

Company X: Advancement through collaboration

What does this case study demonstrate?

Interesting case study of a manufacturing company deeply engaged in developing a strong workplace partnership between management and employee representatives that, eventually, redounds in positive economic and social outcomes both for the company and for the workforce.

Workplace innovation elements: workplace partnerships and dialogue, supporting employee initiative and participation, self-managing teams.

Context

The company is a manufacturing enterprise, leader within its sector at Spanish level with more than 120 years of experience in its sector, and always located in the same place. The company exports a large amount of its production to EU countries and the North of Africa, as well as serving the Spanish market. The company belonged until mid-2014 to a large Spanish industrial group; although on that date it has been purchased by an international investment fund. Despite existing difficulties, the company has experienced positive economic results in the last five years. Finally, the company has got a total workforce slightly higher than 200 employees, where the majority of them are men in production-related tasks. The average age of the workforce is relatively high, which results in a great need for new people to be incorporated to the company in the coming years.

Management and employee representatives working together for the benefit of everybody

The company has developed during the last years a whole set of Workplace Innovation (WPI) practices. Interestingly, and despite belonging to a larger industrial group, the company has been always fully independent to autonomously decide its own WPI practices, where this situation remains the same with the new owner. Basically, these practices can be summarised as follows:

Fluent and rich social dialogue. The company is characterised by a very fluent and rich social dialogue between management and employee representatives, stressing elements of formal and informal communication, consultation and two-way dialogue. For instance, employee representatives are provided with comprehensive and updated sector/company-related information on a regular basis, so the workforce may have a clear picture of the real situation of the company. Also, there is a strong emphasis on employee early consultation on important decisions, as well as on a pro-active encouragement of ideas and suggestions stemming from the employee representatives (that eventually might be accepted by the management after discussion). This fluent social dialogue is favoured by two elements. On the one hand, the existence of three persons within the management side (the manager of Human Resources, the Manufacturing Director and specially the General Director of the company) who have a very positive and pro-active attitude towards this dialogue. On the other hand, there is a highly active and vigilant employee representation, supported by the company workforce and composed of representatives of three main regional trade unions, that is fully compromised both with the improvement of the working and employment conditions of the workforce as well as with the future of the company.

Availability of very favourable employment and working conditions within its own enterprise collective agreement. As a result of the existing social dialogue practices previously described, the company has got its own enterprise collective agreement the contents of which are well above the existing relevant collective agreements at provincial, regional and national level. These include higher salaries, 35 working hours per week, lower annual working time (1,592 working hours per year) and, finally, the prohibition of overtime work (only maintenance workers can work overtime due to “force majeure” cause and in this case they have to rest at least as many hours as they work).

Presence of innovative work organisation models. The company has developed in the last years the so-called “sliding work organisation system”, by which employees are encouraged to partially assume activities that correspond to their immediately higher position rank, and in different production lines. This work organisation, extends to the largest part of the manufacturing line workers (some workers are excluded due to age or capacity reasons) facilitates that individuals have a thorough knowledge of all the different working processes in the company as well as an increased opportunity to move personnel amongst the different production lines, if required. Interestingly also, the company did introduce three years ago the so-called “biological calendars”, an innovative working time organisation practice initially suggested by the employee representatives and intended to better conciliate company’s needs with the resting and sleeping needs of the workforce (especially the older workers). Finally, the company is organised around self-managing teams, which enjoy a certain degree of autonomy in the way their human resources are organised.

High attention to risk prevention activities. The company is very active in the risk prevention domain, where important activities in terms of training and information actions are developed by the company.

So who benefits?

From the management’s perspective, the presence of WPI practices and especially the availability of a strong social dialogue facilitates a number of positive outcomes for the company, namely, the creation of a good employment climate, the availability of a well-motivated and fully compromised workforce, the lack of significant social conflicts within the company and, finally, the use of the innovative capabilities of the workforce via their suggestions and ideas. All in all, these elements explain to a large extent the positive economic results obtained by the company in recent years, despite the current context of economic crisis.

Meanwhile, and from the perspective of employees and their representatives, the company is perceived as a good employer in the area, which is better reflected in excellent working and employment conditions, including salary levels, working hours and good health and safety conditions. Also, the company is perceived as a net creator of employment due to the combination of positive economic results with some introduced WPI practices (the presence of a 35-hours working week coupled with the prohibition of overtime work practices). This element is particularly valued by the employee representatives.

Prognosis

The existing prospects in the future demand of the company’s products are not very positive, due to market and technological development reasons. Notwithstanding this, the company is currently engaged in a profound process of internal reflection to identify new business opportunities both nationally and internationally. It is looking where to concentrate its efforts in the coming years, while maintaining WPI practices as central elements on which these opportunities have to be sustained. Employee representatives are also engaged in this reflection process.