

Jarosław City Transport (JCT) (Miejski Zakład Komunikacji w Jarosławiu) – Strong leadership and employee commitment

What does this case study demonstrate?

The emergence of the threat of closure and liquidation of the establishment, associated with significant reduction in the number of jobs, were the main reasons for bringing about major changes in JCT. Employed in 2012, the one-person management board was supposed to stabilise the financial situation of the company and improve the relations among employees, executives and representatives of the city authorities within the enterprise.

New, strong leadership contributed to the improvement of the functioning of the enterprise by reducing the number of conflicts and increasing the level of dialogue within the company. The relationship between employees and managers improved. The new management dramatically changed the style of taking actions in the company. The new chairman strengthened the partnership in the workplace and the internal potential of the company's resources.

Workplace innovation elements:

Improvement of working conditions, increase of mutual trust, commitment of the organisation leader and employees, dialogue and communication, learning and thinking, consulting key decisions, reduction in the number and intensity of conflicts, open relations in the company.

Context

The described company is a public transport operator in the town of Jarosław (located in the south-eastern part of Poland, with a population exceeding 40,000 thousand inhabitants). The company offers transport service to the residents of the town and to the employees of the nearby industrial plants. Recently, the company has also made the in-plant car service and filling station available to all customers. The company employs 52 workers, out of which 35 are professional bus drivers.

Originally, in 1972, the company was founded as a unit of the Municipal Engineering Enterprise, providing its services to the regional industrial and agricultural centres. In September 2007, along with the wind-up of the state-financed enterprise, the company was transformed into a commercial company, owned by Jarosław Municipal Office. The transport services provided are independent from the jurisdiction of the city, but the ticket prices and budget used for the operation of the company are set out in the regulations of the City Council. The economic recession in 2010 affected the financial stability of the enterprise. Lack of liquidity caused an increase of tensions within the company, as well as between its leadership and Jarosław city authorities. In 2012, the situation was so serious that the company was threatened by closure and filing for bankruptcy. In March 2012, the City Mayor decided to take a decisive step, change the entire company management and employ of a new company chairman. The main objective of the new management was to stabilise the situation of the company and save it from bankruptcy.

WPI – Stability and dialogue

The most important objective which the new chairman undertook and accomplished was to stabilise the situation of the company. His actions concerned the improvement of working conditions within the company and appeasement of tensions between the employees, enterprise management and Jarosław city authorities. Parties involved in conflicts discussed their claims separately and independently with the chairman. The company leader was also introduced and approved taking advantage of commercial activities performed by JCT. The chairman, as a trade union representative, brought extensive experience in establishing and stabilising business and professional relations. He raised the level of confidence within the organisation, and broadly understood improvement of the working environment. His approach to the staff is characterised by great openness, mutual respect and comprehension. Before taking any decisions or bringing about changes related to the functioning of the enterprise, the chairman always consults with the employees. The leader of the organisation understands that long-term stability and growth of the company require the strengthening of the employees' confidence and understanding their needs. The employees need to feel that their voice does matter in the organisation and they have real influence on the functioning of the company and its potential growth.

The initial situation in Jarosław City Transport was very complicated. The Chairman decided to inform the staff of the financial situation of the company and its problems. Such an approach to the employees turned out to be beneficial. The employees and trade unions appreciated the employer's honesty, showed support for the new management board and offered him help with the search for solutions to problems. The communication within the company improved significantly. Having direct contact between the workers and the chairman, outside the framework determined by the company hierarchy is highly regarded and used when necessary.

There is a practice of regular monthly meetings of the management board. Employees can present their own suggestions and initiatives relating to the company, directly to the chairman, without the need of consulting with their superior or trade unions. The practice of consulting decisions by the heads of departments and the chairman is also applied in the case of regulatory changes, implementation of new technical solutions or matters of handling arising problems.

The employees and the chairman unanimously emphasise that dialogue, mutual trust and common involvement of employees and managers in the operation of the company are crucial for the creation of positive conditions in the working environment. This applies to both bottom-up and top-down initiatives.

WPI – Strong leader and high employee commitment as conditions of the implementation of ideas and initiatives to strengthen the enterprise

The new leader, after taking over the management function, did not reject the previous chairman's experience and employed him as an adviser. Consistently, in order to get acceptance of all groups of employees, the chairman consults his proposals of changes and key decisions with the workers, willingly making use of their knowledge and competence. The employees willingly share their ideas and knowledge; they feel responsible for the enterprise.

On the basis of the information obtained from the employees and the chairman, the following solutions, undertaken on the initiative of the employees, have been implemented in the enterprise:

1. Making car service and filling station available for individual and corporate clients.
2. Ergonomic technical solutions of procedures carried out in the car service workshop.
3. Modernisation of accounting and archive procedures in the enterprise, adjusting the functioning of the departments to the requirements of an independent transport company.
4. Change of bus routes suggested by the drivers, at the request of the passengers.

5. Use of new working clothes in the car service workshop, meeting the requirements of safety and durability in harsh working conditions.

The implementation of new solutions initiated by the employees is also planned; however, it requires additional financial resources.

Who benefits?

Increase of the involvement of employees – based on the statements of a trade union representative: "... we feel that our voice and comments are important to the company and that we have influence on the form of (its) functioning."

Encouraging the employees to seek improvements and solutions to problems – the management board encourage the employees to present their ideas and submit feedback: "... the employees feel they are treated seriously if they can decide how to perform their work or propose solutions for the improvement of the functioning of the company..." (quote from the chairman's statement).

Stability of the enterprise and strengthening of its market position – "... the employees are aware of the situation of the company and its functioning...", "... If (the employees) feel responsible for this company, they look for solutions and sources of additional revenue" (employees' statements)

Prognosis

The new management model, combined with strong leadership, has transformed the conditions of work in the enterprise. The employees feel responsible for the entity and get involved in various activities for the benefit of the enterprise. The commitment of individual employees and their sense of responsibility for the organisation results in improving relationships within the company and influences its stability. The employees share their ideas since they see the connection between their actions and the success of the entire company. Seeing real results of their work, the staff is more effective.