

Designing fabrics – and innovative work organisation

What does this case study demonstrate?

The story of Kvadrat is one of success and growth. The company develops new solutions and services using participatory meeting forms and having few organisational walls and ceilings. The company has a culture that is supportive of Workplace Innovation and their practices are developed and implemented in an incremental and experimental way. The company has won several prizes for being a great and healthy place to work. They ascribe the open culture to their strong market position.

Workplace innovation elements: learning and reflection; high involvement innovation; supporting employee initiative.

Context

Kvadrat is an international company with 400 + employees that produces fabrics for different customer groups (retail, hotels, furniture manufacturers etc.). The company's headquarter is placed in Denmark with beautiful surroundings that inspire creative design. 145 persons employed in product development, marketing, finance, sales, HR, IT, logistics, customer service, sample & order expedition and quality department, are working at the worksite. The products are manufactured in different European countries.

Kvadrat's products are in the expensive price range. The company regards workplace innovation as a way to ensure renewal and the ability to offer a service that customers will choose over others. They have recently (2012) introduced new multidisciplinary customer segment teams, where product developers, designers, customer service assistants, logisticians and representatives from the department of quality and environment are working together across countries. The subsidiary companies take part in the team work as well. This team work practice provides the employees with a better understanding of the customers' needs, so they are able to provide better service. They are becoming better at sharing knowledge and are able to accommodate new demands. They have recently initiated partnerships with customers (in relation to Corporate Social Responsibility and environmental issues, quality and logistic). Customers are less likely to switch to another supplier, because the company can offer them a much better product and targeted service. Team work, knowledge sharing and employee initiative are seen as supportive of company success: **"It is simply what it takes to achieve our goals"** (Manager)

Workplace innovation practices

The customer segment teams are the latest addition to a longer tradition of sharing knowledge and supporting employee participation. The multidisciplinary teams are centred on specific customer segments (for example hospitals, retail); *"We work directly on how to help the customer in the very best way"*. The teams discuss their work organisation continuously and share knowledge and experiences. Other autonomous and semi-autonomous team work practices are used in the company as well. Teams in the order expedition department are distributing their work tasks at their daily morning meeting and proposing improvements of their work organisation.

The company's structure is characterised by having few organizational ceilings. It consists of 1) a board of managers, 2) middle managers and 3) employees. Furthermore there are few 'walls' as there are no strict lines of command.

The culture is focused on direct and informal dialogue: *"The 'proposal box' is dismissed. People propose changes directly to the management and their colleagues instead"* (Manager). The management group

focuses on promoting trust by formulating performance scores and goals in cooperation with the employees.

The company has developed a meeting culture that supports dialogue and employee initiative. This example is from the workers in order expedition: *"We suggested during a morning meeting that we had to renew the procedure for customer claims. We proposed that in the future, the customer should be able to attach a photo to their claim. It was implemented widely in the business the following day"* (Employee).

The product development department conducts continual innovation meetings. The meetings are conducted with a very open agenda and focus on new ideas: *"We formulate all sorts of utopian and 'crazy' ideas about how to organise our work. Afterwards, we work systematically on how to transform them into specific solutions"*.

The company also seeks to inspire the employees to renew the products by inviting artist and arranging trips to art museums.

How did they do it?

The general approach was to ensure participation from all (especially employees). The company focuses on making new Workplace Innovation practices a part of the culture – and the best way to this is through employee involvement and engagement. New practices (such as the customer segment teams) were proposed by the management group. The managers quickly 'let go' of the process in order to enable employees to develop and implement the team structure in a way that they considered useful. Everybody took part in this process and they were focused on, although management was the instigator, it should be up to the employees to 'formulate the content in the concept'. It was therefore an incremental change. The employees are continuously testing new ideas and changing them along the way: *"You can always go back to the old ways."*

The company's future and employee influence in the workplace are considered a shared responsibility. Influence creates commitment and motivation in Kvadrat: *"If you have the opportunity to influence the process, you will be more committed"* (Employee). The company has a practice for conducting meetings that contributes to employees' ability to influence the work organisation.

So who benefits?

The use of interdisciplinary customer segment teams makes it possible to approach the customer in new ways: *"It is the best way to respond to new demands in the market and to achieve our business goals"* (Manager). WPI practices are considered closely linked to the company's success. The manager stresses that an innovative culture, knowledge sharing and autonomous, interdisciplinary teams gives the company competitive advantage. Before 2000, the organisational model was more characterised by management control. The present model is characterised by autonomous and semi-autonomous teams and a 'flat' management structure.

Meeting practices enable managers and employees to create better work organization - both internally in the department and across the company. It also supports incremental improvements. Employees can decide themselves, how many meetings are needed and are therefore feeling 'in control'. It also makes it easier to get an overview of a company that is growing.

The point of introducing customer segment teams was to strengthen sales areas by bringing together different functions in multi-disciplinary teams with a common focus. The employees describe this practice as highly motivating as well.

Prognosis

Interdisciplinary cooperation and knowledge sharing gives Kvadrat a competitive advantage, a greater understanding of the market and motivated employees. They have succeeded in making WPI practices an

embedded part of their culture. Maybe steps could be taken towards a more systematic realisation of representative participation.