

Memorandum

To: Bob Judd, President, Olivet Machine Tool Engineering Company
CC: Mike Judd, Vice-President, Olivet Machine Tool Engineering Company
From: Consult's Name, OrgDia Consultant
Date: 6/14/2018
Re: Organizational Diagnosis & Evaluation

Diagnostic Analysis

In the process of observing the Olivet Machine Tool Engineering Company (OMTECO), I became aware of several challenges the leadership encounters when decision making and/or implementing changes. This memo addresses only one of the company's challenges by assessing the collected data and making an assumption of what I found. Then, for further clarification, a known theory suggests ways to solve the issues for better organizational culture.

OMTECO is a family owned and run business from its existence in 1946 to the present. Homer Judd moved his family from Jacksonville, Florida simply because he did not want to raise his young children in a big city environment. It is evident that family and relationships are and have always been important to the Judd family.

Observations: As I discussed in the previous memo, several problems surfaced in the company that I felt needed to be examined but the immediate concern was your attention to the existing relationships within the organization. I explained that from my interview with Bob, Mike, Paul, Holly, and briefly with Dan, that the data suggested these connections vital to the success of the OMTECO. Bob even discussed the importance of treating one another as a family member. My first question(s) from the information that I collected proceeds from Bob's statement. How does Bob define family? How does Mike define family? How does each one of the employees define the term family? Gathering this data through interviews, questionnaires and focus groups will give a better understanding of where further diagnosis is needed.

Problem: If relationships are important to the leadership and a "family atmosphere" is desired, what is the leadership doing to maintain healthy, balanced relationship inside and outside the organization? Specifically, do the employees understand the intentions of leadership when an idea is communicated? How does the leader know the employees are making sense of the idea and is consensus formed to accomplish the task?

Observations\interviews: OMTECO leadership, Bob and Mike, both used the word "family" in the interview process.

Interview #1 In the first interview, I spent 30 minutes learning the history of the family business from Bob. He reinforced the concept of family, not only with the history, but through existing company interactions by stating, "We look at employees like family and want each one to know that

they are not a number, but a somebody.” This slogan was passed down from his late dad, Homer who developed the company from the ground up. Bob highlighted several incidents of conflicts but suggested that conflicts in the past between his dad and his brother, Dan have been talked through. Still, during my time with each of the brothers in the fieldwork, I observed no interaction between Bob and Dan. But I did observe Dan taking all his questions or information to Mike, his son and the vice-president.

After interviewing the other employees, I spent extended time with Bob and found it beneficial because he explained a broader understanding of what he desired to accomplish with the company.

Interview #2 In the second interview, I spent 15 minutes with Mike, the vice-president. He seemed nervous to do this interview. I asked several opening, relaxing questions about his family. I learned that he just returned from a mission trip to Mexico where they took wheelchairs to a small Mexican village. He told me the story of a man with no legs, who scooted around, but now, had a wheelchair to get him places. He was very proud of the accomplishments on this trip and pictured him and his wife participating in these activities even into retirement age.

Several topics about the concept of family surfaced in the interview process. On the personal side, Kathleen worked as a part-time administrative assistant and treasurer for the OMTECO and on several occasions, Mike has asked her to stop doing her work and complete a task that needs attention. More than once, Mike stated that this interaction has caused tension in their relationship in the office and at home.

I brought of the topic of leader succession in interview process because Mike was the next in line to assume the family owned business. Plans were being generated for his rise to the presidency. I was interested finding the interest of his 15 year old son becoming involved in the company. He stated that there was no desire by the next generation in the immediate family to be involved with the company.

Customer/Client relationships were vital to Mike. He commented that, “sometimes you need to hold the hand of the customer and find out about their family and the stuff that they were going through” in order to keep the customer.

Further questions were asked about the technical side of business operations that Mike has direct oversight (Procedures, plans, policies, etc.). He seemed reluctant to share a lot of details about these issues. His administrative assistant, Holly, secured the plans and policy manuals for this analysis.

Interview #3 Paul and Holly took me to lunch at the local pizza place and bought my meal. This break allowed me to interview them away from the work place and ask them to comment on some assumptions I had as I interviewed and observed the president and vice-president. Especially interesting was the history of the organization and how important that was to the president. I also learned about communication between the bosses and employees. The two described the communication as improving from a year ago, however relationships within the company are tense at times, especially during stressful situations. Paul and Holly’s relationship with the leaders and each other was brought into our dialogue. Discussion about the atmosphere at OMTECO usually took place in the car on the way home from work. Paul stated that at times Holly would become highly frustrated because of the interaction or lack of interaction by the leaders with her and the other employees. Holly stated that the lively conversations on the ride home were becoming more frequent.

Data: *The relationships or nodes*

Bob-owner and president of OMTECO, son of the late Homer, younger brother of Dan, uncle of Mike, boss of OMTECO employees, brother-in-law of Bonny, partner of customer\client.

Mike-vice-president of OMTECO, husband of Kathleen, son of Dan, nephew of Bob, boss of OMTECO employees, high school classmate of John, partner of customer\client.

Paul-direct supervisor of shop employees, husband of Holly, employee of Bob and Mike, contact with the customer\client.

Dan-former owner and president of OMTECO, son of the late Homer, older brother of Bob, husband of Bonny, father of Mike, father-in-law of Kathleen, contact with the customer\client.

Holly-part-time secretary of Bob and Mike, wife of Paul, contact with the customer\client.

Refinement of the problem: The leadership makes assumptions about relationships within the company; however their actions do not demonstrate the importance of family environment.

Theory: The social network theory (SNT) is beneficial in analyzing problems of relationship. The theory pictures each person or groups of people as a “node” and the relationship to others as the “ties”. A set of relationships is a network. This network can be measured by mapping the connections to determine the interaction between nodes. An examination of the connections leads to clarification of breakdowns in relational connections. The map is a guide to give direction for correcting faulty links and to assess where future connections need to be made.

SNT can determine the importance of individual characters to the organization. Diagramming the number of ties of each person measures the value that employee has to the company. With this map and under close analysis connections between nodes that should be occurring and are not can be adjusted so that proper organizational flow might be evident. For example, Mike (CVP) indicated that “no one touches the hose crimping part of OMTECO” because that is “Bob’s (CCP) baby”. Even though this is 20% of the company’s business, it would be advantageous to include others in the decision making and mapping that the SNT employs would show Bob this need. The company would be strengthened as other employees are now connected with Bob and feel responsibility for its outcome.

SNT does not measure the attributes of the nodes as more traditional studies in networking have posited. The theory’s primary concern is with the connections between leaders and other employees as well as the company’s customers. These ties are needed to accomplish the task. OMTECO with its family ties is more concerned with keeping the connections healthy than

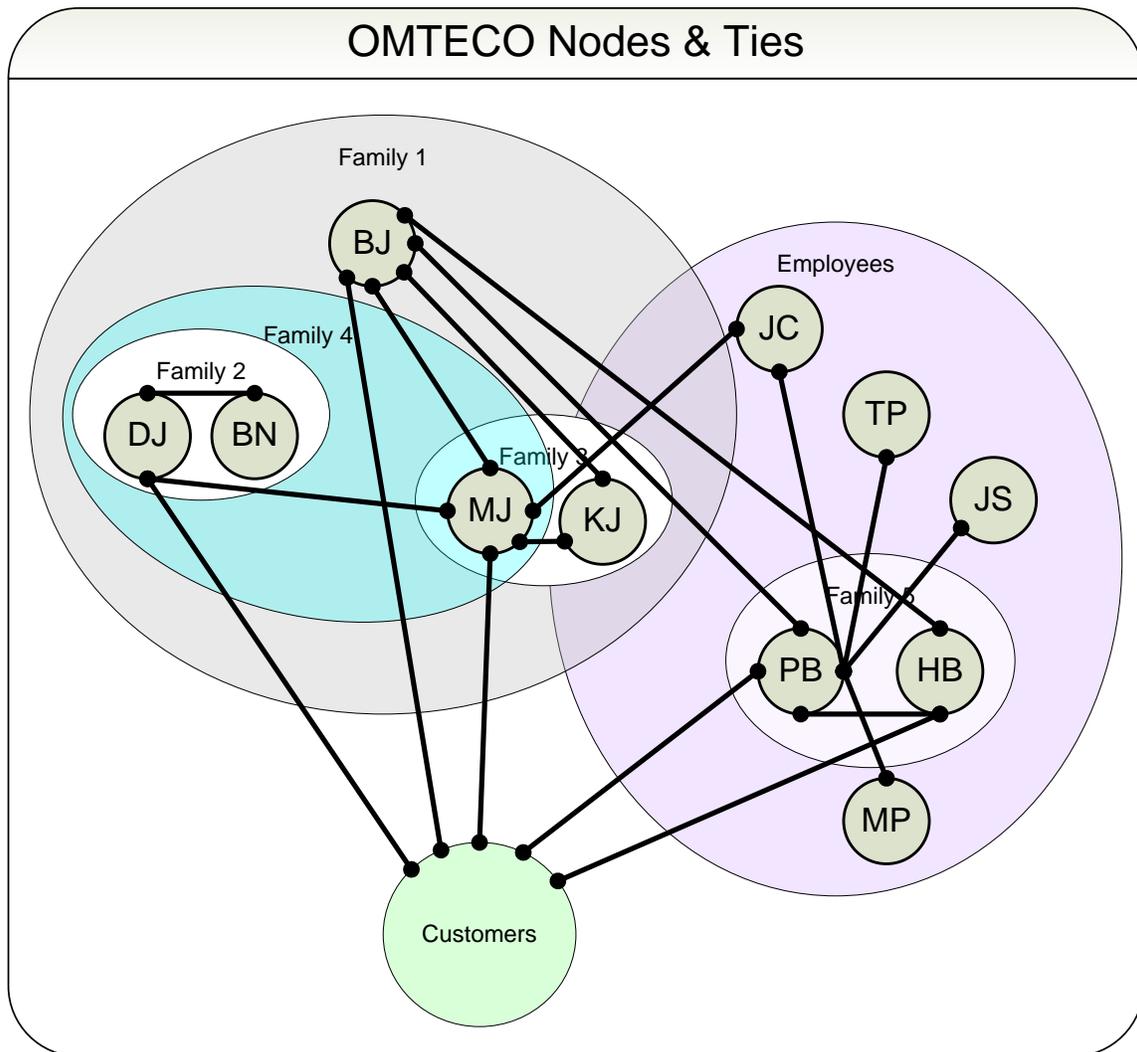
After diagramming, a problem would be to force connections for the sake of the organizational chart. Is it important for Bob (CCP) to know the details of every transition within the organization or can Paul, the foreman, handle certain issues without seeking guidance from superiors? Would evaluating the employee’s performances and behavior be better suited for Paul as the direct supervisor? SNT examines and determines the proper channels for a multiple of issues within the organization.

Variables: The SNT identifies these variables that need examination to diagnosis further data.

1. Mutual understanding “refers to the ability to understand and build on each other’s knowledge base” (Kijkuit & van de Ende, 2007). A social network must have an idea of what is needed to complete an assignment. 2. Sense-making is defined as the task of clarifying ambiguity or uncertainty. 3. Consensus formation is an agreement by all parties involved on the proper plan for completing the assignment.

Data needed: The data needed to test the variables starts with an idea or a task that OMTECO employees of must accomplish. A thorough explanation of the assignment is given to Bob and Mike. These leaders must then communicate (verbally and non-verbally) the assignment to Paul who in turn communicates with the other employees.

Data analysis: At each step of relationships, the mutual understanding variable will be measured on a ten question Likert scale of 1 to 5 (1 being very low and 5 being very high) to determine first, if mutual understanding of the assignment has occurred. Second, the data for sense-making is collected from observations of who the employee moves towards for further clarification of the assignment so that he might complete the task successfully or who goes directly to work without asking questions. This analysis can also determine strong and weak ties. Third, the consensus formation variable is analyzed by observing the employees complete the task to see if each one followed all the steps previously agreed upon.



OMTECO consists of five family structures.

HJ's direct descendants: Family 1-consists of DJ, oldest son, former owner and president, BJ, youngest son, present owner and president, and MJ, DJ's son, BJ's nephew, and grandson of founder, Homer, present vice-president.

DJ's present family structure: Family 2-consists of DJ, oldest son, former owner and president, and BN, who is a part-time secretary

MJ's present family structure: Family 3-consists of MJ and wife, KJ, who is the Secretary/Treasurer of the company.

DJ's former family structure: Family 4-consists of Dan, Bonnie and Mike.

PB family structure: Family 5-PB, shop supervisor, and HB, part-time secretary are husband and wife.

Other structures: Employee-

BJ interacts with MJ, KJ, PB, and HB.

MJ gives and receives data from DJ, BJ, PB, KJ, HB, and JC.

MJ is a high school classmate of JC and JC takes advantage of this relationship according to PB.

DJ interacts primarily with MJ, rarely with PB and not at all with BJ.

PB gives and receives data from BJ, MJ and all the shop employees.

HB takes instruction from BJ, but rarely gives any feedback.

HB interacts with MJ.

Customer-

BJ interacts with customers.

MJ's primary responsibility is with customers in the field.

HB interacts with customers.

PB gives and receives data with customers.

Employee relationships or interaction are demonstrated by ties.

Customer relationships or interaction are demonstrated by ties.

Inference: I suggest that if the leaders and employees have a mutual understanding of the task and can make sense of the instructions by either asking for clarification or from other knowledge sources, and consensus on the plan is formed then relationships will have stronger ties.

Recommendation: A quantitative measurement on the interaction and the communication between supervisors and employees would be useful for the company. The president especially would see where his employees go to ask questions and also if his message was getting through to his employees. Other methods or events that could lead to healthier relationships could be used to get the message across even better such as extended time together at a company outing. Another recommendation for healthier relationships would be to communicate with the employees when a job was well done or just a delightful acknowledge given to an employee.