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Human Resources Development
CASE STUDY 5

People in focus

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People in focus

**How the Brazilian water and
sanitation company SANEPAR
achieved success by putting its
staff and customers first.**

A Human
Resources
Development
Case Study
No: 5 in a series

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Foreword

The World Health Organization (WHO) and the Swedish International Development Authority (SIDA) are jointly producing a thematic series of case studies focussing on Human Resources Development.

Our intention is to both illustrate and document various methods, used in different parts of the world, which aim at improving human performance.

Activities and projects selected for this series are all of an innovative nature. They show that there are usually a variety of methods other than classical classroom training to help people do their jobs better.

While country reports and project descriptions are common, one seldom finds detailed descriptions of techniques used. "What was done?" is answered more often than "How was it done?" In this series of case studies we aim to provide the reader with a total perspective of what was done, how it was done, why it was done and an assessment of its effectiveness.

These collected experiences should give the reader ideas, which can be adapted to improve other activities and projects in his or her own environment. We believe this series will be a source of inspiration for action and deliberate change.

This specific case study was selected by the WHO's Regional Office for the Americas which submitted a text written by former SANEPAR president Mr Ingo Henrique Hübert. Additional information was collected during a field visit to SANEPAR and Paraná in September-October 1988. Interviews with present staff at all different organizational levels — as well as with Mr Hübert and other former "Saneparianos" — and written material form the basis of this study. We thank all those interviewed for their contribution and in particular Mr Hübert.

Alice Petrán, 27 March 1989

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Les opinions exprimées dans les documents par des auteurs cités nommément n'engagent que lesdits auteurs.

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Summary

Investing in people pays off

Weak financial situation

Water supply is a service, not just a product. And, customers have the right to both high quality water and its efficient delivery. In 1979, Brazil's water and sanitation company SANEPAR, based in the state of Paraná, began to develop a service-mentality among its employees. Thus started a progressive and profitable era. To focus efforts on people involved — customers and staff — has been the underlying principle which has made the company a success.

The new service approach was simultaneously backed up by organizational changes and new routines. This was another major step which helped to reactivate the company. SANEPAR borrowed concepts from private business: management by objectives and management information systems. This meant setting up clear objectives and goals for the company and acting to achieve them on the basis of a well organized information system. In SANEPAR the top management identified eight results areas, each of which included several indicators. While the top team got a monitoring tool and a foundation for taking decisions, the indicators also enabled all employees to evaluate achievements and performance. The staff could see when customer complaints went down and they became more motivated. These indicators are still used today.

Before 1979 engineering and technical issues had always been given highest priority. Although SANEPAR's staff had increased from less than 100 to about 3,400 people in one decade, its leadership style had not been modified. A weak financial situation characterized the company — a large deficit, debts and dependence on state subsidies. The company's profile thus had to be reshaped. The new outlines showed an entrepreneurial atmosphere leaving bureaucratic tendencies and the purely technical orientation behind.

In carrying out the management development programme, SANEPAR provided all its employees with intensive training. At first, a gigantic process was started in order to write job descriptions for



Workers repairing water pipes. Staff turnover is low and SANEPAR has the highest level of productivity in Latin America.

each position in the company. Training needs were examined individually based on the job descriptions and personal qualifications. Those who were overqualified for their jobs were included in a career development plan. Others, not sufficiently qualified for their tasks, underwent training. By showing employees that everyone was important in providing good services helped to raise motivation.

Training, introduction of computers and changing of routines were not brought about without large investments of money and time, but in three years SANEPAR became a profitable company. Efforts to achieve customer satisfaction paid off. Today, SANEPAR has the highest productivity — measured by the number of connections in relation to employees — in the whole of Latin America. Staff turnover is low, and “Saneparianos” are proud of and impressively loyal to their company.◆

Training needs examined

Profitable in three years

Setting the scene

Only the engineers used to count

Political pressure

SANEPAR expanded its water services quite rapidly during the 1970's. Service coverage for treated water started at 25% of the population in Paraná's cities in 1970 and rose to 75% — despite the fact that a lot of people moved to the cities during this period. Other Brazilian states recorded similar expansions. As a semi-public company SANEPAR fell under the National Sanitation Plan and was thus financed by National Bank loans and state subsidies. The World bank also provided loans. Today, ten years later, SANEPAR provides 89% of the people living in cities with water. Sanitation services still do not reach more than 25% of Paraná's urban population.

Loans for expanding water supply systems during the 1970's amounted to US \$ 156 million and made SANEPAR heavily indebted. The unstable financial situation was, in addition, undermined by the lack of consistent criteria for setting tariffs. The annual balance sheets constantly showed a deficit, thus reducing the company's own capital. On top of this, further expansion was necessary as the urban population in the State of Paraná was growing fast.

Between 1970 and 1978, the number of employees increased from 68 to 3,383. Most of them were engineers and technically competent people. In-service training did exist but was directed towards construction and operation. Saneparianos, as they call themselves, today number just under 5,000 people. One out of five works in the state capital Curitiba, while the others are distributed over 270 municipalities in a area of 200,000 km².

In many countries, water is a popular service which local politicians use to attract supporters during election campaigns. In spite of the tremendous reforms it has undertaken, SANEPAR is still affected by political pressure. One example is that connections have been installed without being economically feasible, another is that some new employees have entered the company through the back door.

Before 1979, managerial development was virtually non-existent. Engineers dominated the company and were largely preoccupied with technical issues and development. Strategic planning, performance evaluation, information systems, targets and other traditional management tools had no part in the set up.

SANEPAR's weak position had destroyed employee motivation and morale. In 1979 when the new president, Mr Ingo Henrique Hübert was assigned to the company, "things were really bad", as he describes it himself. "Up until then, only engineering counted".

SANEPAR's most progressive period lasted between 1979-83. Mr Hübert left to take up another job and in his place was put a "good politician but an inexperienced manager", as several in SANEPAR put it. Although the company did continue to develop, it was at a considerably slower pace. "If we tried to modernize and innovate, we hardly ever got any support from above" — is a common complaint. But as people were well prepared and equipped with tools to analyze and take decisions, they tried to keep up development.

Several different boards of directors were appointed — none of which stressed the importance of management and human resources development. Thus SANEPAR continued to lose momentum.

In May 1988 things came to a head and everybody at SANEPAR went on strike. This demonstrated that the staff had started to lose motivation and loyalty. Decisions were not communicated, training did not take place and the contribution of each employee was not taken as seriously as before.

Soon after — in July 1988 — a new president was appointed. There was an immediate rise in the number of courses and employees and the company as a whole have been able to regain lost momentum. ♦



SANEPAR has its headquarters in Curitiba, capital of the State of Paraná in the southern part of Brazil.

Part 1

“Many hands make light work”

Motivation, teamwork, decentralization, results orientation and quality before quantity were the cornerstones of the 1979 strategy. Ingo Hüberr's first step as new president was to create a top management team. Many hands make light work, he thought. He chose two directors from within the company and two from outside. Later he brought in a psychologist to analyze training needs and a journalist for Public Relations activities. His work model was to generate ideas together with others and then delegate the executive part. Analyses, decisions and action took place at the lowest possible level.

“Mr Hüberr never wanted to know any of the details about SANEPAR. He left that to others. Instead he wanted to develop strategic plans, define structures and see results”, says Mr Schwertner, former Manager of Administration. “We would always know what the president was thinking and what he was up to, as he never did things by himself”, says another employee.

The top team's first mission was to thoroughly analyze the internal situation. “We wanted to know if there were informal leaders and power groups which didn't show in the organizational chart. If so, we would have to act and apply the very basic rule — to bring these people WITH us”, says Mr Hüberr. Indeed, many small power centres had developed in the leadership vacuum. Problems and future needs were identified:

Future needs identified

Problem: Customer complaints

Future need: User satisfaction

Problem: Emphasis on process rather than objectives

Future need: Managerial/organizational efficiency

Problem: Debts

Future need: Economic balance/profit

Problem: Limited development/ career prospects

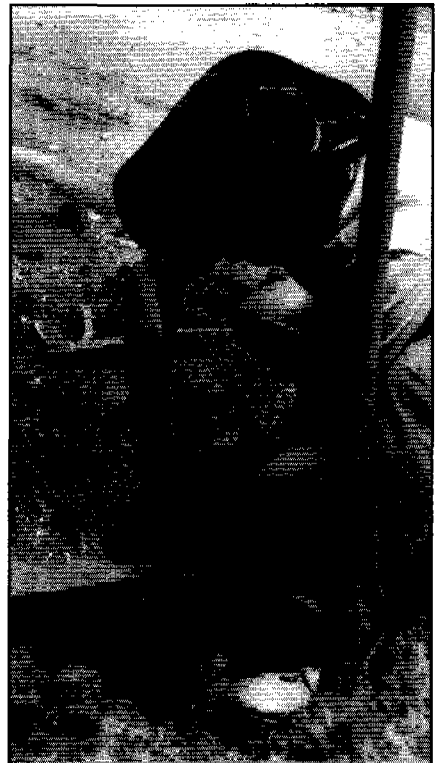
Future need: Opportunities for professional advancement and training

Problem: Competition/conflicts
Future need: Cooperation

Problem: Centralization
Future need: Delegation

Problem: Dependence on authorities
Future need: Self-reliance

As soon as a fairly clear picture of the company's status could be drawn up, the top team formulated a SANEPAR strategy. In future it would focus its efforts on people —customers and staff. The complete initial analysis took 8 months.◆



"Saneparianos", as they call themselves, today number just under 5,000. They have all been well trained so that SANEPAR can deliver a high quality product to its customers.

Part 2

Customer must be satisfied

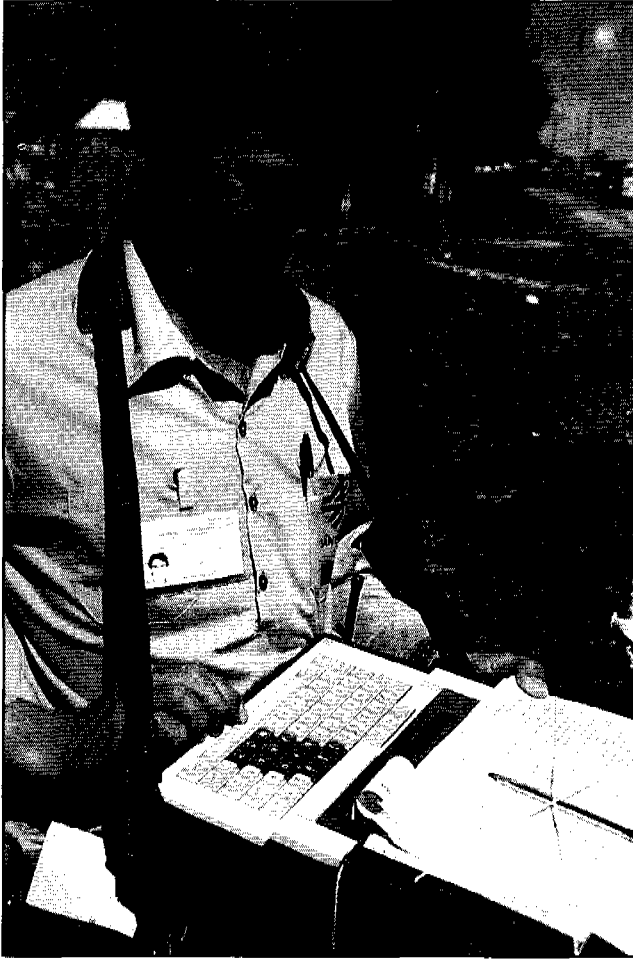
**Departments are
computerized**

Attaining a favourable public image for SANEPAR was one of the pillars of the 1979 strategy. This brought the Operation and Maintenance Department into the limelight as it relates most closely to customers — it is responsible for delivering water and maintaining systems. SANEPAR decided to take an unusual step and moved billing and collection away from the Financial Department into Operation and Maintenance. This was an important structural change. It meant that the Operation and Maintenance Department would in future be directly linked to the Customer Services Office. The technical orientation of the former would have to become a means for satisfying clients and not be a goal in itself.

During Mr Hübert's period in SANEPAR, development work started on finding ways to improve communication between the customers and the service personnel. It was not acceptable for the company to take several weeks to react to customer requests. Economically, great losses were incurred when it took up to a month or even more between meter reading and billing, not to mention the time until collection.

SANEPAR has over the last ten years completely computerized contact between the departments of Operation and Maintenance and Customer Services. In the state capital Curitiba and several other cities, there is a central office in town where telephone operators or desk staff receive requests, complaints or questions from customers. These messages are immediately typed into computers which are directly linked up to computers in the operation and maintenance offices around the city. In this way, no time is wasted between SANEPAR's own offices. It is almost as if the customer talked directly to the operators and maintenance workers.

"Using the computers, the differences in treatment between richer and poorer customers has become much smaller", explains Mr Volnei Muniz, who is Head of the Customer Services Office and has seen how complaints have been reduced



Commercial agents take portable computers with them when they visit clients. In the afternoon, any stored information or messages from customers are directly transmitted to the Operation and Maintenance Department via the main computer at head office.

considerably with the computers. But he is still not satisfied: "Today a visiting client waits an average of seven minutes and then spends 13 minutes talking to the officer. I believe the total could be reduced to an average of 14-15 minutes, if we improve the dissemination methods and the system further". The staff have, of course, received a lot of training in dealing with people and computers.

The most common complaint is that people claim they have not used the amount of water which they have been charged for. With the computers it is easier for SANEPAR to analyze problems and to be accurate. The company

Portable computer

measures complaints in relation to the number of house connections as one indicator in the information system.

In order to return information to customers almost as quickly as their requests enter SANEPAR, the company has developed a small, portable computer. It looks like a small typewriter. This computer is primarily used for billing, but can also be used for various messages.

Comments from customers

Commercial agents leave the home office in teams with the portable computers and with walkie-talkies if in vast areas. While reading the meter, they can type the consumption into the computer, which instantly produces a bill. The agent may also type in comments or messages from the customer or his or her own remarks like an aggressive dog which might be hindering billing.

When agents return to the office in the afternoon, the portable computer's information is loaded into the central computer system of the Customer Services Office. All information is thus disseminated in the same system.

Saving time and money

"The portable computers have minimized the typing in the office, and have thus saved time and payroll", explains Paulo Müller who is Head of the Billing section. He sees many advantages to the new system: "Meter reading is more accurate as the computer has a memory and contains information about earlier communication with the client. The customer also has the possibility of discussing the bill with the visiting agent, or can easily make requests for a new connection and so on." As the agent stores all the information in the computer, services can be delivered more promptly. ♦



Part 3

All join in to turn company around

Identification with company

“It was the existing staff which had to turn the company around. This meant that we had to get people motivated. Everyone had to share the same language, values, objectives and targets, even subconsciously, to improve performance”, explains the legendary president. A clear SANEPAR policy was defined, based on the organizational analysis made by the top management team.

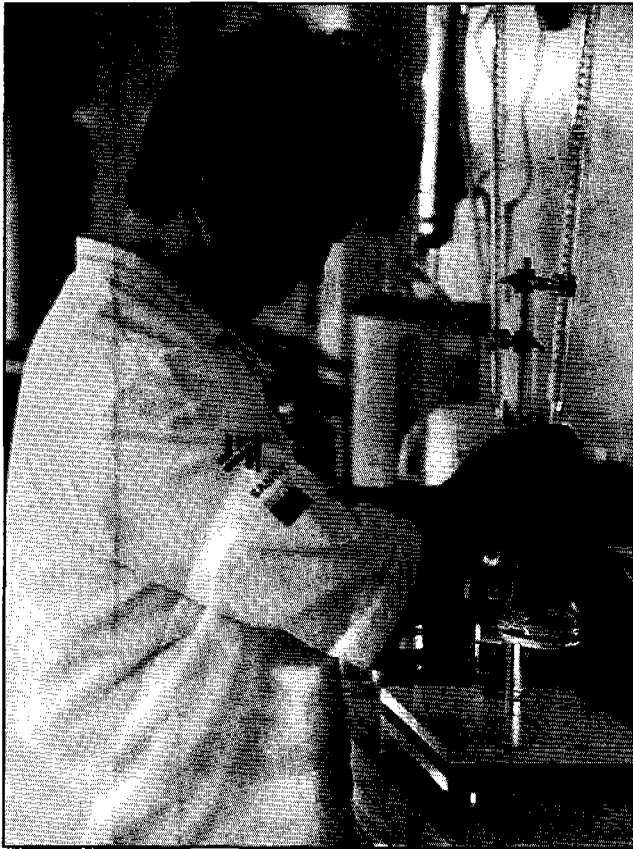
User satisfaction resulting from good services and low costs; **productivity** and **profitability** to make further expansion possible; and **job satisfaction** for the employees became SANEPAR’s policy components. These were explained to the staff through audiovisual presentations, by supervisors and at several staff meetings. Every employee had to be carefully informed and stimulated to work in favour of the company’s policy.

The journalist hired for Public Relations activities proved to be successful in his information work. Soon after policy statements were made, the staff could read about their company in the newspapers and see reports on TV. “People became proud of working for SANEPAR”, says Mr Hübert. This was measured, in a very non-scientific way, by counting the number of people who would exit the gates at the main office with any sort of SANEPAR sign on their clothes, for example, a T-shirt, cap or jacket. No one would ever have dreamt of showing such a connection before, according to Mr Hübert.

Every morning Mr Hübert would keep his office open for half an hour for anyone who wanted to start the day with a ‘mate’ — a Latin American herbal drink. “To have the opportunity to meet, discuss or just chat informally is something which I find very fruitful and stimulating”. An internal monthly magazine — Dialogo — covering employee information, was also introduced.

As there is no good retirement plan in Brazil, Mr Hübert introduced a pension scheme for employees. He created a small, private company which would belong to those who paid pension fees.

Mr Hübert also engaged three social workers to work with the families of employees. Many employees lived in slum areas and the social workers helped them get mortgages to build better houses. They also organized home management courses which covered issues like nutrition, hygiene, where to buy cheaply etc. "We wanted both employees and their families to feel that the company cared for them", says the ex-president. ♦



Employee's family also important

Laboratory technician checks a water sample. For the company to be successful everyone — from workers, to technicians, to managers — had to share the same objectives, values and targets.

Part 4

Indicators

measure

company

progress

“When I was offered the position of president I told the state Governor that I would accept on one condition — that I would be free to run SANEPAR without political pressure along the lines of a private company”, says Mr Hübert.

Results and company performance are important to private business and so it would be for SANEPAR. Management by results or by objectives, a classic model to raise efficiency, was introduced. After the top management team had made its initial analysis of the company and had identified problem areas, it realized it would need additional updated information to take appropriate decisions. The team would need data in order to correct routines, to reward/criticize staff and to monitor economic development. The team also realized it would have to be selective about the data it chose to monitor otherwise managers would drown in useless information.

Different results areas were defined and then indicators were introduced. These were as follows (see also page 32):

1. User satisfaction

- Provision of water
- Provision of sewage service
- Completion of facilities on time
- Total complaints per month
- Negative reports received daily

2. Innovation

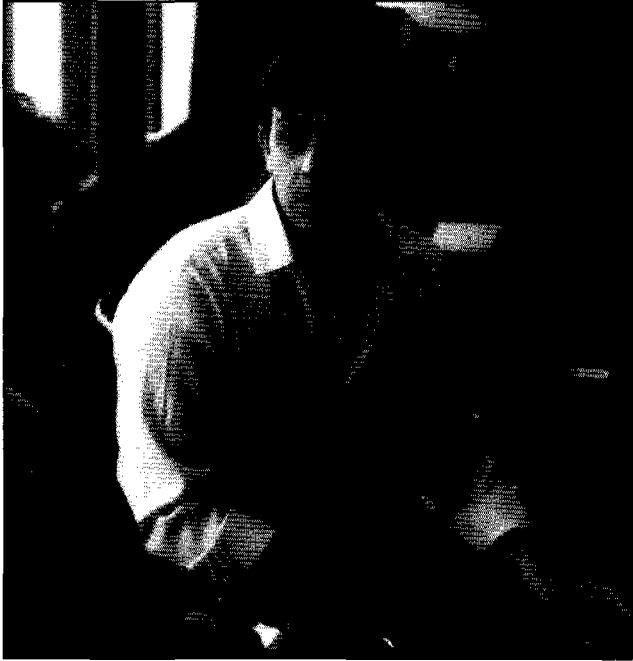
- Expenditure on exploration
- Investment per inhabitant

3. Productivity

- Employees per 1,000 connections
- Payroll related to operational receipts
- Water losses

4. Physical resources

- Maintenance stocks per 1,000 connections
- Current liquidity
- Punctuality of payment



Mr Muniz from the Customer Services Office helping a client. SANEPAR staff have been trained to deal efficiently with any problems a customer may have.

5. Financial resources

- Bills received
- Efficiency of collection
- Indebtedness

6. Employee attitude

- Staff turnover

7. Public responsibility

- Contracts
- Quality of final product
- Per capita consumption (litres/day)

8. Profitability

- Return on investment
- Operating account
- Trading account
- Trading results

When SANEPAR introduced these indicators it already had a very detailed cost accounting system in place. This meant that improvements introduced through the managerial development programme

Large annual savings

could be measured and a cost saving tag could be hung on a specific action. For example, some US\$ 712,000 were saved in 1982 thanks to a reduction of overtime payments. This indicator measured hours of overtime as a percentage of the overall payroll. In 1979 the hours represented 8,84% of the payroll, 3,99% in 1980 and 2,63% in 1981. Overtime was reduced by defining individual quotas, diversifying jobs and decentralizing authority. Another example is the US\$ 500,000 yearly saving made possible by more efficient collection of money from customers. Supplies were cut off 30 days after the due date. (See page 33, for more examples)



"This map shows where in the region the maintenance staff are working", explains Mr Daniel Gonçalves pointing to movable blocks which represent each team. His colleague stays in radio contact with the teams.

"Not all of the indicators proved to be well defined. For example, reducing chemicals to minimize expenditure wasn't very wise. This was only to get a good figure for the operation account, without looking at the effect. But, the information system provided management with a foundation for decision making. It also made every employee aware of the company's performance and in which areas improvements did or did not take place. That was a motivating factor", says a staff member in the Human Resources Department.

Employees aware of performance

Difficulties were naturally experienced when the indicators were introduced. Defining an indicator can be a long process of trial and error. However, this should not scare people off — once done it will not need continuous revision.

Engineers had some reservations about this process. Maintenance systems were reduced in the drive for savings. This was unfortunate as water quality went down and pipe conditions deteriorated as a result.

Engineers have reservations

The actions Mr Hübert took to produce results were of very varying nature. The stock of spare parts, for example, was unexplicably large at the main office and he decided that the velocity of the stock turnover had to be raised. "It was a waste of money and space to keep these things. The man who was in charge of the stock agreed to sell it off on one condition — that the income be used to open a cafeteria as there was nothing for staff at the time. That was an argument which I thought OK. Often as the manager, you have to be open to employees' requests if you want to see results".

The idea with the indicators was to make everyone feel motivated but also responsible for improvements. The top management team also wanted "horizontal management" to develop. This meant that it wanted managers at lower organizational levels to communicate with each other without reporting everything to those above them. ♦

Part 5

Training a key to success

**Hard work and initiative
are rewarded**

Management training became a big part of the managerial development programme which was introduced. A psychologist was engaged to analyze training needs. After interviewing both supervisors and job holders he was able to provide everyone in the company with task-oriented job descriptions. These listed tasks, duties, responsibilities and necessary qualifications. Based on these, every employee's training needs could be identified. Fundamental to the way in which training was planned were the strategic and operational plans outlined for SANEPAR as a whole. Besides planning specific courses to meet individual needs, a general training programme was planned which included basic courses in management, communication, computers and also in technical issues.

As Mr Hübert wanted to delegate as much as possible, there was a need to provide people at different organizational levels with the tools to analyze problems and to take decisions and risks by themselves. By achieving the hoped for results, the staff would feel encouraged to take more initiative and responsibility. People were also trained to adapt to different leadership styles.

Another motivation raising factor was the enlarged possibility of a career in the company. Many of those who work in SANEPAR today started in lower positions and have been rewarded for hard work, initiative or dedication. Job evaluation committees were established to define each job's contribution to the achievement of overall objectives. Based on this analysis certain job holders were included in the career development plan.

"You have to like what you do and for the rest it is just hard work", explains Mr Volnei Muniz. He started as an office boy in 1978 and is today Head of Division for Customer Services. "At that time, I had no idea what preparation I needed for changing positions, but I was provided with continuous support and training. Nowadays I define the needs for one hundred people who work in my division."

Volnei Muniz is a good example of what can be achieved by focussing efforts on people. Being loyal to the company and truly working for it has been rewarding. After several months as office boy, 20 years old, he advanced to assistant in the service department, and then continued as supervisor and became head of 25 persons. "I have always been invited to take new positions. As supervisor, for example, I got considerable training in supervision". During the years of President Hübert, 1979-82, this young man changed positions several times to meet new challenges in the form of more and more advanced tasks and responsibilities. When he reflects about the past, he sometimes wonders how he managed to perform the tasks. "Today, when I have really had a lot of preparation, I realize how much more I need to learn".

During Mr Hübert's era, many remained with SANEPAR as they enjoyed being there during a period of expansion. Later, many Brazilians' main concern has become job security due to the national debt crisis. But this only partly explains the employees' loyalty. The staff training survived Mr Hübert's resignation, although it shrunk somewhat in format. The service mentality and results oriented approach were well instilled and have stimulated the employees. Mr Muniz says he would not give up SANEPAR for a private company, as he still enjoys it very much. Mr Mauro Sorgenfrei is a young, well educated man working with computer systems. He constantly gets offers from others but also believes that the SANEPAR concepts are still competitive enough to attract him to stay.

Training objectives were linked to three different things: the indicators, operational targets and organizational objectives. The training

Rewarding career with SANEPAR



A converted bus, which has been fully equipped with various tools, serves as a mobile training centre.

Educational objectives

programme was not put together randomly. There was a clear reason for the inclusion of every single topic/issue. In the case of the indicator monitoring water losses for example, the target would be to reduce these from 35% to 30%. The educational objective would be to learn how to define and identify the origin of the loss, to detect leaks, to distinguish their characteristics and record their occurrence.

For the indicator monitoring the completion of requested extensions, the target would be to meet 75% of requests within 30 days and 100% within 60 days, the educational objectives would be to learn to identify materials needed for connections, to make water connections in the existing supply system, to dig trenches, to lay pipes and to connect pipes.

Training programme

Today many are trained to use computers. These courses are never just general computer courses but are directed at specific jobs.

In preparing the training programme, the training department would consider teaching techniques, teaching modules, manuals, self-teaching material, case studies, group activities and the time and resources required for each module. Evaluations and tests have equally been important parts: entrance tests to find out if trainees have the prerequisites for the course, intermediate tests to follow up during the course and final tests.

Professional analysts

A training centre was established at the main office in Curitiba. Today there are 12 professional analysts who programme the training activities. Various equipment used in the field is available in the training centre, ranging from sewage treatment equipment to computers. A special sanitary school has also recently been set up in Curitiba to which 40 students are admitted each year. All this did not exist before 1979.

A mobile training unit was introduced as well and is still in use. It is a bus equipped with many different tools used in the field and everything required for practical training events. One part is

set out like a classroom with a blackboard, video and 12 desks. It also contains a laboratory, different pipes and even a prototype of a water supply system in miniature. The bus tours the state of Paraná with two instructors who run two-week courses. The average cost per trainee comes to 5,000 Cruzados per day. ♦



Prototype of water system

"We can instruct students in a variety of areas in this mobile training unit. There is a water system in miniature, a laboratory, tools and equipment used in the field and so on", explains Mr Zenio Palivoda who is one of the trainers.

Part 7

“Muitas mudansas — many changes”

“Muitas mudansas, sim bastante. Many changes, yes indeed”, is how many Saneparianos describe their company. They don't only refer to expansion, new employees and computerization, but also to the way in which they look at SANEPAR. There is a constant stream of visitors from other companies not only in the water supply sector, but also from other sectors. They want to learn about SANEPAR's management concepts, its planning, information system and preparation of staff.

Mr Hübert introduced the new management system. By working with a very decentralized system involving as many other people as possible, he got many “disciples”. They have been able to continue in his footsteps, despite the fact that the succeeding presidents were very different leaders.

Managers in SANEPAR have certain rules. Below are some examples:

- Always ask yourself if the decision could not be taken on a lower level in the organization.
- Recognize that the worst decision is the decision which is not taken.
- Try to orient decisions in favor of those concerned.
- Involve your staff in your planning.
- Plan in a systematic way:
 - what will be planned
 - look at the experience of others
 - produce the plan
 - revise it
 - give it a probation period
- Communicate with others about any new activities or change in direction in order to make everyone part of the team and feel stimulated.

To be successful in running a project, company or any activity the timing has to be right, believes

Luiz Renato Pereira. He is Assistant to the President, and has for many years been a strategic planner for SANEPAR, outlining the direction for the company. "Ingo Hübner was doing the right things at the right time. Brazil's economy was flourishing and there was an open atmosphere which encouraged changes. Today, when we are deep into the debt crisis, it is evidently more difficult to take risks and maybe lose money". ♦



"With the Brazilian economy changing so rapidly, SANEPAR has to move quickly too", says Mr Luiz Renato Pereira who is Assistant to the President. "The government has passed new laws and borrowing regulations, inflation and interest rates are galloping, and we have to foresee new obstacles and plan ahead for these".

For the future

Lessons learned

➤ **Decentralized planning and decision making motivates the staff.** To be fully responsible for your own work is usually a stimulating factor. It requires adequate preparation for the tasks and a supportive climate, which functions as a net in case the employee takes the wrong direction and fails.

➤ **Staff motivation is essential for development.** The former President Ingo Hübert realized he could not employ a whole new workforce but that he had to work with the staff he had. SANEPAR had to be made profitable with the existing personnel. He thus had to find ways of bringing them with him.

➤ **Results orientation may provide a stimulating challenge.** Before 1979 nobody had considered the management aspects of the company. Nobody was very proud of working for SANEPAR. After introducing clear performance objectives for individuals as well as for the company, together with building a better public image, the employees' loyalty to the company was raised considerably. They realized that good performance would be rewarded.

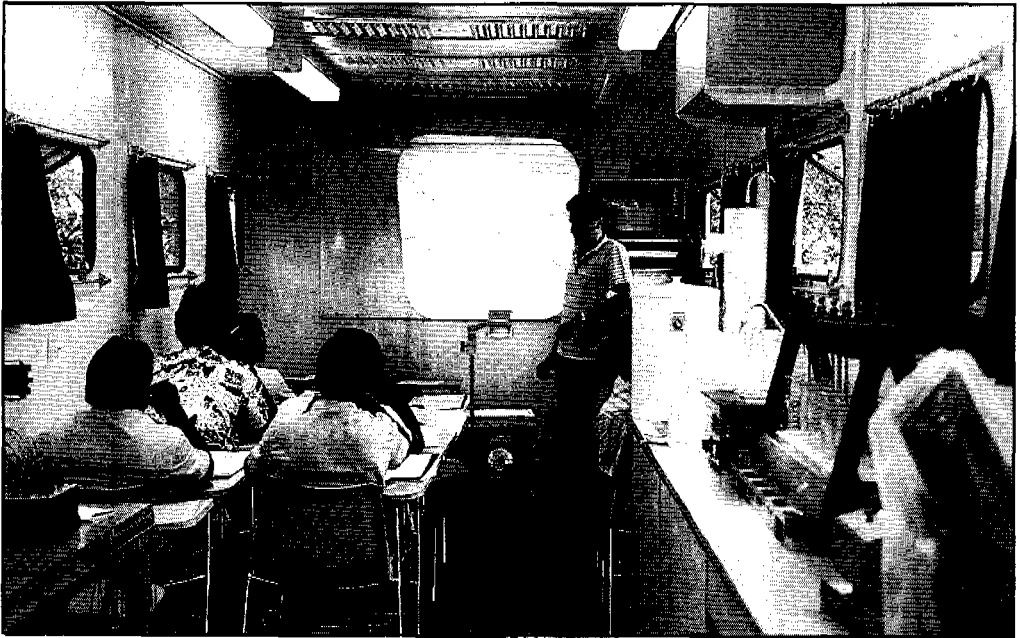
➤ **Good products sell better than bad ones.** To provide a good product implies that an appropriate service-package accompanies it. For example, water is good if it is safe, delivered promptly, worth its price and billed correctly. By concentrating on improving the company's product SANEPAR managed to change its image, internal atmosphere and financial situation. This in turn generated possibilities to further improve the company's customer services. Healthier finances made it possible to invest in computers and in training for every employee.

➤ **Appropriate and accurate information is a must for good decisions.** SANEPAR chose to set up a complete information system. This formed the basis for the top team's managing of the company. It promoted communication between middle level managers and made it possible for every

Saneparlano to evaluate independently the company's performance.

➤ **Technical development must be backed up by staff preparation and institutional improvements.** SANEPAR had for a long time concentrated all its efforts on engineering issues and so slowly undermined the economic foundation of the company. By acknowledging the need to deal as carefully with customer relations, staff and finances as with technical problems, the company became more efficient.

➤ **Political pressure may seriously hamper development.** Before accepting the position of president, Mr Hübert insisted he be allowed to run the company without political interference. Some occasions arose where politicians proposed he



Classroom section of the mobile training unit.

undertake certain projects but as they were not economically feasible they were rejected by SANEPAR.

➤ **Task-oriented job descriptions are a good basis for planning training.** In order to develop a good training programme, detailed job descriptions outlining tasks, duties and responsibilities are crucial. When SANEPAR started the process of preparing staff for their tasks, the first step was to analyze the jobs and write up descriptions.

➤ **Clearly stated objectives and a common goal are basic ingredients for motivating staff.** One of the first things the new management team did in 1979 was to analyze if there were informal power groups. Another was to formulate a policy and explain it to the staff. These two actions were both undertaken to encourage everyone to work in support of the company. SANEPAR could no longer afford to have people working in different directions and doing what they felt they wanted to do. With the new results orientation, everyone was important and had to feel responsible.

➤ **Teamwork makes the work easier and more enjoyable.** As soon as Mr Hübert started in the company, he created and consolidated a top management team in the company. He would think together with others, have decisions settled among those who would be concerned and then leave it to them to execute what they had planned.◆



Operator at one of SANEPAR's water treatment plants checking that everything is running smoothly.

Additional information

Managerial indicators

Results Areas	Indicators	Unit	Past Results		
			1979	1980	1981
1. User satisfaction	1. Provision of water	%	80	80	83
	2. Provision of sewage services	%	32	32	33
	3. Completion of facilities on time	%	62	91	55
	4. Total complaints per month	%	4,2	3,3	2,8
	5. Negative reports received per day		0,23	0,17	0,13
2. Innovation	6. Expenditure on exploration	%	73,9	71,2	69,6
	7. Per capita investment				
	7.1 Water supply systems) 7.2 Sewerage systems)	US\$/per inhabitant	174,4 269,95	112,57 188,73	101,38 159,79
3. Productivity	8. Employees per 1000 connections	employee	5,59	4,84	4,30
	9. Payroll/operational receipts	%	40,1	45,3	44,11
	10. Water losses	%	37,78	35,10	33,50
4. Physical resources	11. Maintenance stocks per 1000 connections	US\$	2350,87	1822,03	1586,03
	12. Current liquidity		1,25	0,71	0,76
	13. Punctuality of payment	%	100	97	100
5. Financial resources	14. Bills received	%	74	41,0	35,0
	15. Efficiency of collection	%	96,2	99,2	98,4
	16. Indebtedness		2,43	2,20	2,33
6. Employee attitude and performance	17. Staff turnover	%	10,17	9,58	6,51
7. Public responsibility	18. Contracts in Paraná	%	87	92	100
	19. Quality of final product	%	96	97,2	94,8
	20. Per capita consumption (litres/day)		125	119	115
8. Profitability	21. Return on investment (assets)	%	(0,98)	2,6	3,6
	22. Operating account	%	92,0	87,0	85,71
	23. Trading account	%	110,5	100	99,5
	24. Trading results		(99,0)	(62)	121

Results area: Physical resources

RESULTS AREA	INDICATOR	TARGETS			
		79	80	81	March/82
Physical resources	Maintenance stocks per 1000 connections (US\$)	2063	1821	1654	1335
<p>MEASURES CARRIED OUT:</p> <ul style="list-style-type: none"> - Elimination of depots within the operation systems. - Fixing of maximum and minimum stocks for the regional office depots and the Central Depot. - Elimination of obsolete materials from the stocks. - Utilization of surplus materials from construction work for maintenance purposes and for other construction work. - Policy of reallocating materials among regional offices. - Decentralized purchasing of materials for immediate consumption. 					
<p>SAVING ACHIEVED: US\$ 586 040 in 1982</p> <p>The saving arises from the amount of money that ceased to be immobilized in the form of stocks and was released as circulating capital.</p>					

Results area: Financial resources

RESULTS AREA	INDICATOR	TARGETS			
		79	80	81	March/82
Financial resources	Efficiency of collection (%)	96.2	99.2	98	98
<p>MEASURES CARRIED OUT:</p> <ul style="list-style-type: none"> - Decentralization of checks on collection of payments to local office. - Supply cut off 30 days after bill falls due. - Political action directed at public authorities. 					
<p>SAVING ACHIEVED: US\$ 515 902 in 1982.</p> <p>The saving represents the amount transferred to the Company's circulating capital, and which was previously in the hands of the consumers.</p>					

Results area: Productivity of employees

RESULTS AREA	INDICATOR	TARGETS			
		79	80	81	March/82
Productivity	Employees per 1000 connections	5.56	4.84	4.28	4.18

MEASURES CARRIED OUT:

- Alteration of organizational structure.
- Introduction of a philosophy of working for results.
- Reassignment of personnel.
- Automation of systems.
- Diversification of jobs.
- Systematic programme for the sale of water connections.
- Restriction of number of employees.

SAVING ACHIEVED: US\$ 4 567 972 per year in 1982.

The saving arises out of the reduction in the number of employees and expenditure in 1982, compared with the 1979 situation.

If this increase in productivity had not been achieved the number of employees would be 33% greater than at present, and that would be reflected in the 1982 payroll.

Results area: Productivity in terms of overtime

RESULTS AREA	INDICATOR	TARGETS			
		79	80	81	March/82
Productivity	Hours of overtime on payroll %	8.84	3.99	2.63	2.21

MEASURES CARRIED OUT:

- Individual overtime quotas laid down.
- Diversification of jobs.
- Decentralization of authority.

SAVING ACHIEVED: US\$ 711 936 per year in 1982.

The saving arises out of a 6.63% decrease in the payroll.

Results area: Profitability

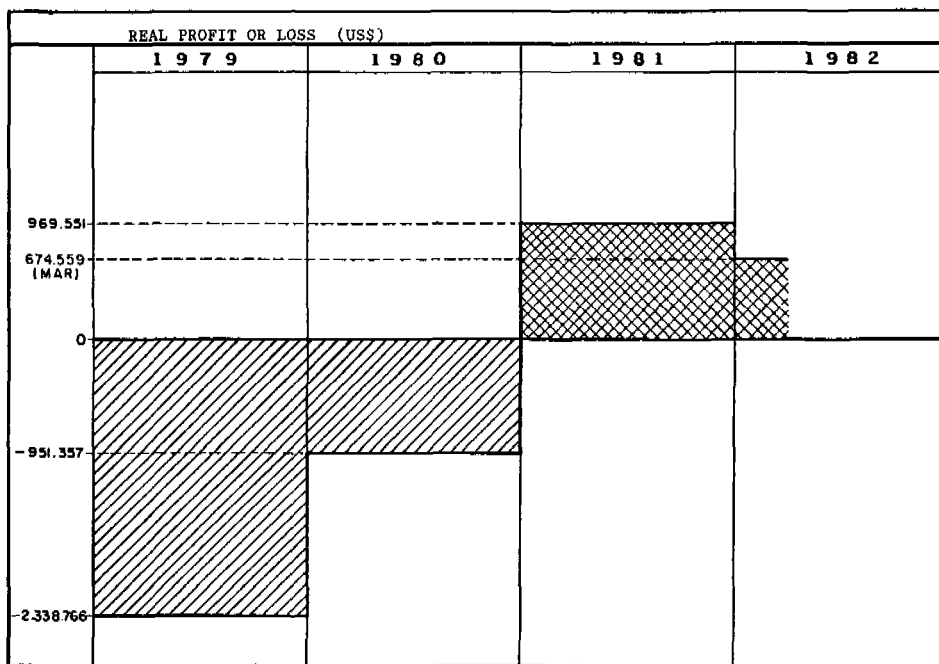
RESULTS AREA	INDICATOR	TARGETS			
		79	80	81	March/82
Profitability	Profit or loss (US\$)	(2 338 766)	(951 357)	969 551	674 559

MEASURES CARRIED OUT:

- Austerity policy.
- Definition of economic objectives for the Company.
- Managerial efficacy.

COMMENT:

The main factor that brought the Company out of the red and into the black was the verified increase in productivity. Manpower expenditure represents 60% of total verifiable expenditure.



Some titles
in this series of
Human Resources
Development
case studies

Managing the managers

How the Philippines Local Water Utilities Administration monitors and supports General Managers of 350 Water Districts scattered all over the country.

Job descriptions prove their worth

How a training package was developed during an Organization—Management—Training Project for 11 Indonesian cities and is now being applied nationwide.

Training programme gets a new profile

How the Water Resources Institute in Tanzania reshaped its curricula to meet the country's need for skilled technicians.

Strategic planning workshop sets project on its feet

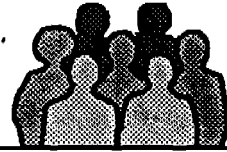
How a workshop in Tanzania constituted the turning point for implementing a Health—Sanitation—Water programme.

Manpower planning in progress

How Indonesia's water supply sector forecasts its manpower needs using only one variable.

A copy of any of the above can be obtained by writing to the WHO. If you want more information about a specific case study, or the project, or maybe have ideas about HRD activities to be shared with others, please contact:

**Manager, EHE/CWS
World Health Organization
1211 Geneva 27
Switzerland**



Human Resources Development
CASE STUDIES

July 6, 1989

Dear Case Study Reader,

Since the beginning of this year we have sent you six case studies out of a series. To date, unsolicited feedback from a number of readers has been extremely positive about the cases published. We want more opinions -- yours.

Our idea is that the case studies on real life experiences in performance improvement will provide inspiration to others. We hope that from these stories you will gain ideas about, for example, how to go about solving problems, designing training programmes or evaluating your activities and progress. The approaches described have been effective in different cultural and organizational settings. In brief, the stories aim to encourage performance improvement -- whether it be in people doing their jobs better or in water utilities functioning more efficiently. Has this been achieved?

To help us meet your needs, please complete the following opinion survey and return it in the enclosed envelope. We would appreciate receiving your opinion by 10 September 1989.

Sincerely,

Alice Petren
Community Water Supply & Sanitation/ EHE
World Health Organization

Neil Carefoot

Do you (generally) read the case studies you get?

yes – word for word

I generally skim them

I don't usually read them

What happens when you receive the case studies?

I generally read them immediately yes no

I skim them immediately

I put them aside for later reading

I give it to a colleague for reading

I place it in a library

I take it home from the office

I throw it away! Oh, no!

About how many people read or see your copy of the cases? --- _____

About how many case studies have you read thoroughly? ----- _____

About how many case studies have you skimmed? ----- _____

Please rate the case studies' content:

	very poor	poor	fair	good	excellent	comments?
topic selection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
readability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
presentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
relevance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
useful ideas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
sufficient information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
lessons learned	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____



In writing these cases, is there something that we have not thought about which you miss?
(Please comment):

Which case studies have you found particularly interesting?
(Please check)

Comments as to why the case was particularly interesting?:

Managing the managers

Job descriptions prove their worth

Training programme gets a new profile

Strategic planning workshop
sets project on its feet

People in focus

Manpower planning in progress

Have you picked up any ideas from the case studies which you intend to
put to use? (Please comment):

yes

no

Would guides on how to use the case studies in a training event be useful to
you? Comments?

yes

no

Would a translation into your local language increase the use or the
readability of the case studies?

yes

no

Any other comments or suggestions?



What general audiences do you think might have an interest in receiving, actually reading, hopefully making real use of these materials?

Do you know of specific individuals, groups, or organizations which might have an interest in learning of the cases? Please help us to make contact with them:

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Thanks for your help!

In order to insure that you remain on our mailing list to receive future issues of case materials, it would help us if you would sign and return this survey to Manager, CWS/EHE, World Health Organization, 1211 Geneva 27, Switzerland

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