

Issues discussed during the second meeting of the Working Group on Corporate Management Zagreb, Croatia October 2007

During the second meeting of the Corporate Management Working Group, 8 experts from six EU member countries and 4 representatives of the cluster partners made a thorough study of the past and present restructuring of PT organizations. Participants also studied and discussed conclusions drawn from the results of the questionnaire on restructuring, which was filled out beforehand by the experts.

The working group members discussed the methods and processes used by public transport authorities and companies and came to the general conclusion that there is **significant interest in the need for change among public transport authorities and operators and methods used** in both small and big cities in Central and Eastern Europe.

Based on the collected information and data, a full inventory of all was made. Some of these issues and topics are listed below:

1. Inventory of symptoms indicating the need for change

- accountability for results are not clearly communicated and measurable, resulting in subjective and biased performance appraisals
- parts of the organisation are significantly over or understaffed
- organisational communications are inconsistent, fragmented and inefficient
- new technology and innovation are creating changes in the workflow and production and processes
- significant staffing increases/decreases are contemplated
- personnel retention and personnel turnover is a significant problem
- workforce productivity is stagnant or deteriorating
- morale is deteriorating

2. General recommendations by experts based on the outcome of the questionnaire on “restructuring”:

- first you have to diagnose the need for change thoroughly without becoming “ paralyzed “in a sense define if it is a “dramatic” or fundamental change process or just a process to improve or make things better in only parts of the organization, like a division or a department)
- get a clear understanding of the reasons for restructuring.
- get a clear description of the goals for change and consensus for it at all levels in the organisation.
- make a strategic change plan and describe the various tasks and responsibilities
- restructuring has a lot to do with feelings and emotions of persons involved. This is the culture side of restructuring
- planning and timing is very important and should be included in a project plan. Sometimes it a good idea to make a planning for the “first 100 days” of the change process, which will promote the sense of urgency among change agents and personnel
- the management of the change process could be done in a matrix, which can be more effective
- it should be clear at the start which “quick wins” could be achieved
- the role of the HR-department is very crucial and special HR-policies should be designed (for example a mobility centre for people that will have to leave the company, new job descriptions, additional training and development etc.)

3. Presentations by experts and some conclusions:

The following presentations were made:

- a. Presentation by Mrs.Ene Mall Villemi on “Restructuring organisational structure – example from Tallinn”.
- b. Presentation by Mr.Asgeir Eirikson “Greater Reykjavik Transportation – Restructuring Process 2001.”

c. Presentation by Mr. Rene Dvorak –“Restructuring at the DPMB organisation”-Corporate Management, Quality Management and Performance Management

d.. Presentation by Mr. Jan Barchanek – “Prague Public Transit Company- Change Management

After each presentation a discussion was held which resulted in the following remarks, recommendations and conclusions:

- it is important if a country has some kind of a Transport Act
- downsizing is sometimes accepted by all personnel if everybody has the same vision on what has to change in the local PT-market
- the role of a CEO or leader (sometimes a mayor) is crucial
- new management methods are introduced during the process
- it becomes more complicated when stakeholders do not have a shared mission and or vision
- transparency is an important issue during the change process
- future privatisation is a fundamental reason for starting a change process
- a change process can be started with the introduction of a new IT/ERP system.
- in some cases it is not so easy to calculate the added value of all the changes or to calculate the overall return on investment (ROI) for the company
- the method of “service level agreements” can be of vital importance
- in some change programs there are no major changes in the quantity and/ or quality/competencies of managers/personnel
- the speed of change is important and a sense of urgency
- quick wins can be of great importance
- change managers have to be competent and sincere

Next steps

At the end of the meeting it was agreed to start developing some good Corporate Management practices and experts will be contacted in the near future to write a specific good practice on performance management, restructuring and or human resources management or development.