

Improvement of the effectiveness and potential of employees

What does this case study demonstrate?

A takeover of the enterprise by a new owner, investments in infrastructure and employment limitation resulting from a market slump may become a stimulus for initiating a transformation process and change of the management model. Following the *lean management* concept, strongly associated with the planning process, the company implemented a number of changes leading to continuous improvement of efficiency and quality of work in all areas. This resulted in an increase of the employee commitment and the use of their potential.

Workplace innovation elements: Support of employees' initiatives, improvement of confidence, greater commitment of employees, openness and communication, broadening of common knowledge and experience

Context

The described enterprise deals with production of on-board appliances, mainly hoists and on-board safety devices. Currently, it employs 156 people, out of which 86 are production workers. The history of the establishment dates back to nineteenth century. In the 1990s, the plant underwent a series of ownership-related transformations, to be eventually acquired by the international group to which it belongs at present. The inclusion in the group was associated with the transformation of the entire company and, as a result, changing it into a Centre of Excellence in the field of manufacturing installation of on-board equipment. An important step in the transition was an overall remodelling of the production workshop and development of the machine pool in 2010. In the meantime, the company was affected by the effects of the economic recession of 2008. The effects of the market downturn were noticeable since 2009. The above changes became a stimulus for transformation in the area of management and planning. One of the key assumptions of this transformation is the application of the *lean management* concept with its strong connection to the planning process. This approach covers every aspect of functioning of the enterprise, from production, through human resources, to the sales department. The efforts undertaken are aimed at the constant improvement of efficiency and quality of work.

Improvement of effectiveness

The most important initiative aimed at development and improvement of the company in all respects is the programme entitled *Improvement Journey*, consisting of individual projects involving all parts of the company. Decisions about implementing new projects are taken by the management. Each year during budgeting period the management sets new strategic goals for the company which have to be achieved by the projects. The goals and the projects are a response to the customer requirements. They cover strategic areas of the company from production and time of delivery the products, through human resources development, to the sales department activities. Each of the projects has a goal, a schedule for its attainment, and indicators monitoring its success. There is a team, coordinator and sponsor assigned to each project. An impressive achievement of this programme was the reduction of large windlasses production time: the employees managed to shorten it by as much as 35%.

Daily PDCA (Plan-Do-Check-Act) meetings, element of Kaizen philosophy, are crucial for constant improvement of efficiency and mutual learning. As one of the workers says, these meetings serve to discuss the *conclusions from the previous day, what mistakes we committed, what can be done better*. At

the same time, he emphasises the importance of teamwork: *We talk with one another as a team; we try to take as much as possible from one another. As we repeat, force is in the team, not in an individual.*

Besides the PDCA, another important factor in increasing the efficiency of work was the implementation of the 5S (a *lean management* tool including 5 steps: Sort, Streamline, Sweep, Standardise and Sustain), which is currently maintained through the 5S competition created in the company. The competition consists of monthly audits of all departments. The points awarded in the framework of each audit are summed up at the end of the year and the winning department gets a prize (e.g. a team event in a bowling alley). The idea of the competition is to engage the office staff in the audit of production teams and vice versa, entrusting the production staff with the audit of the administrative section. This gives both employee groups a chance to contact and become familiar with other people's work.

The workplace ergonomics significantly improved thanks to the 5S; as the workers said, they had: *A lot of training, [...] on how to speed up production, how to reduce unnecessary walking, how to organise the workplace properly*"

The measures described above significantly influence the continuous improvement of different areas of the activity of the enterprise; yet, there is another priceless tool which allows making use of the employees' inventiveness.

Use of the employees' potential – *I Have an Idea* competition

During the training sessions conducted, the management noticed that the employees had excellent ideas on how to improve their work; yet, these ideas dissipated and were not eventually implemented. For this reason, the management decided to prepare a tool that would allow the enterprise to make use of them. On the basis of the solutions used in other companies the contest *I have an Idea* was launched; in its framework, the employees can submit their proposals for various improvements, usually regarding their workplace and activities. As the workers put it, *"I have an Idea" is about helping ourselves. It is about improving the process [...] and making our work and life easier...*

Examples of reported, award-winning projects indicate that these solutions often yield tangible effects, such as cost reduction or shortening of time of performance of particular operations. Many of the ideas are associated with the rules implemented through such tools as the 5S.

We had torque wrenches in the workshop, there were a lot of them [and they were] scattered in all the cabinets. Actually, we noticed that if something needed to be found, the worker is looking for it in all the cabinets or asking where that thing was. The colleagues came up with the idea to make a [...] cabinet, everything fits in one cabinet [...] Everyone puts it [the wrench] back to its place, otherwise it does not fit.

"I Have an Idea" is a competition in which awards are given for the best solutions constituting a form of encouragement for the employees. Yet, the interviews conducted confirmed that the award itself is less important than the possibility of improvement of quality, efficiency and safety at work.

So who benefits?

Greater involvement of the employees – as one of the workers says: *I think the direction of the whole logic of thinking is that the crew needs to get support from the bottom, a sort of foundation. You are supposed to give support, and the employees will then [...] go an extra mile if they see their direct superior is giving them something.*

Improvement of competitiveness – the employees are aware of the necessity of implementing changes: *If those changes had not taken place, the clients may have left us. [...] We want to have jobs, maintain our families. If there are no orders, there will be no work. If there is no work, there will be no employment. We are aware of it [...]. If we produce more, better, quicker, we may earn more.* They are also aware that the company's competitiveness depends, to a great degree, on their work: *We want to be better than the competitors, we want work to be commissioned to us, and one needs to make a high quality product to be*

competitive. [...] If a client comes to a well-managed, clean company, with everything in order – he has a different view. [...] He comes here and says, this is where I need to order; [...] you can see that professionals work here”.

Use of employees’ potential – before the launch of the competition *I Have an Idea*, the employees’ potential had not fully used. *We noticed our employees had great ideas. We observed it during training sessions [...], the employees have a lot of [...] ideas on how to improve their everyday work, but they dissipate.* Now, they are reported and everyone can benefit from their effects.

Prognosis

The process of continuous improvement thanks to programmes as Improvement Journey and initiatives like "I have an idea", the change of management model, improvement of communication, making use of the employees’ potential and constant perfecting allowed the increase of performance, efficiency and safety at work. The employees’ commitment and their awareness of influence on the position of the enterprise give a chance for long-term success; all of them know that the success of the enterprise is their success as well.