Chapter 24
Lessons Learned in Right–Sizing a UK Medium Size Manufacturing Site

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ABSTRACT

This reflective case history explores the lessons learned by a medium-sized manufacturing site in the UK from a rightsizing initiative in 2008 and another in 2016. The 2008 lessons around the softer HRM topics of employee morale, skills gaps, and survivors struggling led to a different OCD approach being used for the 2016 rightsizing exercise. The author, a principal change agent who helped facilitate both OCD initiatives, critically reflects upon the respective change agency processes from an EBP perspective.

INTRODUCTION

Competitive global price pressures forced the company to right-size and restructure in 2008 and then again in 2016 to enable the business to survive and win new business. The insights gained and lessons learned after the 2008 restructure were around the topics of employee morale, skills gaps, and survivors struggling; and these led to a different approach when the 2016 right-sizing exercise was executed.

In this reflective case history, the author, who was one of the principal change agents responsible for facilitating both right-sizing exercises, critically reflects upon the two respective change agency processes as perceived through the lens of his 'evidence-based practice' (EBP) perspective.

The content of the case history encompasses the following key themes: organisational change, globalisation, private sector, organisation structure, de-layering, right-sizing, and corporate strategy.

It looks at the two planned organisational right-sizing change programmes and discusses the insight gained and lesson learned from critically reflecting upon the strengths and weaknesses of the different approaches adopted in 2008 and 2016 respectively.

EVIDENCE-BASED OCD INITIATIVE

The Triggers and Drivers of the Two OCD Initiatives and Programmes

The right-sizing changes in 2008 and 2016 were triggered by reduced profitability and the effects of globalisation in the industry. In simple terms the Plant was not achieving its financial targets and needed to reduce costs and be able to lower its selling prices quickly to be a viable operation in the longer term. The principal issue was that the global market price of the core products manufactured had been squeezed and market selling prices had reduced significantly. Productivity improvements could only save a small amount; the real savings would come from a leaner management/staff structure delivering the improved added value with increased sales.

The OCD Re-Structuring Approach and Impacts

The owner and instigator of both reorganisations was the UK's Managing Director who set the direction and financial objectives. My role as Operations Site Manager meant I got involved in the early stage of the initial organisational sizing calculations involving the senior team. During this phase we were able to set the viable number of managers/staff and indirect employees the operation could support whilst meeting the market price and make a profit. This work gave us a rough vision of the number of people the organisation could support, but not the final detailed shape of how the organisational structure would look.

In addition, my role encompassed being the lead on the Trade Union discussions as chairperson of the Works Council and executive member of the senior management team. In this role, I would be directly communicating on a regular basis with the "worker voice" in a formal environment. Two Trade Unions representing two distinctly different groups of employees, namely (what is generally termed as) 'blue collar' employees and separately 'white-collar' employees, were there to communicate and negotiate terms of the change. This added an extra layer of complication, as they may or may not have different needs or positions due to the different terms and conditions of employment.

The change strategy adopted in 2008 was going to rely on a high communication approach and in preparation for this, we prepared a force field analysis in a short workshop to prepare our key communication themes. Huczynski and Buchanan (2007, p.566) point out "A force field analysis involves assessing the factors supporting and impeding movement towards a given target situation".

This process helped shape the key elements in our communication content, which would be delivered through the Works Council and wider plant briefings. The results of the 'force field analysis' are shown in Figure 1.

In terms of content, the type of information included in face-to-face mass communications on the "why" for change question was as follows: External factors affecting the business such as globalisation and its impact on lower prices and the higher costs of our organisation structure with many layers. The global impact to the selling prices was clearly articulated using some real examples. It was explained that new business enterprise software investment was required to manage business operations more efficiently and effectively. It was suggested early on that the organisation may have to recruit because the remaining employees may not have all the skills internally to be successful in these new roles.

On reflection, the 2008 change process was greatly enhanced by preparing frequently asked questions sheets (FAQ's). These where created by a series of meetings with the management team "brain storming" the type of questions which might be asked during or after the mass briefings. Before the process

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