

## TITLE OF THE CASE STUDY: Building trust in leadership in the Czech company Emco

Name of the organisation:

Emco

Country and sector of the organisation:

Czech Republic, food production and food distribution

Type of organisation:

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

Size of the organisation:

- small
- **medium**
- large

Brief description of the organisation:

Emco is a family company that started in 1994 in the Czech Republic. The company focuses on the production of its own cereals, muesli, oatmeal dishes, porridge, freeze-dried fruits, biscuits and oatmeal cookies. Currently, the company takes a turn to produce healthy and organic food, including various gluten-free products, high-protein foods, it excluded palm oil from its products, subsidize sugar with plant alternatives and it aims to reduce plastic packaging. Finally, the company advocates for a healthy lifestyle of kids by sponsoring various kids sport events. Emco now exports to more than 40 different countries.

Short description of the case study (500 characters)

The topic addressed by this case study is leadership. With the company Emco, we focus on how to build trust with employees and become trusted as a leader in the long-term perspective. The focus will be on the main elements of trust, respect and positive relationships with employees as well as tradition and

symbolism in business. Emco is known for friendly relationships with employees and good company culture based on family values.

#### KEY WORDS:

Leadership

Trust

Building trust in leadership

Food production

Family business

## BEST PRACTICE PROFILE

### DETAILED DESCRIPTION

Emco company was founded by Zdeněk Jahoda in 1990. In the beginning, Emco was engaged in exporting and importing various kinds of food. Czech consumers meanwhile took the greatest liking to cereals which, until then, had been practically unknown on the Czech market. The first cereals were being produced and imported from Germany under German brands.

It was in the year 1994 when the brand Emco appeared on the Czech market. Name Emco being a compound word of „Em“ (pronunciation of the letter M, after the founder's first-born son Martin) and „co“ (as a company). Since 1998, Emco makes its products in the Czech Republic. Mr Jahoda started baking the first muesli in an ordinary kitchen oven. Nowadays, the production is of course professional. The oat flakes come from Czech farmers and are processed in Emco's own mill in southern Bohemia.

Today, Emco is a leader in the domestic market and exports to more than 50 countries all over the world. Over time, more and more products were added to Emco's portfolio, like oatmeal, biscuits, bars and many others. The mission of the company today is to make breakfasts healthier and tastier. The company focuses on organic products, gluten-free products, protein products as well as vegan products. It holds various certificates confirming their high quality, for instance, USDA Organic Certificate, NON-GMO Project Certificate, Canadian Celiac Association Gluten-Free Certificate, Rainforest Alliance Certificate and many others.

Apart from that, Emco achieves to become a sustainable and eco-friendly company and works on 4 areas to do so: (1) Creating healthier products by adding new product line without added sugars to each of their current products; (2) Completely changing their packaging from plastic to recyclable packages; (3) Motivating children to do sports via the organization of various sports events and school-support programmes and, finally, (4) sustainably and ecologically managing the lands where they grow the oat for their products.

Emco is a family business that is not only made of members of the Jahoda family. The company employs hundreds of people, dozens of whom have been working in the company since the early 1990s and are proud of their employment in the family business. *"We go in it together."* says the founder Mr Jahoda. And he has practical evidence. Employees receive rewards when the company earns. On the other hand, when there are times of crisis, austerity measures must be taken as well. *"For instance, years ago, we had to take people's company cars and lowered the remuneration limits due to an economic crisis. But we explained everything in details."* admits the company's founder the unpopular measures. Luckily, nobody protested, on the contrary, everyone started working even harder. This is, according to Jahoda, the advantage of a family business with a close connection to employees who trust their leadership.

The firm is now in hands of the founder's son with the founder being his close advisor. Nevertheless, the employees look up to both of them in terms of leadership. The trust had to be gained by the first as well as second-generation, or, respectively, it couldn't be lost when the company was succeeded to the younger generation.

## RATIONALE

Trust is undeniably one of the key preconditions of a hardworking and efficient team. Being able to trust a leader and believe in the vision that they communicate with the team have a big effect on employees' performance as well as productivity. It can be the determining factor whether your employees "go the extra mile" for your company or they just what is expected of them and not a pinch more. That is why the Emco company works on creating a trusting atmosphere.

Building trust with employees takes a lot of time. It cannot be done overnight. It also cannot be done by force. It is a long process that requires hard work, stable and reasonable behaviour, fairness, mutual respect, open communication and so on, but it is also work worth doing. Unfortunately, as hard as it is to create trust, it is very easy to lose it. Emco company bets on doing small-steps to achieve such a goal.

Years ago, the company has started a regular event called "The Word of the General Director". *"When something important is happening, something that is needed to be told to the whole company directly rather than sending via e-mails, we all gather here in the office space, Martin (add: the founder's son) stands on this small cabinet and speaks to everyone. Previously, it was me doing these speeches but now it's on him."* explains Mr Jahoda the ways of direct communication to the broad audience. By dividing the ways of communication – sending daily-office-run information via email newsletters and communicating the big news directly from the mouth of the leader – the company creates a sense of importance and shows their employees respect. Additionally, by keeping the tradition even after the exchange of the company's director, Emco aims at creating the company's internal traditions on which the employees can count on.

After the succession, the son required the father to have an office right next to him so that they can be close together and discuss issues, if necessary. This closeness adds to the general sense of trust in the company. The employees know that there are two people at the head of the company who trust each other and value each other's opinions. This decision also adds to the general picture of Emco being a family business, although big in size, which honours family values over big corporate ones.

What may sound strange but is a hidden gem is that the company uses symbolism to communicate important events. For instance, Jahoda's family decided that the firm's succession will take place on a year of Jahoda's 30th anniversary in the company. Additionally, it was the year of his 65<sup>th</sup> birthday and the 40<sup>th</sup> birthday of his son. The succession, therefore, plays a symbolic role in the family as well as the company life. Symbols facilitate human's understanding, they help people think, imagine and recall and using them in a company is a clever way how to make important events approachable, memorable and emotionally closer to employees. Therefore, the power of symbols should not be underestimated even in the life of a company.

Finally, Emco is active also outside of its own business. Its focus on a healthy lifestyle is supported by various activities for their employees, families of their employees and children in general. The company offers day-care for kids, organizes sports events and races for families with kids and cooperates with schools on promoting healthy lifestyles for kids. These additional activities which are based purely on the leaders' belief of the importance of sports and healthy living (the founder himself is a passionate cyclist) also add up to the trust of their employees. Those can see that the vision of the company is not only for higher profits and makes it easier to trust the company's vision.

By combining many various methods and activities, the Jahoda family is successful in creating a trustworthy atmosphere and manages to have loyal employees who work hard for the company during good as well as bad times.

## GOALS

The company's goals are to create a working place where employees trust their leaders and their decisions as they believe that is one of the keys to success. The trustworthy atmosphere is considered a necessary background that allows the company to grow and which helps the office to be a pleasurable place to work. Another goal of the company is to be able to count on their employees in times of crisis. When the leader is generally trusted, the employees tend less to questions their decisions in times of crisis, even when they have to be strict or not entirely pleasant. The employees believe in the leadership to get them out of the crisis, which has been proven in the history of the company more than once. Finally, one of the goals is, of course, increasing the efficiency of the team and their motivation to do extra steps in their daily tasks.

## IMPACT

Not surprisingly, research shows that the impacts of a high-trust environment are that people work harder, feel supported and are proud to be part of the team. That increases their confidence as well as motivation and they are not afraid to think outside of a box and come up with new ideas.

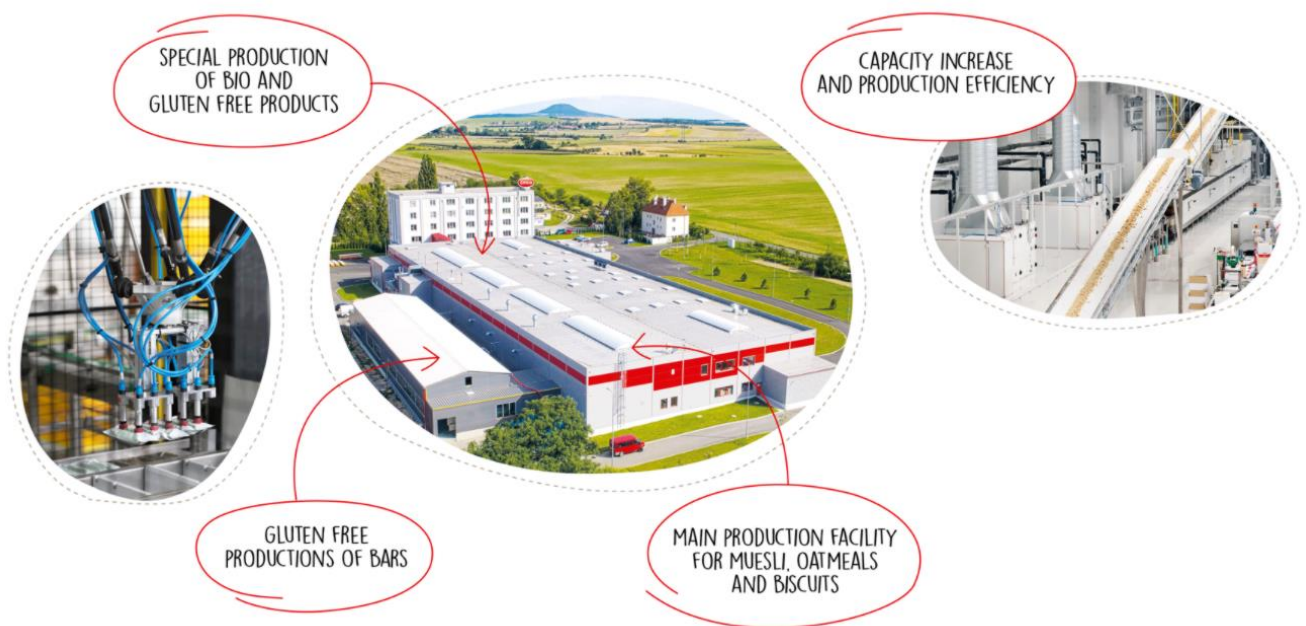
From a long-term perspective, the impact is seen in a low fluctuation of employees who are loyal to the company and satisfied with their jobs. That helps the company to keep its integrity and act as a united team.

## LESSONS LEARNED

Specify which competences and skills employees and leaders developed:

- To trust and to be trusted
- Credibility
- Open and direct communication
- Mutual respect
- Value of symbols

## MATERIAL



## REFERENCES

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