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## **AB Lietuvos Pastas: The challenges that workplace innovation is helping to solve for ‘traditional’ businesses**

### **What does this case study demonstrate?**

AB Lietuvos Pastas (AB Lithuania Post) exemplifies workplace innovation practices as enablers for company transformation: WPI reduces organisational walls and ceilings, improves cooperation between various parts of the company and enhances shared knowledge by integrating tacit and strategic knowledge. The role of the trade union was vital for the practice to succeed in this company.

Searching for effective ways to enable the full potential of company’s transformation has brought an interest in work place innovation practices. The so called company’s Loyalty Day is one of them and it is helping to mobilise all company’s employees to develop a common identity and to consolidate all staff towards common organisational goals. Loyalty here means loyalty to each other and the company as one team.

**Workplace innovation elements:** reducing organisational walls and ceilings, enhancing shared knowledge and experience, more openness and communication, integrating tacit and strategic knowledge.

### **Context**

There is probably no other big company which has experienced such big transformations as AB Lithuania Post in the last few years. Significant changes were introduced in 2010, when completely new management was brought in and the company was restructured to make it more innovation-driven, profit oriented and efficient as a state-owned company. Today the company employs almost 6000 people and the network of public postal service (UPS) access points consists of 676 permanent post offices in urban and rural areas, their 19 sub-offices and 134 UPS access points in rural areas covered by 27 mobile post offices. Since the end of 2012, Lithuania Post offers new financial intermediation services. For this purpose, it has established a network of 185 PayPost points to deliver this service. The subsidiary company UAB Baltic Post has recently established the network of 71 self-service parcel terminals LP EX-press 24 installed in 41 Lithuanian cities and towns. In addition, AB Lithuania Post itself arranges the entire process of transportation of international postal items by air transport and vehicles. Despite the company’s geographical spread, it has to work as one team, because the quality of work output of one part of the company influences the work in the other. The common identity for the company as one team working towards common goals has never been as important as before.

### **Workplace innovation practices: ‘Loyalty Day’**

The ‘Loyalty Day’ is a practice when top and middle management from the central administration (about 30 people each month) are able to visit any part of the company to work along the whole working day of that unit / position. Such visits are organised once a month (usually last Friday of

the month) from April to November. The primary aim of the visit is to get better knowledge of working processes in various parts of the company and to enable the exchange of work experience and knowledge sharing. There is a requirement to start the working day at the 'placement' at the time when it starts in that particular company unit. For instance, local postman starts his work at 6 am, night shifts in the post sorting department start at 11 pm; the post is transported during night time and so on. After the visit, the 'visitor' completes a so called Feedback report containing a section on 'Observations / suggestions': Is it possible to improve working processes in this particular unit? How? Is there a need of the technical base renewal? Any observations regarding the working environment? Is there anything that could be improved? - and What has been learnt? The feedback is then assessed and recommendations for implementation delivered. For instance, parcel scales were moved to another (more convenient) place in a local post office; a person from the local post office has seen all the hustle involved at the Post sorting unit when parcel forms are not properly filled in; an IT person has observed live launch of a new information system that all local post offices had to use; a large group from the company's administration has observed the Euro introduction process in January, 2015 to get a first-hand glimpse of the challenges involved at the local post office counter and similar. Once a year this possibility is offered to any employee of the company for learning and / or experience sharing purposes. In total there have been about 520 visits organised since the introduction of the practice.

### **How did they do it?**

The practice is not complicated to introduce: there should be a common agreement that such practice is required, commitment and support by the top management as for many workplace initiatives, then a description of the practice should be prepared covering information who, when and for which purpose should participate in this programme. You also need enthusiasm and believe in the initiative and its success in changing organisational culture, which is not difficult to achieve, if you are passionate about what you do. However a particular attention has to be paid to the 'lessons learnt' – an early involvement of trade union representatives while implementing this type of practice is essential. And there are number of reasons for this. First, you would avoid unnecessary reservations, suspicion or fear about the initiative and its 'actual' purpose from 1<sup>st</sup> line employees and their line managers; second, you may get a very useful insights for the practice to succeed in one or another organisational context to master a 'smart' change management strategy; and the most important, you would enable to create a more open and trust based environment for a real organisational learning to take place.

### **So who benefits?**

There are many beneficiaries in this process: employees, company managers, employee representatives, the company and the client in overall. Facilitating an effective organisational learning, appreciation of 1<sup>st</sup> line staff, breaking organisational walls and ceilings, bringing administration closer to 'the ground', recognising each other's importance for an effective company's functioning, ability to check, if the 'theory' works on the 'ground', opportunities for better informed strategic decisions, ability to improve working practices and the overall quality of the organisation. The practice stimulates common organisational identity through organisational learning, where both strategic and tacit types of knowledge are integrated to produce new quality.

### **Prognosis**

The practice is considered as a very important tool in achieving long-term company's goals, therefore it is likely to be supported, developed and maintained over a long time period.