



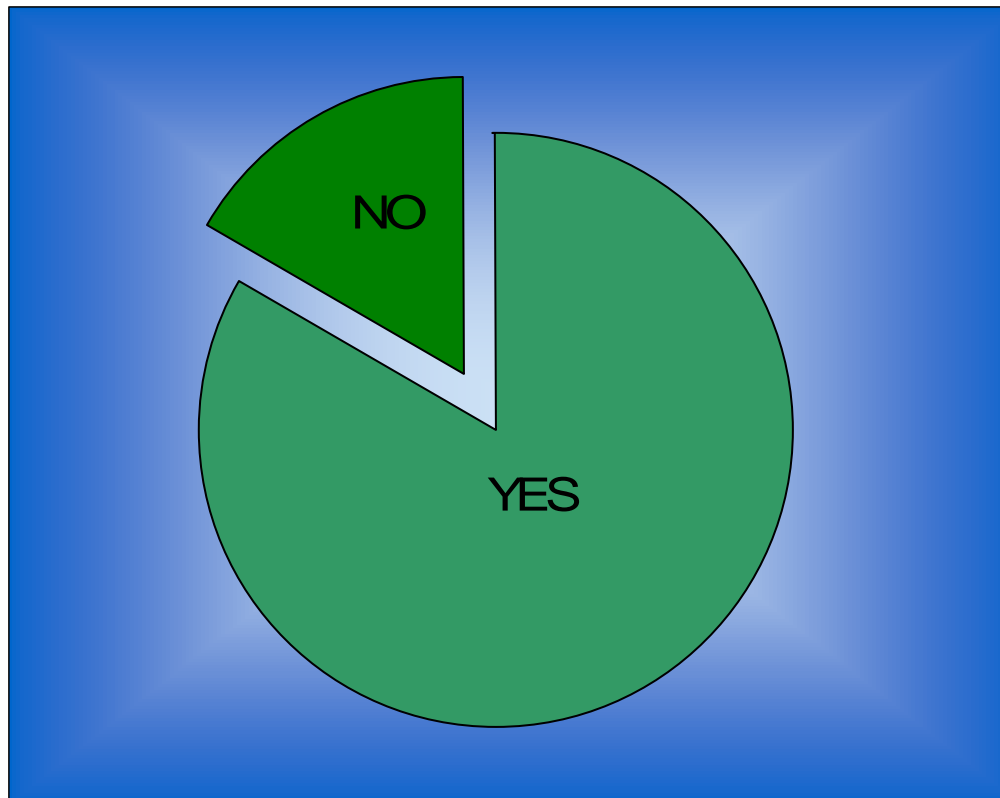
Questionnaire on Organizational Restructuring

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1.a. Has your organization been through a restructuring process during the past 5-10 years?





1.b. If yes, in which fields? Examples: institutional, financial, organizational structure, strategy, overstaffing, marketing and customer service.

- Our company built a new IT System. The strategy, mission and vision were then put into place. There was a change in management. A new marketing strategy and a new structure of company was implemented.
- Process of transformation began a few years earlier, is still ongoing with a new CEO and is expected to last till next year.
- A new organisation was established, at the same time two older organisations were closed down. The main purpose was to organize the public transport for the Region as a whole in one unit.
- The organisation moved into delivery of mainstream bus services which required the establishment of a new department.
- In all here mentioned fields. But the restructuring process began in the early 90's.
- Institutional, financial, organizational, structure, overstaffing, marketing and customer service.



Remarks

- All responses revealed that there a restructuring process took place or is still on going.
- Reasons cited were changes in the company's strategy, goals and objectives as well as financial/



2. Which do you consider the main drivers, motives or pressures for restructuring? (Examples: new company strategy, budgetary cuts, competition, change in government policy, public pressure)

- Budgetary cuts in addition to increasing costs placed pressure on the municipality in addition to the fear of competition.
- Change in government policy. There was a need for restructuring the line network, and the politicians saw the new organization as the realistic way to do it.
- The result of a new company strategy to move into more conventional public transport services.
- The transformation of society, legal base change, ownership reform and the need for the new company strategy.
- A decrease in the subsidy level
- The introduction of an IT system revealed many inefficiencies in the processes.

Customer satisfaction worsened and the company had a very wrong press image.

Org. structure: The municipality wanted reduce the subsidy, so there was a need to reduce operation costs and increase fare-revenue. In the older organizational structure the costs could not be reduced..





Remarks

- Main drivers were:
 - financial considerations,
 - need to streamline operations,
 - change in the legal environment,
 - change in government policy,



3. Which stakeholders (employees, unions, management, owner, politics, ...) were in favor of restructuring and why?

- The owner (municipality) and politicians due to the budgetary cuts.
 CEO- leader of change
 Director for transformation- it is his job
 Top and middle management (partially) – motivation to change (especially newly hired executives)
 Employees (partially) – motivation to change from the long time status quo
- Owners (politicians) because they saw the restructuring as a realistic way of strengthen the position of public transport in the area.
- All staff were in favor of taking on the new business because they felt it could strengthen the organization as a whole and make its standing more secure.
- IT: The management because the real and consistent dates are always important.
 Marketing: Management, owner (politicians) : our company is popular and successful.
 Org. structure: New management and politicians; the have to reduce costs
- Decision makers/politicians at all levels (state, local) and the management of company. The reason was that society understood the need for big changes because the central planning economic rules didn't work anymore. Employees were satisfied with changes. Unions were weak at that time. Now they are dealing only with salary problems.
- To decrease subsidy and staff and increase efficiency of the company



Remarks

- The policy makers and top level management are the front runners of change followed by middle management.
- Employees in some cases were in favor as they saw the opportunities that arose from the new market environment.



4. Which stakeholders were against restructuring and why?

- Labor unions – social impacts on employees
Top and middle management (partially) –fear in change (in processes, loss of position)
Employees (partially) –fear of losing job ,fear of change (more work)
- The employees were skeptic about the change, mainly because of their rights would be lost.
- Generally the unions and sometimes the employees. (They did not want to learn the new technology)
- None were against although one or two company directors were apprehensive as they viewed the expansion as a possible risk
- Against the restructuring were a few members of the management board and city government/ council. So the hardest work was to change the way of thinking
- Some employees afraid of any changes. Unions –afraid of staff decreasing



Remarks

- Mainly organized labor to some extent as they viewed that some of the employees rights and benefits would be lost
- Employees fearing of changes
- Some members of the managing board



5. What were the specific aims of the restructuring plan?

- Less operating costs and more turnover (fare revenue).
- Decreasing costs and increasing revenues –economical responsibility on each management level
 - Development HRM (soft management)
 - Offensive marketing (external, internal –communication)
 - Increasing quality of service and quality of processes
 - Decreasing overstaffing
- Increase the strength of public transport, increase the service and lower the cost.
- To accommodate the expansion of new service types. This was done by establishing a new 'bus services' department. The aim was to integrate traditional operations and to create synergy between them
- To define the company's aims in the new market economy and to optimize recourses
- Simplification and transparency of processes and more effective management



Remarks

- Containment or decrease of operating costs
- Increase fare revenue
- Provide a better level of service
- Simplification and transparency of processes
- Integrate new operations



Was the outcome of the restructuring process successful and if yes how was that measured?

- Yes, but the process is still ongoing
Measured by financial criteria and service quality indicators
- Yes
Measured by more effective control of costs
- Yes, although there are not any special measurement indicators.
There was a reduction in person resources and additional revenue





- It has been relatively successful but it has taken time.
New department was viewed with suspicion
Integration problems
Overall, measured in better organizational and financial health.
- No, the number of passengers continued to decrease, no increase in the level of service, increase in total costs
- No. Some improvement in some indicators but overall the “the operation was successful but the patient died”i



Remarks

- In most cases the restructuring process was successful.
- In some cases it took some time for the results to appear.
- In two cases the results are disappointing



7. Could you please comment on the implementation strategy that was followed?

- Before the new organisation started, there were good preparations made. There was a project group that prepared the start up of the new organisation, a detailed report / document was written and discussed in the political bodies involved. Good cooperation all the time with the staff and the unions involved.
- IT: It was a professional process from the 'brown paper' and brain storming to the process description, test and implementation.
Marketing: The actions are supported by management and owner.
Org. structure: Based on honest and adept employees
- This involved a process of consultation with staff and board members to endorse the re-structure. This was felt to be essential in order for people to take ownership of the process. Secondly Management agreed an implementation plan with key stages focusing on the different aspects of the process. For example, physical relocation, administration, financial.
- Preparing – team of firm experts and external consultants
Implementing 1st phase – bottom up
Implementing 2nd phase – top down
- To create the clear purpose of the companies activities, considering the demand of market economy rules. It gave new economic directions for the company. For example there were closed some activities, which wasn't connected with passenger service and didn't support it at all (kindergarten, canteen act.).
- Analyzing processes and follow recommendation consulting company



Remarks

- In most cases a consultation process was followed with the involved bodies.
- In some cases external consultants were hired
- Implementation in phases



8. Which do you consider the critical success factors for the implementation?

- Agreement and teamwork of management
- Good preparation, good relations with the staff and the unions.
- The willingness of staff to embrace change and to work positively to achieve it. Forward planning to anticipate problems.
- Market economy relationships came into existence; they were supported by the legislation. The enthusiasm of the people was great, therefore the opposition to all changes were very small in the company. Changes at that time were very successful. After that was stagnation because mainly from the attitude of a key person whose management style was not considered proper.
- Implementation of ERP System
- The employees have to be convinced about the necessity of change. A good communication is very important but propaganda only is not enough.



Remarks

- Teamwork
- Forward planning in anticipating problems
- Cooperation with employees
- Good communication strategy
- There is a right time for everything





9. Which were the main barriers that were encountered in the restructuring phase?

- The employees and unions think that there is no competition so they are able to dictate their views.
The consultancy company was not experienced in the PT sector
- Resistance from some at the management level
- Some members of the management and the staff were not ready to recognize the new structure once it was installed.
- People of the central level of management were afraid that they would lose their positions. Therefore they “attacked” this process a little.
- Internal communication and education process of employees



Remarks

- 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



Was there a change in the organization's mission and goals statement before or after the restructuring process?

- 4 No (In one case better definition and partial change)
- 1 Before
- 1 After

**In most cases there was
no change
in the mission statement**





11. Was there a consultation process with all involved stakeholders prior to the implementation of the restructuring plan?

- 3 answered simply Yes
- We carried out a series of meetings with existing employees and board members in order to inform them of a) the role of the new department, b) the way in which we intended to establish it and c) how this might affect their role within the organisation
- There was consultation process on political level
- Generally there was not. There were many projects with different committees, but some stakeholders dictated and some implemented. (and the unions protested.)

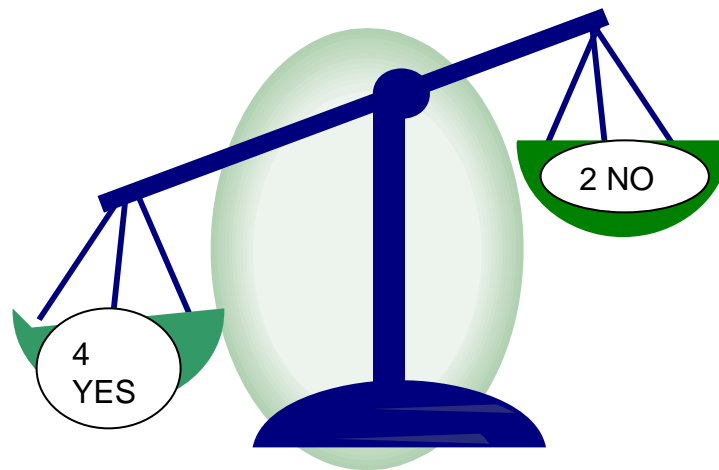


Remarks

- In four out of the six cases there was a consultation process.
- In one case it was done only at the political level
- In once case they pretended that there a process going on. The outcome was predetermined



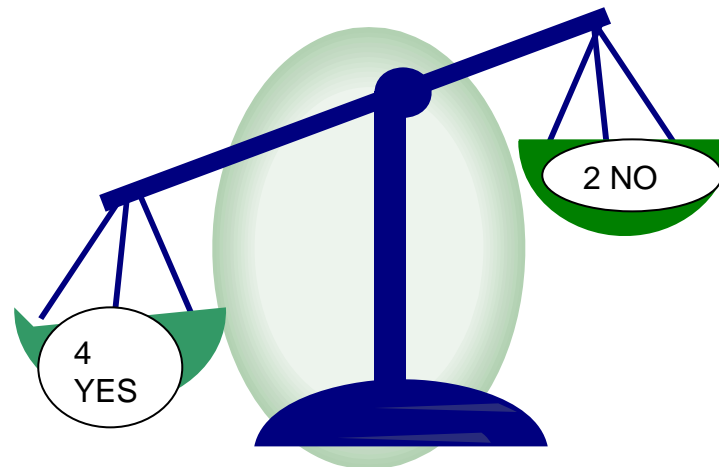
12. Has your organization received outside support (consultancy) for the preparation of the restructuring plan?





13. Was there an issue of overstaffing and if yes how was that dealt with?

- No
- No, overstaffing was not an issue as this was an expansion
- Yes
- Yes. All employees over a certain age were given retirement and a few hundred had to change their profession or be dismissed
- Yes, in 2nd phase there is external HR audit
- Yes, Management with HR Created the plan which allowed us to reduce the staff without major problems





14. What is the present legal form of your organization (Examples: private operator, municipal public transport operator, regional transport authority)?

- 4 Municipal PT operators
- 1 Public Transport Operator





15. Does your organization operate under a competitive tendering scheme?

- Yes
- Yes.
- We tender for some services from the Transport Authority
- Although it is required by law, it was not successful during its implementation.
- Not yet, we have a service contract till 2012.
- No, there is direct award



16. Does your organization have a contract for providing PT services?

- **Almost all have answered yes**



17. Does your organization receive subsidy from the state and if yes what percentage of the operating costs are covered by the subsidy?

- Yes; the fare revenue covers about 35%; the fare subsidy for students and older people about 18%, the operating subsidy from the national budget about 30% and 10% grant from the owner only for investment.
- 65% - by municipality budget
- Yes, close to 2/3 of the operating costs are covered with subsidy.
- Yes, we receive an annual grant which last year accounted for about 10% of turnover
- Yes, but from the year 1997 there are not anymore subsidies from state level. Only from city government budget there is support to PT. For example about 50% income is from ticket and 50% is subsidy, however about 25% is subsidy and other 25% is compensation.
- 47,78%

Remark: All PT who answered the questionnaire receive subsidy which ranges from 10% of turnover to 65%



18. What is your community's attitude towards public transport and does your community believe that the transport company is managed well?

- There is a strong marketing strategy and popular change in the service (new lines, higher frequency, new vehicles) but there are serious problems (strikes, political scandals) as well. The community opinion has not been changed.
- PT – is better, than before (good quality, wide network, cheap tickets)
The PT operator, is considered a large company, witch makes non effective use of public money
- In general the public doesn't believe that public transport is a realistic option, and the attitude is therefore that public transportation is mainly for those who have no other options for traveling. There are very different opinions on the management.
- The local community are very supportive of the concept of public transport. However, the main view is that they do not generally receive a good service. The popular perception is that the larger bus operators do not put the passenger first and are interested solely in profit. The result has been a diminution of the network and battles between companies to gain prominence on key routes. Also fares have escalated to the extent that if three or more people travel together it can often cheaper to go by taxi. My organization, as a not-for-profit organization is viewed quite differently and appears to be well-regarded by the local community. Our reliability and high standards which are recorded would suggest that the organization is well run
- As we have in Regulated Management System of local PT, then the responsibility of main activities, influencing the attitude of the community are the responsibility of Municipal Transport Department .(Local Government and council).
- We have positive attitude. Community believe that the TC is managed well



Remarks

- There are mixed feelings of the community towards PT.
- In some cases there is the feeling that PT is trying to offer a better level of service and to maintain costs while in some other cases its quite the opposite.
- Private operators are viewed as aiming for the profit only



Thank you
for your time
and
for your attention

