED OCD INITIATIVE

First Contact

Management adviser Han van Kleef from the firm Trees Inventing cold-called the owner of Extowet. At the time, the regional government had developed a fund for helping small and medium-sized enterprises (SMEs) develop. Han was familiar with this firm and approached the owner, proposing to use the government's subsidy to increase Extowet's competitive advantage. After discussing the problems that Extowet had, Han and the owner negotiated a contract.

Key Drivers for Change

During the intake interview with Han, the owner expressed his concern that problems on the work floor were negatively influencing product quality. He knew product quality was declining because monthly client reports showed an increasing number of poorly-made parts. Furthermore, production planning was regularly not met—or it was just barely met—causing him considerable stress.

The owner ascribed the firm's problems to quarrels between the sons. He observed these regularly and saw that their arguments were negatively influencing the work atmosphere, employee management, and teamwork in the firm. In their first meeting, the owner told Han he was convinced that the problems were related to social issues and not technical ones. The problematic situation in his firm was causing him much stress and worry, and this had to change. Based on the intake interview with the owner, it was clear to Han that the aim of the change program was product improvement, and the way to achieving this lay in changing the social structure on the work floor. Han had a clear idea of how to do this and showed the owner, who accepted Han's plan, even though he might not have known exactly what it meant or would mean for the firm because he had never gone through such a process. The trust the owner had in Han's plan—and in Han as a change agent—was crucial to the success of the program. Based on this trust, the owner approved the plan and the budget, and Han was able to start analyzing the situation and gaining support from the employees.

Organizational Analysis

Understanding the firm and its underlying problems is a critical step towards successfully designing and implementing any change program. In order to do this, Han interviewed employees (which was also important for stakeholder support), observed their interactions on the work floor, and analyzed company policy and processes.

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