

Case Study: Radigan's

Brian Strode was appointed Chief Executive of Radigan's two years ago. Radigan's is a medium-sized engineering company with 750 employees. Once, the company was much larger, with at its peak some 5,000 employees spread over three sites. Today, the company is based on one site reflecting the need to concentrate resources to gain competitive advantage.

When Brian Strode came into the company, he could see that it faced massive problems. Previous management had underinvested in every part of the business. Equipment was old, products were not at the cutting edge in the field and training of staff was non-existent. It was not surprising that Radigan's was struggling to maintain sales.

When talking to workers and managers about change, most seemed to think that the attitudes of other staff could not be changed. They put forward a variety of reasons why change was almost impossible. Some pointed to the main trade union representing shop floor workers as a major obstacle. They said it would resist any changes in the conditions of service of employees. Others said that staff were too set in their ways to change. They had always done the job like this and it would be impossible to get them to do it a different way. Half the workforce, including most of the managers, were over the age of 45 and there were only two employees under the age of 25. Another problem often cited was the strong division of workers into separate informal groups with distinct identities. Typically, there would be around 10-15 people in a group who took their breaks together, socialised informally together at work and formed friendship patterns outside the workplace. Each group built up a 'them and us' mentality. Each thought it was doing the hardest work in the company whilst other groups were contributing little or nothing to the organisation. Workers on the shop floor saw managers as 'pen pushers' who knew nothing about the 'real' work of the company that they were doing in making products. Managers saw shop floor workers as lazy and inflexible, always ready to find an excuse why something couldn't be done. Overall, most workers were highly cynical about the contribution that other workers made to the company. Equally, most workers and many managers had little idea of the competitive pressures that the company was now facing, particularly from Far Eastern imports.

Looking through the paperwork, Brian Strode could find little that was written down that could inspire change. The company had no mission statement. There was nothing coherent about a vision for the future. Most of what was there seemed to be about reacting to events rather than shaping them. He was surprised that there didn't seem to be much that even supported the very conservative nature of the company.

Looking round the site, Brian observed that everything was very boxed in. The very walls of the factory and offices seemed to emphasise the small group mentality of the workforce. Office staff, for example, were all working in small cramped offices, mostly on their own. Amongst the office staff, there were a lot of posters and stickers on walls or mugs with little work slogans like 'I'm the boss', 'Overworked and underpaid', 'The buck doesn't stop here



- keep going' and 'Hard work never killed anyone, but why chance it?'. By 5.30 each evening, the place was deserted. Shop floor workers, office staff and most managers worked to the clock. The minute they were due to leave, they were out like a shot.

Brian set about trying to change the culture of the business. It had to be more responsive to the needs of customers. Costs had to be reduced to maintain sales. Quality needed to be considerably improved. To achieve this, he wanted to see a more flexible and far better trained workforce, probably working in teams and whose goals were aligned to those of the company.

- Discuss how Brian Strode could change the organisation's culture from its surface manifestations to its basic assumptions. (40 marks)
- To what extent would Radigan be a more successful company if it had a strong organisational culture shared by all staff? (40 marks)

Written report - what are the issues and what change would you propose to improve the culture?