

TITLE OF THE CASE STUDY: Leadership in times of crisis in the Czech family company BEZNOSKA, s.r.o.

Name of the organisation:

BEZNOSKA, s.r.o.

Country and sector of the organisation:

Czech Republic, production of medical materials

Type of organisation:

- **Business company**
- Public organization
- Private organization
- NGO
- Other:

Size of the organisation:

- small
- **medium (<250 employees)**
- large

Brief description of the organisation:

The company BEZNOSKA, s.r.o., is a Czech family business and has a status of a limited liability company. The main field of focus of BEZNOSKA is manufacturing implants, instruments and surgical aids designed for the needs of orthopaedics and traumatology. This specific focus of production requires a wide range of technical and medical expertise, so the company works closely with leading experts from the ranks of doctors and metallurgists. Not only the company focuses on production, but also on innovation. It managed to realize several patents, such as patent 295413 Hip joint pits TC or patent under control PV - 2006-411 for ligament apparatus and patent 297700 for method modification of UHMWPE in cooperation with the Institute of Macromolecular Chemistry of the ASCR. It is a medium-sized company with facilities in Kladno region, but exports good also to foreign markets (e.g., to Slovak Republic, Russia, Ukraine, Lebanon, Bulgaria, Belgium, Portugal, Estonia etc.). More at: www.beznoska.cz

Short description of the case study (500 characters)

(which topic is addressed, brief description of strategy/measure/activity/technique implemented in the organisation)

The topic addressed in this case study is leadership. With the company BEZNOSKA, s.r.o., we focus on how to lead employees in the times of crisis in the shadow of Covid-19 pandemic. We discuss different steps how the company management leads the employees in turbulent and unpredictable times, how to communicate with employees and motivate them to stay positive. We also talk on showing own vulnerability of the leader and managers to the employees. The company managed to win the Family Business of the Year 2020.

Key words:

- Leadership
- Unpredictable times
- Leadership in crises
- Vulnerability
- Family business
- Medical industry

BEST PRACTICE PROFILE

DETAILED DESCRIPTION

BEZNOSKA s.r.o. is a traditional Czech family company that has been operating without a single share of foreign capital for 25 years of its existence. It has the legal status of a limited liability company with the partners' general assembly as the supreme statutory body. BEZNOSKA, s.r.o. manufactures implants, tools, and surgical utensils for orthopaedic surgery and traumatology. Its production is highly specific and the specialization requires a very broad scope of expertise, both in terms of technical and medical proficiency. Therefore, the company closely cooperates with leading specialists ranging from orthopaedists and traumatologists to metallurgists. Thanks to many years of collaboration with numerous clinical facilities in the area of design development, constant innovation of manufacturing technologies and updating of production programs, BEZNOSKA, s.r.o. has successfully gained several patents.

This medium-sized company with over 100 employees is based in the town of Kladno, the Czech Republic, however, it conducts business operations nationwide as well as abroad. BEZNOSKA cooperates with partners in Europe as well as Asia. The company has been growing and increasing its production for years. It has also been awarded many awards for its work, like the company of the Year of the Central Bohemian Region or the Middle-sized Family Business of the Year of the Czech Republic.

The Covid-19 pandemic has, however, hit the company hard. Although other medical companies profit from the 2020 health crisis and often find it a "gold mine", BEZNOSKA, s.r.o. was almost forced to stop production in January 2021. The main focus of their production is joint replacements which are

used during planned operations. Unfortunately, almost all hospitals have, with a few exceptions, stopped the planned operations and focus almost entirely on the treatment of Covid-19 patients. Petr Milata, the CEO of BEZNOSKA, s.r.o. and the third-generation owner of the family business says: *“The decline in operations is more or less a pan-European trend. Only traumas, injuries, iodine fractures and oncological operations are performed. Planned operations almost never.”* Such planned operations, also known as elective operations, were first banned by the Ministry of Health, later only recommended not to be performed.

Such involvement of the pandemic and the emergency state in hospitals led BEZNOSKA, s.r.o. to serious reductions in production, crucial budgetary cuts, cancellation of investments as well as entrances to new foreign markets and serious gaps in yearly turnover. The production was lowered to 15% and the company was forced to let go around 20% of their employees. Despite that, BEZNOSKA, s.r.o. had to deal with leading their employees during times of crisis, taking care of them and providing them with proper support. So how does leadership in a family business work?

Historically, the posts of a manager and leader have been overlapping, combined in one person – a family member in charge of the company. No formal leadership strategy has been formulated for the time of the company existence up until now, the year of Covid-19 when the strategy was finished. The family decided to hire an external person on the managerial post, taking care of the day-to-day run, leaving more time for the family members on top of the company to, apart from other tasks, become proper leaders.

The leadership strategy has been prepared, setting up the general goals of the company as a whole as well as partial goals of lower levels of management down to the very individuals. The strategy is open to all employees to get familiar with the company to support the common spirit of employees and introduce them to the company vision. The main incentive for creating such a strategy was the general feeling that new incoming employees were disconnected from the seniors and not as familiar with the company’s vision. That reflected in their motivation and general working atmosphere. Moreover, the sudden crisis of Covid-19 has brought new challenges to leading employees, especially when the leaders do not know how will the situations develop. Therefore, several new tools and methods were implemented in the company run to increase employees’ motivation and positive approach.

RATIONALE

The biggest change after creating the leadership strategy is implementing regular one-to-one meetings with employees every month to discuss their feelings, ideas, concerns and so on. The CEO Petr Milata explains: *“For me, it has always worked out the most that if you want to hear some thoughts or complains from your employees, you have to go to the smoking area or the canteen. Nobody usually comes to you on their own and tells you what bothers them or what they appreciate. So, rather than hearing complaints from behind the scene, we got inspired by bigger companies in their ways of doing regular evaluation interviews.”*

Every manager, on any level of the company management, has to do regular monthly talks with their employees or team members, motivating them to give feedback, hear out their complains or worries, listening to suggestions and also finding out what they appreciate about the work. As the strategy is at its beginning, employees undergo such interviews in a form of a friendly chat once per month to overcome their shyness and start talking openly. When an employee comes up with an interesting new idea, more efficient solution or some generally beneficial change, they will be awarded for their efforts

to make the company better as a whole, and that is by financial reward, vouchers or similar. Currently, no official reports are done in order not to scare the employees from the start, later, however, the company foresees to do such evaluation only once in three months and regular reports will be collected and evaluated.

Additionally, the Covid-19 pandemic has affected the daily run of the company as well, forcing a majority of people to stay home as the production hall has been partially closed. Therefore, BEZNOSKA, s.r.o. has prepared the Crisis Plan until the end of the year 2021 and regularly communicates with their employees about situational development. As one of the biggest fears of the employees is that they lose their jobs, the firm decided to also communicate with them the financial situation to show how the company manages to survive.

With the state being in lockdown, the CEO explains how they motivate their people to stay connected with their jobs even from home: *“We asked everyone to prioritize their tasks themselves instead of giving it to them from the top to bottom. We asked them to set out 3 long-term goals that they want to achieve during the year 2020, write them down and send them to us. We wanted them to know why they set up these goals, that they are doable and that they are in line with the bigger vision of the company. And I have to admit, we have received extremely positive feedback about it.”*

Finally, the CEO admits that an issue now is the psychical well-being of their employees. At the very beginning, the employees did not mind not going to work for a month or so but now, after one year of the pandemic, they are really looking forward to going back to work and regularly ask when the halls will be reopened. Unfortunately, unlike other crises, the pandemic is hard to predict and no one can accurately say when will be the end of it. *“As we cannot reopen in the near future, we try to bring positivity to the employees by regular online meetings and we send updating e-mail. I try to show that I stay optimistic even though it affects me as well.”* As a leader, Petr Milata feels that he can express his own emotions and vulnerability more than a manager who should, in this sense, be more taught and target-oriented.

GOALS

BEZNOSKA, s.r.o. aims to achieve a set of goals by creating its own leadership strategy. Ones of the many are:

- (1) To keep the company a family business and that is not only in official terms but also to treat the employees with the positive family atmosphere;
- (2) To increase the company's effectivity by motivating their employees and creating a more positive, friendly and open atmosphere to work at;
- (3) Last but not least, to make everyone feel included in the company run, with no one left out. That way, the company can secure that all individuals go in the same direction, to pull together as a team and feel the unity in what they all do together.

IMPACT

The impact of this strategy that BEZNOSKA, s.r.o. expects is for the employees to understand the bigger picture of the company, what is their general mission and how are they all working together as a family company. In other words, the employees are motivated to do their tasks but also understand why they do them and how are the other parts of the work connected to what they do. Followingly, that reflects in the general positive atmosphere of the company as the employees see how meaningful is their job. In the long-term perspective, that lowers down the fluctuation of people and increase their happiness.

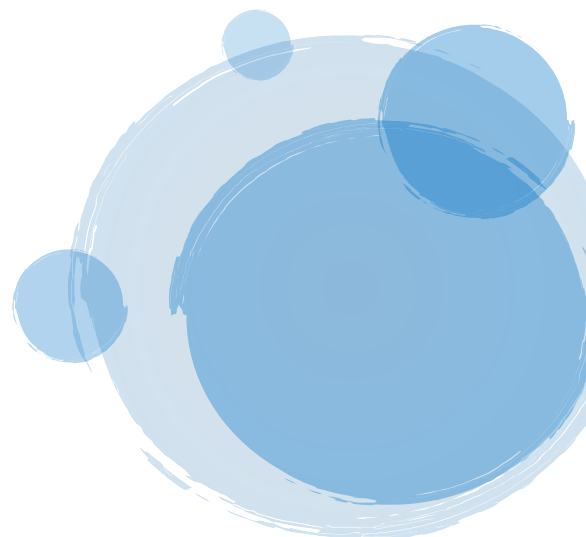
LESSONS LEARNED

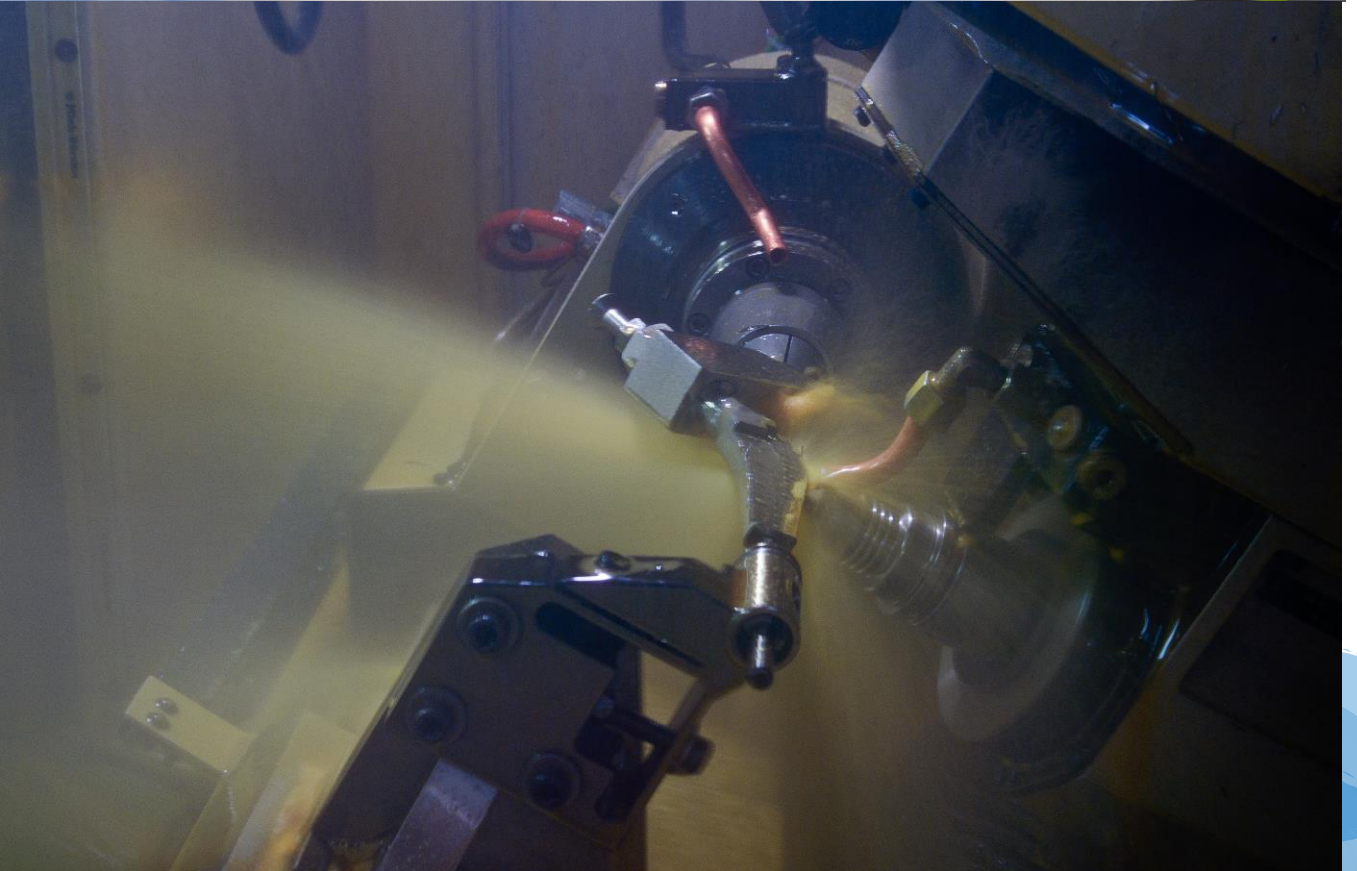
Specify which competences and skills employees and leaders developed

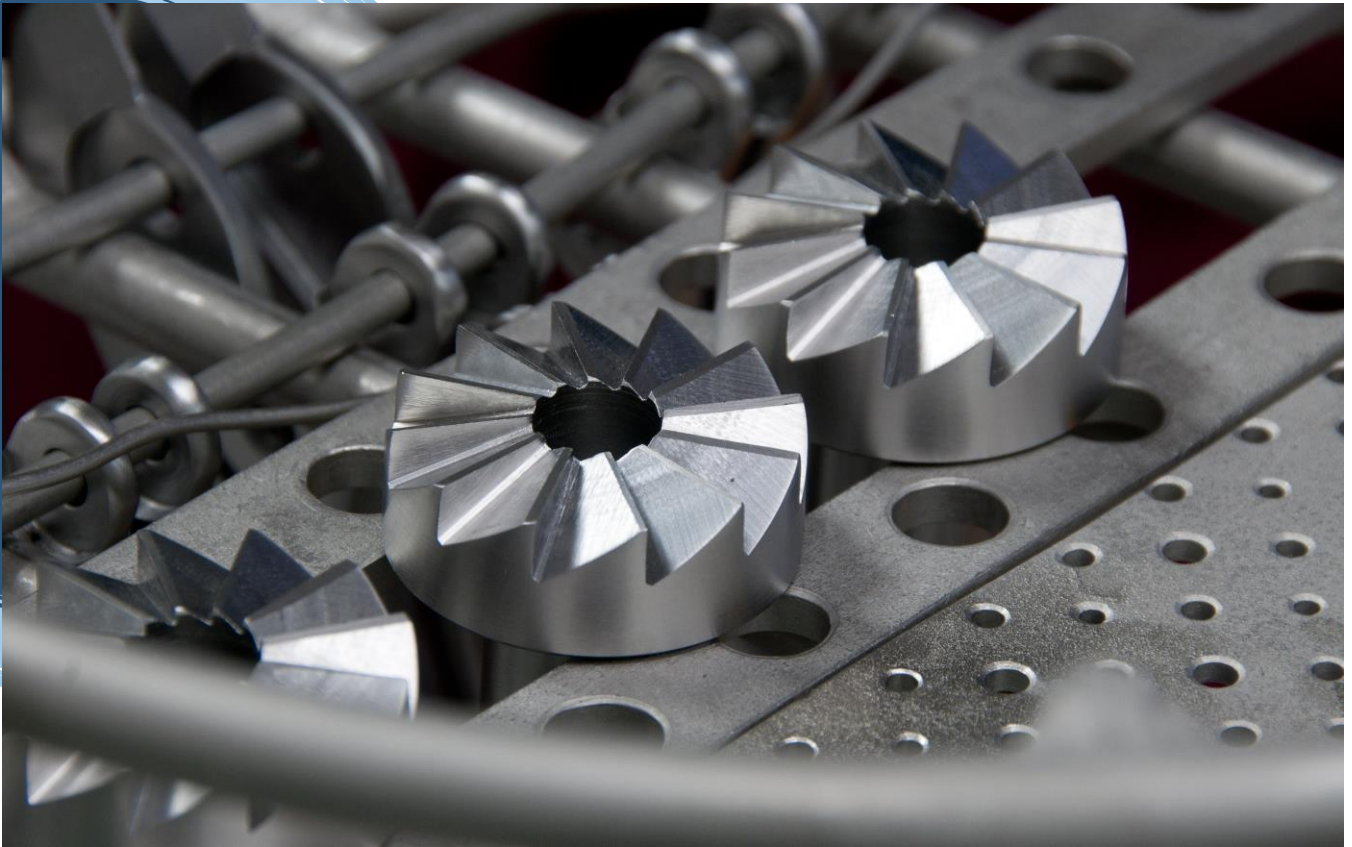
- Empathy
- Listening skills to the needs of others
- Feeling of unity and team membership
- Fairness
- Openness

MATERIAL

Pictures, tools, comments, statements, ...







REFERENCES

Refer here any bibliography reference you use for this case study.

- 1) <https://beznoska.com/company/>
- 2) <https://www.seznamzpravy.cz/clanek/na-vymenu-klobu-se-bude-cekat-roky-virus-vyrobu-i-operace-temer-zastavil-140093>
- 3) Personal interview with the company CEO, 4.3.2021

