

HIGH ROAD TO WORK ORGANISATION

CASE STUDY

PTT Post



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Abstract

This postal company it is one of the largest employers in Holland and has implemented team work on a large scale. The change to team work was first tested at several pilot sites before it was implemented throughout the company. This case study describes the process of change team work at a large company.

HI-RES Case Study: PTT Post

Sector

Nace code I.64.10, post and courier activities

Key Words

Sociotechnical change; team work; post and courier company

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1. Background Information

This postal company performs post and courier activities (Nace code I.64.10) and employs over 51,000 people of which 15,000 are involved in sorting and 30,000 in delivering. Its activities consist of the collection and sorting of incoming post and its delivery. It is currently the market leader but the competition is growing. In order to stay ahead of the competition the management of the company initiated the “working in teams” project.

2. Drivers for Change

The “working in teams” project is based on sociotechnical change principles and was executed in the post delivery section, which comprises delivery people, management and the support departments. Because the organisation is large and widespread it was not possible to implement the change at once.

The objective of the change was to continue to improve results. Although the company has strongly improved its results over the last few years continuing improvements are necessary to keep ahead of the competitors. Moreover its monopoly on delivering letters will end soon. The company was prepared for this and much capital investment had been made – for example six new sorting centres with very modern sorting equipment and a new transportation structure. Little had been invested in the change potential of the personnel. In the past the activities of some of the employees had been standardised. For example the activities of delivery people had been standardised to the minute.

This extreme standardisation is counter productive for the employees and the organisation and inhibits flexibility. Employees only carry out work as described in their job description. This leads to problems when the work flow is irregular – for example sometimes there is

much post, at others less. In order to change job descriptions, employee participation is required.

The company is aware that a reappraisal of the work of post delivers is required in the future in order to attract personnel.

It is also aware that other ways than standardisation must be found to improve the results in a continuously changing market. The organisation be flexible and the pace of change must increase. The post is a very centrally controlled organisation, there are many local differences which are increasing. Choices must be made to be able to respond to local changes.

The company is one of the six best-performing post companies in the world based on a benchmark performed by McKinsey. Those in Sweden and Denmark performed better concerning employee involvement because they used team working. Therefore, if the company wants better performance, more use should be made of its human resources and cooperation between the employees should be improved. At present employee involvement and cooperation are not very strongly developed because the general idea is to deliver the post as quickly as possible in order to be able to go home early.

3. Characteristics and Process of Change

The introduction of teamwork is not a top-down process at the post company. Typical for the change process is a certain level of freedom to work in teams. A minimum of 80% of the employees in a department must anonymously vote in favour of teams. This vote is preceded by extensive education sessions, first for the management (area- and establishment managers and group leaders). A second education session was organised for the delivery people. This education session consisted of a brief explanation of the team concept, questions and discussion. Delivery people visited other establishments that already worked in teams on a regular basis. In this way they could hear from colleagues what this way of working meant before they had to decide which way to vote.

At the beginning of 1997, team work was implemented at 30 pilot sites. At the end of 1997, the first evaluation was made to decide whether the number of teams would be extended or not. The results were positive and the number of teams was extended.

The change process at the pilot sites consisted of the following steps:

- Introduction of the team concept.
- Education sessions for the management.
- Education sessions for the delivery people.
- If voted for, implementation of the team concept (at the pilot site).
- Evaluation of the pilot sites.
- Further extension of the team concept at the post company.

The most essential characteristic of the change is working in teams.

In the middle of 2000 the final evaluation of the "working in teams" project was carried out. It showed that in the departments where teamwork had been implemented the results were better than in the other departments. Based on this, it was decided at the end of 2000 to implement teamwork all over the country. Before January 2003 it is planned that all post delivery departments have will have embarked on the first stage of the team concept including training programs.

4. Obstacles to Change

A few obstacles are connected to the implementation of teams:

- Some managers are afraid that working in teams will have a negative influence on the results. The postal workers however associate the team concept with an increase of productivity.
- Another obstacle is that the managers and the staff want to stick to their current tasks and matching status and do not want to hand over a number of coordinating tasks to the teams.
- Working in teams is also seen as the next project in a long line of projects. This is because there have been many projects that have not lasted for long in the organisation.

A participative approach in which all employees were involved and good communication of the progress of change prevented these obstacles from slowing down the change process.

5. Risk Analysis

A risk was the reward system. Because of the extra tasks for the delivery people according to the current method of function assessment there is a danger of increased salaries which may have a negative influence on the profitability of the organisation.

By starting bottom-up, the support of the delivery people is directly sought. That is why the support for the process of working in teams for this project is completely different from previous projects. There is no pressure regarding the implementation time or the results that have to be reached. The most crucial factor in the renewal process is belief in the employees and the understanding that a good balance between the quality of the organisation and the quality of work leads to the best results.

6. Benefits of Change

The team concept at the post company is based on the general design principles of teams, adapted for the company. The teams consist of approximately ten team members: large enough to be able to replace each other and small enough to make direct communication possible. The teams are heterogeneous, to prevent unbalanced teams. The teams are much more involved in the work they carry out. Because they have taken on more responsibility, their independence has increased and they are able to organise their work in the way they consider to be the most efficient and effective. Team members have to cooperate with their colleagues much more in order to obtain the team result.

Because of working in teams, the team members have more responsibilities for the final result as well as freedom in deciding how to reach these results. Training improves their knowledge level and increases the rewards. In other words the quality of work and work relations improve.

Conclusions

The team concept was introduced at the post company and implemented successfully at the pilot sites. Because of this success, it was decided to expand the team concept to other delivery centres. Working in teams improves the flexibility of the large organisation and makes the work more interesting for the employees. To stay competitive in a fast changing environment in which competition is becoming stronger, these are necessary conditions for the post company. By implementing modern organisational concepts like teamwork, the company is able to stay competitive.

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