



2nd Work Group Meeting Corporate Management Closing Remarks

Zagreb, Croatia

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Outcome of the questionnaire - Abstract

- All responses revealed that there a restructuring process took place or is still ongoing
- Reasons cited were changes in the company's strategy, goals and objectives as well as financial
- Main drivers were:
 - financial considerations,
 - need to streamline operations,
 - change in the legal environment,
 - change in government policy
- The policy makers and top level management are the front runners of change followed by middle management



Outcome of the questionnaire - Abstract

- Stakeholders against the restructuring:
 - organized labor: employees rights and benefits would be lost
 - Employees fearing of changes
 - Some members of the managing board
- Aims of the restructuring processes:
 - Containment or decrease of operating costs
 - Increase fare revenue
 - Provide a better level of service
 - Simplification and transparency of processes
 - Integrate new operations
- Restructuring fails sometimes or takes longer than expected



Outcome of the questionnaire - Abstract

- Critical success factors for the implementation:
 - Teamwork
 - Forward planning in anticipating problems
 - Cooperation with employees
 - Good communication strategy
 - There is a right time for everything
- Main barriers in the restructuring phase:
 - Resistance from some members of management, employees who feared losing their positions.
 - Inertia. Things change very difficult especially if there is no competition
 - Inexperienced consultants
 - Not proper communication and discussion process with the employees



Certain patterns of symptoms underlying

Symptoms	1	2	3	4	5	6	7	8	avg
New skills and capabilities are needed to meet current or expected operational requirements	1	4	4	5	4	3	4	3	3,5
Accountability for results are not clearly communicated and measurable resulting in subjective and biased performance appraisals	1	2	5	5	4	4	4	4	3,6
Parts of the organisation are significantly over or under staffed	2	5	3	5	3,5	3	2	4	3,4
Organisational communications are inconsistent, fragmented and inefficient	2	4	4	2	4	5	2	3	3,3
Technology and/or innovation are creating changes in workflow and production processes	3	4	3	4	3	5	4	3	3,6
Significant staffing increases or decreases are contemplated	3	5	4	4	3	3	3	2	3,4
Personnel retention and turnover is a significant problem	5	3	3	4	5	4	4	3	3,9
Workforce productivity is stagnant or deteriorating	4	4	5	4	5	3	3	4	4,0
Morale is deteriorating	0	3	4	3	3	5	3	3	3,0



Crucial elements of and recommendations for a restructuring process

- Know the rationale behind ("why to change"), define clear goals and targets ("where to go?")
- Efficient and clear information/communication
- Commitment of all stakeholders to the process
- Sound planning and controlling of the process based on a breakdown of measurable performance indicators
- Added value of external experts (experience, credibility)
- Analysis but not paralysis
- Prediction of success
- Rewards for the change agents

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