



Working conditions and sustainable work

Workplace practices in export-oriented establishments: Case studies

*Tools of trade: Supporting export businesses
to improve their workplace practices*

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Introduction

Globalisation is one of the four commonly cited ‘megatrends’ influencing the economy and labour market in Europe and other world regions. Accordingly, companies are engaging in international activities to ensure competitiveness and growth.

Policymakers at EU and Member State level are supporting this by creating favourable framework conditions (such as enhancing the European Single Market or trade agreements with third countries) and providing direct assistance to business to start, maintain or increase their international activities (for example, financial support, networking support or advice).

To contribute to well-informed policy making, a relatively large body of research has explored issues like driving and hindering factors for internationalisation, companies’ pathways for going international, challenges they experience when doing business abroad and their support needs. Less well researched, however, are the Human Resource Management (HRM) practices applied in internationally active businesses. Accordingly, rather limited information is available to discuss whether or not HRM has specific features in international compared to nationally-oriented companies. This would be important to know to derive, on the one hand, recommendations for effective HRM for this type of business, and on the other hand, to analyse whether there are specific support needs for HRM in international companies, considering that HRM practices and business performance have been found to be linked (Eurofound and Cedefop, 2020).

This working paper is part of a Eurofound project specifically investigating HRM/workplace practices in export-oriented establishments. It provides a brief overview of selected HRM/workplace practices in 19 EU establishments. The establishments have been selected based on the European Company Survey 2019¹, jointly conducted by Eurofound and Cedefop: Management respondents who had indicated in the survey to be available for follow-up interviews were contacted between December 2020 and March 2021. Only establishments with a high share of sales stemming from customers abroad have been considered. Interviews were conducted through online meetings or phone (given the limited mobility and physical distancing requirements during the COVID-19 pandemic), following a half-standardised interview guideline.

The illustrative case studies are supplemented by a statistical analysis of the ECS2019 (Eurofound, 2021a) and a literature and policy review (Eurofound, 2021b). All material collected in the various strands of this project is summarised in a policy brief, highlighting the main findings and policy pointers (Eurofound, 2021c).

¹ <https://www.eurofound.europa.eu/surveys/2019/european-company-survey-2019>

AATEQ, Romania

Characteristics of the establishment and its international activities

AATEQ Romania was set up in 2006 as a single independent establishment with two owners. The establishment was started as a greenfield investment. In 2018, the production facilities were upgraded and expanded through an investment financed by the European Regional Development Fund. The establishment is engaged in the production of metal elements (including manufacture of bearings, gears, gearing and driving elements) and the delivery of services (turning, welding, milling), both of which are sourced internally. It also manufactures bespoke equipment and internally designs and develops new products and services.

In 2018 and 2019 the establishment made a profit. More than 50% of the sales of the establishment are to customers in other countries. The establishment exports its products mainly to Belgium, Germany and the Netherlands. In 2016, the establishment had 160 employees and by the beginning of 2020 it employed 220 workers. The majority of employees are blue-collar workers. In 2020, because of the pandemic, a restructuring programme was implemented which was carried out on a monthly basis. Personnel from all departments was impacted by the restructuring programme which involved dismissing 60 employees. As a result of the COVID-19 pandemic the establishment faced problems with demand for its products as some of its clients cancelled or blocked orders. For example, this was the case with demand from companies which operate in the agricultural sector in Belgium. In February 2021, the establishment had 189 employees and in the short-term plans to employ an additional 11 staff. Plans also exist for the expansion of production facilities through an investment in the building of a fifth production hall which will involve a further expansion of staff numbers to 230 employees.

There are no trade unions operating in the establishment. Instead, the interests of the employees are represented by a non-union staff representative.

Background and objectives of the HRM/workplace practices

According to the HR manager, the establishment does not have a formal integrated HR strategy on which it relies. The HR department has two employees who carry out the HR functions depending on the short-term needs of the establishment. HR practices involve a mix of ad-hoc and formal procedures which are used in the recruitment and management of staff (see details below).

An important goal of the HR department is to retain skilled employees. Employee retention is mainly pursued through a bonus pay system that is linked to tenure.

Characteristics of the HRM/workplace practices

Work organisation

All employees in the establishment have full-time open-ended employment contracts. Generally, workers in the production department do not have autonomy regarding working time, task assignment or the order of the tasks they perform. By comparison, workers in the assembly department have relatively higher levels of autonomy regarding the scheduling of the tasks. Less than 20% of staff have the freedom to independently organise their own time and schedule their own tasks. These are mainly managerial and supervisory positions.

Work is mainly carried out on an individual basis, with tasks distributed by line managers. Limited teamwork is mostly carried out in the packaging department. Most of the teamwork is carried out in one team.

An annual performance appraisal system is in place. The appraisal is designed and implemented by the HR department together with other managers. The annual performance appraisals do not impact on the level of the individual bonuses but can matter for the reclassification of the employees on a higher pay scale. However, reclassifications can take place on an ad-hoc basis, depending on informal performance evaluations carried out by line managers. Data analytics are not used in the annual performance evaluations.

Recruitment

Recruitment is mostly carried out on the external market and is done on an ad-hoc short-term basis. The establishment recruits blue-collar workers (CNC machine operators, welders) only from the local labour market and uses mostly in-house resources for recruiting staff. Recruitment is carried out through both online and offline methods. For example, the establishment uses advertising on social media, on its own website, in local newspapers but also through locally targeted campaigns that advertise jobs in the local radio and through panels in public transport. Social media or specialised websites such as ejobs.ro or LinkedIn is mainly used for recruiting white-collar employees (positions which require an engineering or management degree) at the national level. However, there are not many such positions in the establishment. The HR manager reported that the establishment currently has a small contract with a recruitment agency but that its services were not needed in the past year.

Training and skills development

The establishment provides limited opportunities for training and development which have recently been extended to providing traineeships to students in vocational schools in the region. Participation in training and professional development activities is only possible if workload and work schedules allow. Most of the learning takes place through learning-by-doing or by learning from more experienced colleagues and supervisors. Internal training programmes target both theoretical and practical skills. For example, optional training programmes in quality assurance are offered by the quality assurance manager together with another colleague. In 2018, less than 20% of employees participated in paid training sessions. The number of employees participating in training programmes has further declined in 2020 due to the COVID-19 pandemic.

Training is provided to improve employee morale, to increase the capacity of employees to articulate improvements to the establishments (especially in terms of quality assurance practices) but also to allow employees to increase the task flexibility.

Payments

Pay scales vary by occupation and skill levels. For example, for welders, pay levels depend on the complexity of the welding that the worker can perform. Similarly, for operators of CNC machines, pay levels differ between technicians who can operate the machines and those who can read technical drawings, programme machines and perform measurements.

Almost all employees are paid by results. A system of productivity payments is implemented for blue-collar workers. The system is based on a data analytics integrated programme that tracks productivity by requiring workers to log when they begin and end work on a product. The data gathered by the programme are used for accounting purposes and feed into the monthly bonus

payments that workers can receive. Monthly meal tickets also depend on productivity levels which are assessed on a monthly basis by the line manager.

Outcomes of the HRM/workplace practices and lessons learnt

The establishment does not face problems in recruitment or finding staff for its open positions. According to the HR Manager, small issues with recruitment exist and are mostly linked to filling positions quickly (such as when someone in the establishment unexpectedly quits a job). However, even in such instances, positions are usually filled in less than a month.

The HR manager evaluates that employees are fairly motivated. Turnover levels for employees in skilled positions is low. For example, the majority of welders work in the establishment for longer than five years, many of them working since the establishment was founded.

The establishment uses traditional HR practices some of which could be improved. For example, at the recruitment stage, interviews and the practical tests could be improved by allocating more time so that prospective employees are better informed about work organisation and the work environment while the establishment gets to know better the prospective employee. More time should also be allocated to providing feedback to unsuccessful applicants so that they understand why their application was rejected.

Concluding remarks

The HR manager notes that a better cooperation with and support from the regional public employment service (PES) is desirable. Although the establishment is required to send monthly updates on their vacancies to PES, this exercise is of little practical use. The establishment does not use PES services for recruitment needs because of poor prior experience with workers who were recruited through this channel.

Furthermore, the HR manager noted that there is a lack of transparency regarding regulatory changes and poor communication from the Territorial Labour Inspectorate (ITM) on how companies follow regulatory requirements. For example, in response to the pandemic, the government implemented many changes in regulations regarding hiring and firing, unemployment benefits or social security contributions which proved difficult to implement in the absence of clear communications from the ITM. Due to poor communication, companies also have little time to adjust to regulatory changes and fulfil reporting criteria. For example, ad-hoc changes in minimum wage levels can be difficult to implement if communicated after the middle of the month. Therefore, a national system that provides up-to-date information on legislative changes should be implemented to ensure regulatory compliance and to ease the administrative burden on companies.

Dragos Adascalitei, interview conducted on 10 March 2021.

ACCIONA, Spain

Characteristics of the establishment and its international activities

The establishment

The establishment, established in 1900, operates in two main sectors: renewable energy (wind, solar, hydraulic) and infrastructures of a civil engineering nature, such as roads, trains, transport and water (design, construction, operation and maintenance). In addition, it also conducts some ancillary activities at a local level.

Its business spans the entire value chain, from design and construction to operation and maintenance.

ACCIONA is a public company, which is listed on the Madrid stock exchange on the Ibex 35. At the same time, it is a family business: the majority stake is in the hands of the Entrecanales family. Thanks to a family governance pact, the establishment is controlled by an independent board of directors made up of 11 members: some are directors representing the Entrecanales family, while others are independent directors of diverse origins. The headquarters in Madrid (with which the interview was conducted) have control above the other divisions, although they always try to have joint coordination.

The company has more than 39,000 staff overall. 600 of them work in the headquarters, namely:

- Around 200 people are dedicated to management and support functions (legal, HR, fiscal, financial, business development, marketing and technology and technological innovation). 70% of them are directors, managers or high-level technicians, while the rest develop administration and support functions. The average age is 42 years and there is almost equality in terms of gender, although the proportion of women in managerial positions is lower.
- In addition, there is another unit of about 400 workers, who are engaged in shared service activities. These are personnel with more basic profiles, and they are in charge of payroll, accounting, etc. - functions that, in many other companies, are usually outsourced.

The establishment has legal representation of the workers, with sections of the Unión General de Trabajadores (UGT, General Union of Workers) and Comisiones Obreras (CCOO, Workers' Commissions) trade unions that represent all of ACCIONA Spain. The establishment also has a works council and more than 1,000 worker representatives.

International activities and impact of COVID-19

International activities are becoming more and more important. Internationalisation of activities boosted in the years 2004-2005, when the company underwent a generational change within its leadership. Since then, the total volume of business outside Spain increased from 20% to 60-70%. International activities continue to grow. In terms of concentration of volume of activities in single countries, Spain is still the first market for the company.

The company operates in more than 60 countries around the world, covering the five continents (company website):

- Latin America: ACCIONA started carrying out projects in Latin America in the 1970s. The countries where important civil works projects were first carried out were Peru, Colombia

and Mexico. Since then, their presence in the region has continued growing, gradually incorporating the rest of their solutions, such as access to clean energy and water.

- North America: The United States represents one of the company's largest investments in renewable energy. In Canada, in addition to generating clean energy with several wind projects, the company develops important transport and social infrastructure projects as well as water treatment projects.
- Europe: Portugal was one of the first countries in which ACCIONA began its activity in 1948, followed by Italy and Poland in 1999, and the United Kingdom in 2003. Since then its activity has continued to grow. Important transport infrastructure projects have recently been awarded in Scandinavia.
- Middle East: ACCIONA started operations in the Middle East in 2008, setting up its first office in Dubai. Since then, Dubai has served as a base for developing the company's business in the Gulf and other Arab countries. ACCIONA mainly develops seawater desalination projects in the region to ensure access to this vital resource in one of the most water-stressed areas of the planet. It also undertakes all kinds of engineering and social infrastructure projects. In addition, the company has established strategic partnerships with local investment funds for renewable energy projects.
- Africa: Their activity on the continent began over 70 years ago in Morocco, where they completed over 70 projects. In 1997, ACCIONA began operations in Gabon to develop different infrastructure and water projects. In 2011, ACCIONA began operations in Algeria to develop water supply and treatment projects. The following year, it was awarded three renewable energy and infrastructure projects in South Africa. After South Africa, it launched operations in Egypt to develop renewable facilities and water supply and treatment projects. In 2014, it started working in Cape Verde with infrastructure projects.
- Asia: ACCIONA began its activity in the region in 1993, participating in one of the longest cable-stayed bridges in the world in Hong Kong. In 2006, it arrived in India and then expanded to Malaysia. It opened a strategic office in Singapore in 2016, with the aim of seeking business opportunities in the country and in Vietnam and the Philippines, where it now has several water treatment projects and transport infrastructures.
- Oceania: ACCIONA's activity in Australia began in 2002 with renewable energy projects for the country. Since 2007, the company has also continued to work on projects to ensure access to water and improve transport and mobility infrastructures in cities. ACCIONA also launched operations in New Zealand to provide transportation infrastructures.

Considering the concentration of business in single countries, Spain still represents the first market. 2020 has accelerated business growth in other—namely, COVID-free - countries. Expansion in Europe is slowing down, and it will also depend on the availability of European funds and support.

With regard to short- and medium-term developments, the company plans to expand the market in Anglo-Saxon countries, including Australia and Canada. Europe also presents interesting opportunities, such as the Polish market.

Innovation and business performance

The company is characterised by a high level of innovation. For instance, ACCIONA innovation centres are a benchmark in developing solutions for the construction sector, water technologies and renewable energies (company website). The I'MNOVATION open innovation platform sustains innovation programmes with start-ups and intra-entrepreneurship. From the Digital Innovation Hub, ACCIONA drives technology development and application in businesses such as data science, DLT

and blockchain, 3D printing, the Internet of Things, improved reality (virtual reality, augmented reality and mixed reality) and robotics and artificial intelligence (company website).

It has high quality orientation as competitiveness element.

Background and objectives of the HRM/workplace practices

The company defines itself as a responsible employer, who cares for its people, its social context and the environment. Their strong ethic supports social development. For instance, they launched 'PEOPLE' - an initiative to improve the capacity of the company to have a social impact in the contexts where they operate, ensuring that there is no exploitation or discrimination.

This is also an important motivating factor for the staff.

Overall, their participatory approach and an investment in the trust of their employees are some of the factors behind their workplace practices. This also allows them to attract talents and to create a sense of belonging and responsibility among the staff.

Characteristics of the HRM/workplace practices

Recruitment

Within the company there are some common approaches to recruitment procedures, but HR in each country are quite autonomous.

For any position that comes up within the establishment, internal competitions are launched in a first step. For one or two weeks, these offers are restricted to the intranet, offering these professional opportunities as a priority to the internal staff of the establishment. If there are no relevant applications from internal staff, an external search is carried out.

For recruitment, the establishment uses different channels: screening in the large Spanish and international job portals, but also a lot of direct search with LinkedIn - which has become a fundamental source.

The establishment operates in sectors where the lack of qualified professionals is evident - for example, finding civil or electronic engineers, but also project management and technical leaders, and in general highly technical profiles with high international mobility availability is not easy. To enhance its ability to attract relevant profiles, the establishment follows a long-term investment strategy in its staff, and with which it affirms itself as a reference employer - for example, they have a rating as 'top employer' that proves they are an establishment with a positive working environment. Also, a good attraction for young people are environmental and social issues, which are very important in the work conducted by ACCIONA.

These strategies make it easier to attract people, especially in countries where the company has a more established presence. However, this is not enough. Therefore, the company has also developed interim and graduate degree programmes in STEM around the world, in collaboration with key universities in the countries in which it operates (such as New Zealand, Mexico, Chile, Canada and Europe). Moreover, it tries to attract an increasingly diverse and multinational workforce.

Type of employment

The establishment mainly offers permanent, full-time contracts.

Since the COVID-19 outbreak, inevitably work has become more flexible, also using forms of telework. Although it is not clear yet which approach will be used after the pandemic, the staff have learnt to do flexible work.

Payment

The establishment uses a variable pay system with a percentage between 15% and 100%: the higher the level/responsibilities of the employee, the higher the percentage of variable pay. In addition, the company has long-term equity and bond programmes. They also have bonus systems – providing benefits such as cars, training and others. As of early 2021, they are also exploring options related to pension plans, because the legislative framework in Spain is not very favourable and they would like to improve the situation of their employees.

Work organisation

Staff are working in several teams, with the supervisors distributing tasks.

In 2004, the company underwent an important generational change in management, which also impacted the hierarchical structure. This went towards a more horizontal model, with a flatter management structure. At the same time, the company gradually moved towards a complex '3D matrix' organisation model, that requires a lot of dialogue and cooperation between the different company departments and functions.

Regarding the level of autonomy, the company operates with a management by objectives model, which is less focused on the physical presence at the office and more results-oriented.

Role of automation/digitalisation

The only system they have in place is a time control system, which is required by law in Spain since 2019 as a result of the incorporation of European regulations to try to stop abuses that occur in companies. However, the system is merely formal and the company does not use it for performance evaluation.

Training and skills development

The establishment indicates that skills to be applied at the workplace are quickly outdated. As they attribute high importance to skills and skills acquisition, they offer a large amount of training opportunities to staff.

The company has a complex training structure, which includes the following (among others):

- A full scholarship programme for people who get places in the top world universities (MIT, UCCLA, etc.). In these cases, the company bears the costs of training and accommodation.
- They also have agreements with relevant universities in the countries where the company operates, for example for MBA programmes, or programmes for the management and direction of infrastructure projects.
- Formal training.
- An increasingly wide range of blended and online learning.
- Specific welcome packages and reception programmes for new staff.
- Training on company policies and basic procedures (such as anti-corruption, codes of conduct, inclusion), which is offered internally.

Performance appraisal

In general, the establishment is moving away from the use of formal performance evaluation systems. Three years ago, they changed the system: before they used to set annual objectives with a quarterly monitoring exercise and whose results were linked to the salary review and the amount of the variable salary. At the moment of the interview (February 2021), the objectives are set at any time in the year and for as long as needed, and in a disconnected way with respect to the remuneration models. In general, dialogue between employees and their managers is encouraged, so that there is a fluid exchange, while trying to move away from a culture of control.

Process to design and implement the HRM/workplace practices

ACCIONA is a fairly participatory company, especially because they work on a project basis: any function (not just HR) that does not take into account the reality of the projects is bound to fail.

A year ago, the establishment created a committee at the first/managerial level of the establishment, with assistance from the presidency and many other functions, where principles of inclusion, equality, flexible work, smart working, etc. are set. This initiative represented a fundamental step, because it expanded the processes for defining HRM/workplace practices to include not only HR, but the entire establishment. Different departments contribute to this initiative.

Another great success has been the creation of a youth committee - a committee made up of employees who are under 35 years of age, and who represent all the same functions as those on the establishment's steering committee. These are highly skilled people who bring very relevant ideas to the establishment.

Likewise, the HR manager meets every week with the union sections: these are fundamental moments to solve problems and avoid conflicts. This meeting system was implemented since COVID-19 began, and it is very useful because all employees know that there is a channel to reach the establishment's management. Thanks to this practice, the establishment has managed to clarify some conflicts. Given the positive results that it is bringing, this practice will also continue after the pandemic.

Outcomes of the HRM/workplace practices and lessons learnt

With the practices they have in place, ACCIONA considers itself a good employer, able to create a differential to attract talents.

Likewise, these practices allow to achieve better results for the company. Openness towards employees also allows to think out of the box, finding different solutions.

In addition, results are also achieved on the side of the employees – namely a low turnover, investment in people and retention of talents.

To accompany these developments, it is also important that the policy framework provides relevant support instruments and that it also follows developments in the labour market. For example, the interviewee stresses that the world of work is becoming more and more flexible and open, and it is clear that young talents will not want to work as they used to. The world of work will probably move towards an 'uberisation' of work, with people working for different employers. A protective framework to accompany these processes is missing.

The establishment has used public measures, especially in terms of vocational training. However, it highlights several aspects that could be supported more effectively, such as:

- The modernisation of training systems.
- The improvement of dual education and training models.
- A better offer of training (in general, it is difficult to find suitable training centres), also to ensure a better match with the technical profiles that are requested in the labour market.
- The improvement of the public employment services (PES).

Valentina Patrini, interview conducted on 8 February 2021.

Agilis, Greece

Characteristics of the establishment and its international activities

This company is a small consulting business of 13 staff active in the field of statistics and information technology and has been operating in Greece since 1998. With regard to the statistics side of the business, the company develops data methodology, collection, survey analysis for international organisations. With regard to informatics, the company develops custom-made statistical information systems, software tools for data exchange and statistical purposes and these services are offered to international organisations. Ten out of the 13 staff are women. The company offers mainly indefinite contracts. There is no employee representative at the workplace level.

The company is 99.9% export-oriented, set up from its inception to target foreign countries, pushed by the national market characteristics. The Greek market is very demanding and bureaucratic; additionally, many public tenders are usually contested by tenderers and that takes time to resolve. Furthermore, many of the public tenders are not well specified, for instance the costs and tasks foreseen are not detailed which may result in tenderers incurring losses in the end. Additionally, payments are not made in time (and in line with tender specifications) and the amounts are small. Often, the effort put into the implementation of the contract is disproportionate to the payment.

In European or international tenders, in contrast, the tasks are very clear, so it is easier to cost and implement them. This is considered the most important reason for the company's external orientation.

COVID-19 has not affected their activities at all. The company had all infrastructure for remote working and serving customers and implementing projects.

Background and objectives of the HRM/workplace practices

The management's rationale for applying their HRM/workplace practices is the perception that the combination of these practices makes employees happy, which means better employee performance and better company outcomes. These are clearly win-win outcomes. For the company, this means better economic results (sales and profit increase) and good reputation. For the workers, being satisfied with work means that they are happy to go to work every day. Their pay is satisfactory (and paid on time) and as sales increase, so do salaries. Workers are happy with working time flexibility, training, cooperation among employees, relationship with managers, etc. Workers gain experience necessary for building their career and moving on to new endeavours.

There has not been any change in the company's workplace practices due to COVID-19. All staff telework, as none of them was keen to go to the office using public transport. MS Teams is used for meetings and discussions with colleagues and customers.

Characteristics of the HRM/workplace practices

Work organisation

There are three job categories: ICT, statistics and support. Staff are classified as junior, senior and head of department.

There are 25-30 project run at any time by two teams, ICT and Statistics. Once a week, there is a management meeting during which the two heads of the teams together with the operations manager and the managing director discuss progress, new projects and distribute resources. Similarly, there are departmental meetings once a week and project meetings (including staff of both departments). There are no fewer than two people assigned to each project to ensure project continuity. Projects are mixed, including statisticians and ICT team members.

Project teams are autonomous in their work and there is no hierarchical control. Limitations to their work have to do with the technical tools available and the customer technical specifications (for instance, a customer request to use Java instead of SQL [programming language]). But even in these cases, teams discuss suggestions and then project managers make decisions. As the interviewee said, 'we are a very democratic company'.

Projects are monitored digitally. The digital tool used requires assignment of working hours ('harvesting up of data') to each project which are then connected to cost calculations and monitoring of deliverables. Project managers then take decisions and in case of conflicting deadlines they can prioritise.

As most workers are female and in reproductive age (child-bearing age), the HR policies facilitate female employees in combining work and family life and offer flexibility. Working time flexibility is provided, for example allowing employees to take time off to deal with family issues without having to officially request leave. The management is aware that workers work many more hours than contractually stipulated, hence are happy to grant any working time flexibility required by staff.

The operations manager conducts staff assessments based on input by project managers, line managers, etc. The assessment consists of two parts: the degree of company satisfaction with the employee performance and the degree of employee satisfaction with the way the company manages them, the work environment, work pressure, pay, etc. These two components are taken into consideration for the assessment and which is then conveyed to the managing director.

Recruitment and retention

The company's recruitment policy favours diversity and encourages candidates of any ethnic background, gender or sexual orientation, etc. to apply. What is important is that the candidates have the potential to grow and can work well with other colleagues as a team. Job announcements are made through HR specialised websites, universities, LinkedIn, etc.

They have developed their own competency tests because it is rather hard to find candidates who have the set of skills required for the company (international experience, good English, etc.). The test includes two parts: a technical part (either statistics or ICT-related questions) and a 'real-world problem' exercise. There is a cut-off score but if the candidate's CV looks promising then they may still decide to interview them regardless of the score result. Such candidate was recruited in the past and has proven to be good at his work.

After their initial training, new recruits are assigned small project tasks and deliverables to test if they can implement them at the quality standards expected and communicate well with customers. Their work is checked by the relevant project manager.

Most of the staff have been in the company more than 15 years. The only category of staff that stay for a short time are the young ICT workers who due to the nature of their work they need to learn new technologies and move to the next company and learn new technologies. Despite the short stay both sides gain from this employment opportunity therefore this is a 'risk' the company is willing to

take. Staff are seldom dismissed; in the last 17 years there was only one case. Employees that prove to be less competent for the job are given a different job opportunity internally.

Training

Training activities are extensively supported and practiced. All new recruits undergo (internal) training before they are fully immersed into work. There is continuous training for all staff, either internal or with a training provider, also abroad. For instance, four workers recently went to a SAS training provider. If ISO specifications change, staff will be trained to update their knowledge and skills. University-offered online training courses are paid by the employer, as well as the certifications connected to them. For example, the methodology for conducting surveys (data sampling) was part of a worker's Master's degree programme sponsored by the company. The costs of both, the actual programme and visits to the university in Denmark for her presentations were borne by the company.

Pay

Salaries are above those agreed in the national collective agreement but are neither at the high nor at the bottom scale for the industry. There are no big variations between salaries and no differences between female and male staff. For instance, the head of ICT is the second most senior worker (recruited at the start of the company) and she is the top paid employee who earns an additional €50 compared to others. Salary increases are not based on seniority.

Outcomes of the HRM/workplace practices and lessons learnt

In a general assessment of their workplace practices, the interviewee mentioned that the work environment is flexible and as the managing director said, 'we do not buy your time but your knowledge and experience'. The management wants staff to be happy, to work on their own terms and schedule. For instance, a working mother works from 5pm till late in the evening as this suits her best and this is how she is registered in the attendance system. Therefore, meetings involving this worker start at 5pm or adjusted in line with her needs. Other workers prefer to start early in the morning and have their evenings free. It is only two categories of employees who work on a fixed timetable, these are the secretaries and accountants (they need to deal with the tax office at certain times). These are innovative practices which are the strength of the company. It is the human factor at the centre of the workplace practices. On the other hand, these practices can be a weakness as the whole day can be turned into working time.

One of the challenges the company faces is to find personnel with the right qualifications and international culture and mentality. Furthermore, finding people who are happy to work under the conditions described above is not always easy. Young recruits (ICT) are very mobile and leave quickly to pursue new job experiences which is a big challenge. Training is provided to junior ICT staff to develop their knowledge and skills but they cannot be productive immediately after the training; it usually takes one or one and a half year to see a return on investment and this is exactly when they leave. The company cannot make any other job offer to retain them because the projects have specific technical requirements (certain technologies) and the young ICT workers want to learn new technologies. This is not a problem for the statisticians, investments are made on improving their qualifications, but they stay on.

Policy recommendations

Being predominantly a female workplace, the management recommends to other employers not to hesitate to recruit women. Stereotypes against women should be addressed. The company does not have any stereotypes regarding the profile of the 'right employee'. Multiculturalism and diversity at the workplace are very important and should be supported.

Some large companies have hot desks without any personal objects on, work organisation and HRM practices are strictly and narrowly defined and workers are treated as machines. Work is part of the workers' lives so if they are not able to place a personal object on a desk and to find it there the following day, they will never feel comfortable working in such a workplace and give their best self. Even new-age type of practices (for example, team retreats, team games) are not enough to overcome the disadvantages of these work environments.

Stavroula Demetriades, interview conducted on 11 March 2021.

Agraz, Spain

Characteristics of the establishment and its international activities

The establishment

The establishment operates in the manufacturing sector, producing tomato-related products (tomato powder, tomato paste, fresh tomato products and other dehydrated products).

The Grupo Empresarial Agraz used to have its basis in Spain and factories in California, USA and Xiangfeng, China. In 2016-2017, an important change in management happened. The group was purchased by [Conesa](#) – which was founded in 1976 as ‘Conservas Vegetales de Extremadura’ with wholly private capital, its main activity being tomato processing. Conesa acts as parent company, taking the key strategic decisions (on production and HR) and providing general guidance to its different members. Therefore, Agraz has just some, but not absolute, autonomy in decision-making.

The workforce

There is an important variation in terms of number of staff between the crop season (peak activity happening between July and September/October) and the rest of the year. While around 70 people are on full-time, permanent contracts, another 150 are hired temporarily during the peak times.

Of the permanent staff, 13 work in management, administration, quality management, logistics and in the agricultural department. There are two main production areas:

- The one related to tomato powder is active all year long, apart from short breaks either for maintenance of main public holidays. Around 30 employees work there, most of whom have a permanent contract. Work is structured around five shifts, covering the 24 hours.
- The one related to the production of concentrated tomato paste is active mainly in the July-September period, while only maintenance activities are performed in the other months. Sixteen people are in charge of the maintenance of the product, working full-time all-year long.

Finally, there are another 10-12 workers in the logistics department.

International activities

International activities represent more than 90% of the business, in the form of exports. Agraz prides itself of being ‘the most geographically diversified tomato Group in the World’ ([company website](#)). Its internationalisation started very early on, at least 20 years ago. The national market only retains 5-10% of the production. The reasons behind the early and intense internationalisation is linked to the quite limited demand at national level and the traditional role of Spain as an exporter of agricultural products.

One of their main clients is the Unilever group, which has factories throughout all Europe and purchases around 40% of Agraz’ products. Key foreign markets are Poland, Germany, France, the UK and Brazil. Moreover, an important part of the exports is destined to Japan – an interesting market which requires particularly high quality but pays very well. Selling to the Japanese market implies additional costs but is particularly remunerative.

Innovation, business performance and impact of COVID-19

Innovation is quite limited, although the activities of the establishment are supported by 'Agraz Engineering' – that was created to improve the technological capabilities of the facilities that used to belong to the Grupo Empresarial Agraz – and by CTAEX, a non-profit business association which offers research, development and innovation, and training and information to contribute to competitive development of food businesses and consumer safety ([company website](#)).

Overall, the business performance is relatively stable, with quality orientation as main competitiveness element. Quality is also a key element for the positioning of the establishment in specific foreign markets, such as Japan. At the same time, cost containment is another fundamental aspect for competitiveness.

COVID-19 has not implied major difficulties for the business performance – in fact, the opposite. Since 2020, the demand for Agraz' products has increased. This also happened in parallel to a scarce production year for Italy, an important competitor in the market of tomato products. 2020 marked a sales record and 2021 is likely to follow the same trend.

Background and objectives of the HRM/workplace practices

Some practices are adopted in fulfilment of legal requirements. Nonetheless, at the basis of the company culture there is a more general motivation – that is, the conviction that an approach that supports staff participation in decision-making is in the best interest of all.

The HRM/workplace practices also had to be modified in light of COVID – involving health and safety measures as well as the reorganisation of working time, for instance starting the working day in a staggered way or the permission for staff to leave the establishment at 3.30 rather than 4pm and to have lunch at home rather than in the canteen.

Characteristics of the HRM/workplace practices

It is important to take into account that there are mainly two types of staff – those working on a full-time, permanent basis; and those working on a temporary basis only during peak times. Moreover, in terms of occupations, the staff can be divided mainly between office personnel and staff working in production and logistics.

Recruitment

Recruitment at the establishment level is mainly related to low-skilled staff, therefore does not require long-term planning; rather a short-term response to needs when they arise. Since most of the people working in production are not highly skilled, they can be identified and mobilised quite easily in the local labour market. Nonetheless, there are technical profiles associated to the use of specific machines that are particularly difficult to find – mainly those working with forklifts and industrial boilers. In these cases, difficulties mainly relate to finding candidates who have the formal qualification and/or the real ability to use those machines.

Recruitment is mainly advertised through a template on Conesa's website, where candidates can submit their personal and professional data. Overall, for these low-skilled profiles interviews are not conducted; the profiles are selected on the basis of different criteria: having worked for the establishment previously or having a relevant professional experience.

Other channels used for recruitment is the Chamber of Commerce of the Region of Extremadura, and another professional association operating in the area (name unknown). Temporary employment agencies are used very rarely.

Many of the people who are recruited for the crop seasons are hired year after year and many of them have been working for the establishment for a long time.

The recruitment system is different for office staff, who undergo a selection process with an interview. In many occasions, candidates are identified among people who had previously worked for the establishment or among personal/professional contacts.

Type of employment

The 70-80 stable staff are mainly on a permanent, full-time contractual basis – with just a few cases of workers having negotiated part-time due to personal circumstances.

In peak times, around 150 additional staff are contracted on a temporary basis. This setting allows the establishment to adapt to the seasonality of the production and to react to market fluctuations. A common contractual form that is used are ‘fixed discontinuous contracts’ (*contratos fijos discontinuos*) – suitable for works that are fixed, stable, but discontinuous in time. After the first renewals, by law the contract must be converted into a permanent one.

Payment

Payments follow the sectoral agreements – including a premium for working at night. Moreover, the establishment also provides an extra pay for the shifts during Sundays and bank holidays. This practice was established a few years ago and negotiated with the staff representatives.

Work organisation

The system of work organisation is quite vertical, top-down. In each of the three main areas (two of production and one of logistics) there is a responsible for production and maintenance, who sets daily tasks for workers, who work in couples. While managers have a good autonomy in performing their job, this is not the case for the rest of the staff. The establishment also indicates that managers are in charge of controlling that employees follow their tasks; that staff are sometimes required to stay longer when needed; and that they are also expected to support their colleagues.

On the other hand, since 2019 the establishment has implemented a lean management system. This practice was transferred by Conesa, which already had it in place. It represented a positive change for the establishment, as it strongly enhances all staff’s participation in decision-making and in suggesting improvements. This is very important as it allows staff to share any concern or ideas for improvement they may have. These aspects are discussed in meetings that are held at the end of every working day.

Role of automation/digitalisation

Data analytics are used for employee surveillance, but only to monitor their working time through NetTime, a time and attendance management software system. This is not a performance management system, which is in turn conducted manually (for instance, counting the number of shipments, lids cleaning, etc.) during the meetings conducted at the end of each working day as part of the lean management system. The ambition is to collect more and more data that can support productivity.

Training and skills development

The establishment provides different training offers, through external companies or consultants, namely:

- Every year, before the crop season, it provides training to all the staff that are going to take part in crop activities, on aspects such as: prevention of occupational hazards, good practices in manufacturing, and the lean system.
- Moreover, specific training is provided to improve or refresh the abilities to perform some technical tasks, such as the use of specific machines (for instance, forklift handling), or work at height.
- Language courses (English) are offered to staff working the commercial and logistics departments.
- Specific training is also provided to respond specific demands of the staff.

Internationalisation is not considered to have a major impact on the training offer. Nonetheless, in some cases the establishment makes sure to communicate and raise awareness of the expected quality standards required by some clients, such as the Japanese ones. In those cases, for instance, workers know that they are expected to pay extra attention to the quality and refinement of the products.

Performance appraisal

No formal performance appraisal system is in place. No staff reviews are conducted.

Process to design and implement the HRM/workplace practices

Key HR decisions need to be consulted with and approved by Conesa, the parent company.

Regarding other HR and workplace practices, since the lean management system has been adopted, the processes have become much more participatory, including decision-making. Suggestions take shape on the basis of common work and reflections, even though the director always has the final say.

The establishment has a works council that also plays a very important role as regards HR practices – for instance salary setting and negotiations, salary increases, working time. Their intervention has allowed staff to get better conditions than the minima included in the collective agreements. Over time, it has also ensured more favourable working conditions in terms of working hours (reduction of a typical working day from 12 to 8 hours; more breaks) and pay (last year the salary was increased by 4.5%).

Outcomes of the HRM/workplace practices and lessons learned

The implementation of the lean management approach is bringing important results for both the staff (motivation, participation in decision-making, more opportunities to express their concerns, suggestions and ideas, and possibility to have a stronger voice and to be listened to) and the employer (improvement of production processes, more motivated and therefore more productive staff). For instance, changes were introduced in the logistics section where a new machine was purchased, following the suggestion of an employee, to move the pallets automatically rather than manually.

Overall, the HRM and workplace practices in place have increased the motivation of staff and also the quality of the products.

The interviewee stresses that Agraz is a serious, solvent and committed establishment, which has become a reference in its sector. Also, thanks to the application of the HRM/workplace practices, they have gained a very good reputation which has increased the trust that people have in the brand and in the workplace itself.

Concluding remarks

For training, the establishment has used tax credits offered by the State Foundation for Training and Employment, a government entity. These are assessed as useful supports that must be maintained over time.

To support its HR practices, the establishment has not been able to obtain any other support. Despite trying several times to cooperate with the regional public employment service, which should own the largest regional database of jobseekers, they faced many difficulties for hiring. The service is not at all agile and the administrative burden is excessive (for example, the employer must be registered on the platform, make a report of the job, etc.). As a wish, a much more agile public employment service would be needed, in order to support a more immediate, faster matching between labour demand and supply.

Another difficulty that would require policy interventions relate to the nature of certain forms of work contracts. The fixed discontinuous contract, which is designed for intermittent work that is repeated year after year, can be extended a limited number of times - and then it has to be converted into a permanent contract. However, in the specific case of this establishment that needs additional workers only for a few months per year, this system represents a problem: workers are not interested in a permanent contract that prevents them from accessing a series of supports, for example of social security (they have the right to unemployment benefits in the months in which they do not work, but not to other types of aid such as other income support measures).

One last issue, also very important, is the hiring of young people. Measures to provide incentives for companies to hire people under 30 years of age would be necessary.

Valentina Patrini, interview conducted on 5 February 2021.

Ardeca Lubricants, Belgium

Characteristics of the establishment and its international activities

The establishment and its workforce

The Belgian Ardeca Lubricants was established in 1988 as part of the family-owned company Vroman NV. According to its [website](#), the establishment is a producer and distributor of lubricants and aims to provide solutions ‘for every application in the manufacturing, agricultural or automotive industry, ranging from mineral and synthetic oils to gear box oil and transmission fluid’. During the last few years, the company performance has been positive and improving, and management expects further growth in the future.

The establishment employs 45 staff, the vast majority of whom work on a permanent full-time contract. Half of the staff are white-collar (such as accounting, sales, purchase, safety/prevention, graphical designers) and blue-collar (for example, truck drivers, machine operators, warehouse staff), respectively. The team is rather young, with an average age of 44 years.

As regards nationalities, the establishment workforce is very diverse with for example one Russian colleague, one from Uzbekistan, one from Morocco, one from France-Polynesia, one from the Netherlands and or one whose mother is from Italy and father from Italy. Accordingly, staff cover a wide range of languages and familiarity with foreign culture. That said, some have been born and raised in Belgium and management considers them having ‘two identities’ in terms of being well embedded in both cultures.

Given its small size, there is no official employee representation at the establishment.

The international activities

At its inception, the establishment was exclusively targeting the national market, but already after two to three years started serving the neighbouring countries (France, the Netherlands), benefitting from the shared languages. The main reason for going international was the observation that in the market of lubricants, globally there is demand for small and flexible providers offering customised services at high quality and without long delays, which is often lacking from the big market players.

In the early 2010s, the establishment expanded its activities to countries further away, such as the Middle East or the Americas. Countries with a ‘western mindset’ (such as USA or South Korea) were approached first, followed only recently by countries with stronger cultural differences compared to Belgium (for example, China, Russia). Negotiations with potential partners in those countries, but also legal and administrative procedures related to imports makes access to these markets more challenging.

As of early 2021, the establishment is active in 70 countries and achieves most of its sales through customers from other countries than Belgium. Among its Top 10 clients, more than 50% stem from European countries, notably from Italy, Romania, Finland and France.

The COVID-19 crisis did not bring about any disruption on the supply side as the establishment exclusively works with suppliers from Western Europe. However, sales and the logistics flows were affected. Some deliveries had to be postponed five to six times, requiring the establishment to keep the products locally in stock while their customers suffered from being out of products. Compared to

2018 or 2019, foreign sales were about 10% lower in 2020, with huge variation across target markets (for example, -40% in the USA compared to – from an annual perspective – stable sales levels in Italy or Morocco).

Background and objectives of the HRM/workplace practices

The management aims to provide staff with interesting and stimulating work, and to create a work environment characterised by cooperation and mutual support among colleagues. It shows genuine interest in employees' well-being and actively seeks to motivate staff and improve employee morale.

Being an internationally-oriented establishment very much determines the choice of HRM/workplace practices. For the management it is important that staff are aware about the international clientele and their respective particularities, as this is deemed as a precondition for high quality service provision which is among the key success factors of the establishment's performance.

Characteristics of the HRM/workplace practices

Work organisation

Work organisation in the establishment is based on teamwork, with staff working in a single team under a designated team leader (for example, warehouse team, production team, two sales teams – one for the Belgian market, one for exports). White-collar workers enjoy a high level of autonomy to carry out their tasks, including independently organising their own time and scheduling the assigned tasks. The progress as regards achievement of agreed targets is discussed in weekly meetings between the employee and their team leader. In general, white-collar workers are expected to spend 80% of their time on specifically defined tasks, while the remaining 20% are to be devoted to projects which are related to strategic issues (for example, how to address Brexit) or to develop innovations.

Work organisation of blue-collar workers is more structured and monitored, on the one hand as their work is better measurable (for example, production volume), and on the other hand as any delay in production must be immediately dealt with to ensure that customers can be served as agreed.

As the size of the establishment does not allow for structural back-ups for all positions, each staff has a so-called 'buddy'. The buddy is particularly important when new colleagues join the establishment and are to help the newcomer to integrate into the workplace. They aim to be an additional point of reference next to the management if questions or issues arise. In the induction phase, the buddy is also involved in the performance evaluation by the management, to jointly discuss the progress of the new colleague and, if applicable, which further steps should be taken to ensure an integration in the work organisation that benefits both the employer and the employee.

Data analytics are used to improve internal processes, but also staff are encouraged to make improvement suggestions. To involve staff in decisions related to work organisation, management regularly conducts general staff meetings, meetings between employees and their line manager and encourages discussions through social media (Instagram, Facebook, LinkedIn). When there are bigger changes related to the work organisation planned, such as a few years ago when production processes have been digitalised, resulting in a new way of creating and analysing data of the

production process, external consultants are involved. This is not only done to ensure that the required expertise for such a transformation is available, but also for an objective information and communication to staff. Additionally, when such larger restructuring takes place, management always flags that there is a test phase for implementing the change after which the change and its impact will be evaluated – with involvement of staff - from the business and staff perspective, and if needed adaptations are implemented.

The management pinpoints their observation that in times of transformation, much more time needs to be spent on HRM, notably in terms of communicating with staff. While in normal time the interviewed manager spends 10% of the time on HRM issues, because of the COVID-19 crisis in 2020 it amounted to 25% to check with staff how they are doing, whether and how the employer can support them and to mitigate uncertainty and anxiousness.

COVID-19 brought about some changes in work organisation in the establishment. Cleaning the premises has been intensified to give those working on-site a higher level of security. Blue-collar workers continued to be on-site which was possible due to the spacious production area enabling physical distancing but are obliged to wear face masks when moving from their specific workplace. Workers are observed to understand the requirements very well and to be disciplined in observing them.

The sales team switched to full-time telework, with weekly meetings with the team leader through MS Teams. As of early 2021, staff are increasingly experiencing professional and social isolation as well as develop the feeling that they lose the ‘bigger picture’ about what is going on in the establishment overall, and look forward to taking up on-site work again. The management is actively seeking ways of mitigating such issues. For example, instead of the New Year reception normally conducted for all staff at the premises, the managers had food boxes with a three-course meal and a personal message of the managers delivered to all staff and their families, inviting them to take a picture when they enjoy the meal and share it with colleagues.

Recruitment

When being faced with a vacancy, management most of the times starts by looking whether there are suitable internal candidates. This not at least as the ‘fit to the team’ is an important criterion for the management when hiring. Formal qualifications and past experience are of somewhat lower importance as the management believes that if the personality of a candidate is suitable and they are willing to engage with the company, the skills needed can be developed through learning by doing (also see below).

Both internal and external recruitment is done in a rather informal way, with the managers meeting two or three times with the candidates to discuss the tasks and expectations.

Management actively seeks multicultural diversity among its staff to facilitate the international activities due to the employees’ familiarity with the culture of the foreign target markets which is seen as an important asset in sales negotiations. Vacancies in sales do not explicitly address candidates with foreign background, but if the candidate fulfils the other criteria, such is seen as an additional benefit.

As of early 2021, they are not recruiting abroad and do not plan to do so in the future as next to the ‘foreign expertise’ employees’ embeddedness in the Belgium culture is important for the establishment.

Skills and training

For the management, continuous further development of the establishment's workforce is important, and they are actively looking for staff that is open and capable to learn. The management indicates that about 3/5 of the staff have the right skills to do their job, while 1/5 is underqualified. The knowledge and skills needed from employees in the establishment change fairly quickly, resulting in a situation where between 1/5 and 2/5 of staff require continuous training. Skills development is mainly done at the workplace, through learning from more experienced colleagues and learning-by-doing.

In the framework of the annual performance review for staff, management and the employee jointly discuss whether and if so, which skills should be further developed. In most cases it is the staff who come up with suggestions. In case of external courses, the management then evaluates the content and costs and approves or declines the request.

For colleagues newly joining the establishment, the management has developed a competence matrix where the newcomer indicates their level of expertise for each item. During the induction period, this is regularly revisited jointly by the new colleague, the buddy (see above) and the manager to follow up on the progress made and to identify items in which the employee can further develop on their own and those for which organisational support is needed. The competence matrix also identifies those fields of expertise in which the colleague already excels and could train other staff. The management assesses this tool as valuable not only for effectively structuring work organisation (related to efficient task assignment aligned to skills and interests) but also to easily identify options for knowledge sharing and knowledge enhancement within the organisation.

Related to the international activities, the establishment takes advantage of specific training offers by the Chamber of Commerce and a specialised local body called FIT ([Flanders Investment and Trade](#)). These, for example, refer to courses on how to do business with/in a specific foreign market (including particularities in negotiation skills based on specific cultural environments) or training on legal frameworks and administrative procedures abroad.

Sometimes colleagues are reluctant to engage in the further development of skills that the management has identified as important for the establishment. While such attitude is disappointing for the management, they do not force any staff to undergo training if they do not want to, and staff is also not penalised in any form if they decline. In such a case, the management looks for an alternative staff member who could develop the required skills and, if needed, redistributes tasks within the team. This involved a joint discussion among the team how this redistribution could be done best to satisfy all colleagues.

Outcomes of the HRM/workplace practices and lessons learnt

The management assesses that its HRM/workplace practices contribute to the competitiveness of the establishment and to ensuring the efficiency of its work processes. Furthermore, the practices lead to a rather highly motivated staff, high staff retention and positive employer branding which is deemed to be an important success factor when acting in a rather competitive market where customisation of products to clients' demands and high quality products and services are of utmost importance.

As regards recruitment, the open approach towards applications in terms of not having narrow expectations but rather working with minimum criteria and assessing on a case-by-case basis what additional benefits each candidate could bring to the establishment is perceived by the management as very effective for ensuring a wide variety of expertise in a small team.

The management has a very inclusive approach to decision-making in the field of HRM/workplace practices. Staff are invited to discussions, to provide suggestions to actively contribute to find solutions to specific emerging issues, and to provide feedback to the management's approaches. Employees appreciate the non-hierarchical work organisation, the direct communication across all the organisation and that the management is always directly approachable if any issues arise, including private concerns they would like to share.

Staff also welcome the multicultural diversity of the team as they see the cultural differences as a learning opportunity which positively contributes to their personal and professional development.

Concluding remarks

In its international activities, the establishment clearly sees the advantages of the European Single Market, as well as of trade agreements with third countries which substantially facilitate access to foreign markets. That said, the diversity of foreign target markets helped the establishment cushion the negative impact of the COVID-19 crisis in 2020, as substantial sales decrease in some countries could be balanced by stable to growing demand in others.

The management team consists of very young and open-minded individuals which is perceived as an advantage for a small establishment drawing its competitiveness from a flexible and strongly customer-oriented business model. This facilitates not only the identification of opportunities for international business and implementing respective activities but is also applied in HRM. Examples for the latter are their openness in recruitment or their non-hierarchical work organisation which is paying off in terms of employee retention and motivation which are seen as important success factors for the establishment's good performance.

The management assesses the cultural diversity among the team as an important success factor for an internationally oriented establishment as it provides a competitive advantage when targeting foreign markets, particularly for a small provider in a competitive market. Furthermore, it is seen to positively affect the climate at the workplace and could contribute to attracting the type of workforce who are looking for such a particular work environment. At the same time, the management flags that with such a culturally diverse team, a strict top-down management approach is not favourable, and a more team-based and inclusive decision-making process is needed to result in a win-win situation for the establishment and its staff. Furthermore, for a successful multicultural team, language competences are a necessity which might be easier to find in a multilingual country like Belgium than in other countries.

More generally, clear and transparent communication to staff is seen as important success factor, including explaining the background and purpose of decided practices to ensure employees' understanding and devotion.

As regards public support related to HRM, the establishment a few years ago benefited from a governmental subsidy for training. While still small in terms of staff numbers, the establishment is not eligible to this support anymore due to its turnover growth. They continue investing in skills

development and training, also taking advantage of well-established cooperation with suppliers, but would appreciate continued access to financial support to be better able to engage in types of skills development new to the establishment (such as professional coaching) or to involve a larger number of staff in external training. Furthermore, the establishment would appreciate support in professionalising their recruitment practices, to transition from a 'gut feeling' approach to a more structured one (for example, how to use psychological tests for white-collar workers to get a better impression of their personality – how they might behave in the team - and capabilities, strengths and weaknesses).

Irene Mandl, interview conducted on 8 January 2021.

Consultancy company, Luxembourg

Characteristics of the establishment and its international activities

The establishment

The establishment is a Luxembourg entity that was founded in 1988. It operates in accounting, bookkeeping and auditing activities, as well as tax consultancy. It provides consultancy services mainly around the areas of audit, tax and advisory.

The establishment is a member firm of a global organisation of independent member firms. While part of this global network, the establishment is a single independent company, where decisions on operations and HR are taken at the level of the executive committee (composed of seven positions: managing partner, head of tax, head of advisory, head of audit, chief operating officer, chief innovation officer and head of sales and markets). The network is mainly used for branding and training activities, but it does not put any pressure on the managerial decisions to be taken in the establishment. Design and development of products is mainly carried out internally.

The overall business performance in the last few years before COVID-19 has been positive. With COVID-19, figures were still acceptable – with a global growth of 1% in 2020 compared to 2019, and the following figures for the different areas: audit +4%, tax -2%, advisory -4%.

The establishment has a young workforce, with an average age of 31-32 years. It employs 1,800 people overall, of whom around 50-60 are at the level of partnership/leadership; another 200-300 at the managerial level, and the others are staff.

The establishment also has a social delegation, in compliance with the Luxembourgish law, which is composed of around 20 members. The social delegation and the executive committee representatives meet every two months to discuss different topics such as rules, holidays, and sanitary decisions, among others.

International activities

The establishment is international, with the staff being from 60 different nationalities and using English as the main language. This also mirrors the Luxembourgish environment, labour market and business, which typically has a European and an international vocation – due to its strategic geographical position, and also because the national market is small.

The establishment mainly provides its services to international clients, and just a few national ones. The EU market, starting from the cross-border countries, is at the centre and represents around 80% of the whole business of the establishment. At the same time, the establishment has commercial connections with other parts of the world – for instance, they have a business corridor with New York and with China, and commercial relations with Israel and other countries.

Background and objectives of the HRM/workplace practices

Reasons for establishing the specific HRM/workplace practices encompass different dimensions: staff motivation, productivity and competitiveness, external reputation and regulatory requirements. Being a business powered by people - as staff and as clients -, attention to the person needs to be at the centre of the workplace practices.

Since internationalisation is at the core of the business identity, inevitably it is interlinked with HRM practices. The number of different nationalities of the staff is already an indicator of this.

When it comes to COVID-19, the interviewee stressed that it did not cause major differences from a business viewpoint, but it did induce some changes in the way this is organised. Staff, who used to travel intensively to visit the clients, are now staying in the region to work. Telework is adopted. Similarly, the secondment programme that used to be in place is currently on hold.

Characteristics of the HRM/workplace practices

Recruitment

Different recruitment strategies are in place depending on the business area. For the areas of audit and tax, recruitment plans are set one year in advance. On the other hand, in the area of advisory recruitment happens more 'on demand': the budget is tracked more closely, and recruitments are set on a monthly basis, based on that financial information and trends.

In terms of recruitment channels, the establishment mainly uses a system of advertisements (job posts on their website, LinkedIn, and portals such as [Monster](#) and [Jobteaser](#)) and interviews. They also headhunt through LinkedIn – whose use brought major changes in terms of recruitment channels in the last 5-6 years.

Junior staff is recruited in Europe. For higher, more specialised positions, the recruitment market is the world, as in some cases it is difficult to find the right profiles in Europe. More senior profiles are typically recruited from the USA, South Africa, the Middle East and Asia. The establishment provides them with work permits, for which it applies to the relevant ministry. This practice is not considered to be convenient for more junior roles.

In 2020, as a cautious reaction to the COVID-19 situation, the establishment slightly reduced their recruitment targets. At the time of the interview (February 2021), these are already being raised again, also as a reaction to the fact that the labour market is tight and that many resignations happen (structurally) since the establishment is a talent pool. Many of the young staff members stay for 3-4 years and then move somewhere else, implying a turnover of about 20% and that is described as 'normal' for this type of company (interviewee). The turnover is also considered necessary to allow promotions to happen.

Difficulties for retention depends on the sectors. While banking is quite stable, the areas of private equity and real estate (new markets with an increasing demand) struggle much more to retain talents. Staff are typically headhunted by other companies and offered very competitive salaries.

Payment

The establishment has a payment system that is applied systematically to all staff, according to a salary grid by role and grade.

The pay is mainly fixed (13 months) but there is also a variable pay depending on the performance of the establishment and of the employee.

Work organisation

Staff typically work in teams which, depending on the engagement and on the clients, can range from 1-3 people to 15-20 people. Most staff work in more than one team. Tasks are distributed by a

superior, but in general managers create an environment in which employees can autonomously carry out their tasks. The large level of staff autonomy relates both to time management and to contents and creativity.

Concerning time management, there is a flex-time policy according to which people perform their tasks when they can. Even if there is a timesheet to fill in every week, there is a trustful environment.

Autonomy in contents and creativity is also related to innovation – which is boosted through various initiatives, such as the ‘Innovation Challenges’ (generating ideas in collaboration with clients) and the ‘Kosmo Challenge’ (an intrapreneurship contest, designed to empower employees and help their clients to draw out their best creative problem-solving forces). This responds to the aim of the establishment to adopt a start-up mindset and to be attractive on the market – both for clients and for potential employees.

Training and skills development

On average, every staff member is provided with around 70 hours of training every year – either on soft (time management, etc.) or technical skills, depending on the need and the function of the staff. For instance, in the area of audit, staff are also provided with updates on new legislation and practices.

Training is provided both by internal staff and external consultants – for instance, the interviewee (job title: ‘Talent Attraction & Sourcing Team Leader’) provides training on certain skills. For more experienced staff, training is typically offered by external providers.

Performance appraisal

The system of performance appraisal is predefined. It starts with a goalsetting exercise covering different dimensions, which is prepopulated at the beginning of the year. In addition, this is complemented with the definition of additional, more tailored goals. At the end of the year calibration meetings are conducted for all employees and managers. Based on the dimensions set at the time of goalsetting, staff are assessed. This impacts on their the promotions and bonuses.

Process to design and implement the HRM/workplace practices

Staff engagement and motivation are promoted through an informal working environment with very open communication – independently from the hierarchical position. This is also mirrored in the organisation of the workspace, which follows a flex-desk policy (even for the partners of the establishment). This contributes to creating an atmosphere of interaction.

Communication and exchanges also happen through recurrent meetings. For instance, each department has a staff meeting on a quarterly basis. Although strategic decisions are taken at a partner/ managerial level, there is quite a high level of transparency on the figures of the establishment, such as key targets, hiring plans, etc. Information is also provided in the form of press releases.

Moreover, every year a staff survey is conducted. It provides key information for the definition and implementation of new actions and improved business practices.

Outcomes of the HRM/workplace practices and lessons learnt

Key outcomes:

- For the employer: staff engagement, talent attraction and retention, which in turn increase performance and competitiveness. The establishment also has an Alumni network of former staff - Alumni have an important role as 'ambassadors' in terms of company reputation, and also to generate business opportunities (former staff can become clients).
- For staff: to have the 'best professional experience', and even after being in a junior position, to either progress inside the establishment or get access to interesting professional opportunities elsewhere.

Concluding remarks

Innovativeness is observed to be at the core of the HRM practices at the establishment, which try to foster an informal, creative, 'start-up style' entrepreneurial mindset. This is particularly relevant also considering the young age of the staff.

When it comes to public support and external support needs, the establishment mainly uses training subsidies for employees. Information on other supports used is not available. It is also important to stress that, as a strategic decision, the establishment did not rely on the short-time working schemes offered by the national government (*'chômage partiel'*) in the context of the COVID-19 crisis, and instead decided to take the risk to face a decreasing profit if necessary.

The main aspect that was signalled for policy recommendations relate to the European labour market, intra-EU mobility and regulations, and labour shortages:

- As Europe is fundamental for the Luxembourgish economy, a wish would be to have more flexible labour markets where it is easier to attract talents from all over Europe. Supporting and enhancing intra-EU mobility is very important.
- At the same time, in order to face the issue of labour shortages, it is important that the education offer becomes more aligned with the real labour market needs. In this respect, Europe often lacks technological talents, which forces companies to recruit staff from outside the EU. The interviewee stresses that policy attention and action is needed 'to increase the pipeline of talents for the jobs of today'.

Valentina Patrini, interview conducted on 9 February 2021.

Cooperativa agrícola Callosa, Spain

Characteristics of the establishment and its international activities

The establishment

The cooperative 'Agrícola Callosa' is a single independent company. It was created in 1928 as an agricultural trade union, bringing together the majority of farmers in the town of Callosa. Later it was transformed into the current agricultural cooperative. Since Spain's accession to the EU, the cooperative was approved as 'organisation of fruit and vegetable producers', which made it eligible to different aids. The entity, despite some difficult years for agriculture, continues to grow. All members contribute all their production to the cooperative ([Company website](#)).

The establishment is specialised in wholesale trade of agricultural products. The cultivation of the medlar is the main activity that it develops, being fundamental for the economy of the organisation and its partners. The acreage of the crop has been increasing over time, and the area that is planted as of 2021 is around 800 hectares ([website](#)). The main products are medlars, followed by citrus and avocados. They are sold through wholesale and department stores.

The establishment is characterised by a stable performance and outlook, with a highly predictable demand for their goods, which stayed about the same over the last years. The establishment suffered a slight decrease in activities in the summer of 2020, which was mainly related to the uncertainty in the market. Nonetheless, overall COVID-19 has not had major impact on the establishment or, in general, on its sector.

The key clients of the cooperative are supermarkets. The international activities mainly consist of exports. Around 60-70% of the products are exported, mainly to the EU market (key customers are Italy, Germany and France), followed by America and sporadically other markets, such as China. Therefore, international activities are fundamental for the company performance. They started in the 1990s and gradually increased. The main reason for engaging in international activities is the high demand from European clients, and the traditional role of Spain as a fruit exporting country – while the home market has a smaller volume.

The workforce

The establishment has around 150 employees, but given the highly seasonal character of the activity, the number can even double in specific months. There are two main categories of staff:

- Management, administration and finance, including HR, commercial activities, etc., and
- Most employees working in the warehouse, preparing the packaging of the products and making them ready to be sold. The warehouse has different sections: reception of the products from the farmers (members of the cooperative), production line, packaging, and loading for the market.

The establishment fulfils a collective agreement at national level and at company level. It has a works council. In general, management prefers to consult with the employee representation rather than with employees directly.

Background and objectives of the HRM/workplace practices

The establishment aims at recruiting and maintaining the best skilled and competent staff. HRM practices aim to improve staff well-being and motivation, in a path towards the retention of the most productive and talented ones. In parallel, the implementation of HRM/workplace practices also aims to fulfil formal and legislative requirements, such as the ones related to OSH. These have important impacts in terms of the compulsory training provided to staff.

The above is also influenced by the international character of the activities of the establishment: international customers demand specific practices and standards, for example in food security, that have important consequences in terms of operations – from clothing, to quality standards, to traceability procedures. This all needs to be supported through specific training.

COVID-19 has affected the operations of the establishment, mainly in terms of adaptation of the facilities and provision of specific information and training to staff, and an increased use of telework wherever possible.

Characteristics of the HRM/workplace practices

Recruitment

When recruiting, the establishment always looks internally for suitable candidates. What is of primary importance when recruiting is that the candidate has a personality that fits the establishment as well as the skills required to do the job, without needing training; but the candidates' professional experience in similar positions is also appreciated.

The recruitment practices vary in function of the different posts. Overall:

- Management, administration and finance: The procedure is standardised, following several rounds of interviews for every candidate.
- Warehouse: Most of this staff is low-skilled, which would suggest that it is not difficult to find sufficient offer locally. Nonetheless, the main difficulty derives from the high seasonality of the activity, whereby the establishment cannot always offer 12 months of continuous work to a stable number of employees. In those moments of high intensity of activity, the establishment may need to even double its staff, and it can be difficult to find candidates who are immediately available. Although this happens regularly almost every year, there are always variations from year to year in terms of when a peak of activity starts, which also highly depends on the demand. This makes it difficult to anticipate when exactly there will be a need to mobilise additional workforce. An additional difficulty relates to the cost-driven performance of the establishment, which requires the minimisation of direct costs. Consequently, staff costs need to be contained as much as possible and additional people are hired only when they are needed. For these reasons, in those occasions the selection processes are rather fast, conducted through brief phone or face-to-face interviews.

The seasonality of the activity also makes it difficult to retain talents (for example, the intermittent contracts are by definition less attractive than traditional open-ended ones).

Type of employment

Most of the contracts are permanent, and less than 20% of the staff works part-time. Within the permanent staff, 30% have a traditional open-ended contract, while another 70% have a 'fixed discontinuous contract' (*contrato fijo discontinuo*) - a type of open-ended contract that is used for works that are fixed, stable, but discontinuous in time. This type of contract is an indefinite contract, albeit intermittent: the staff works in a certain period throughout the year, while for the remaining period the relationship is suspended. It is designed to perform work that is repeated over time within the establishment's normal activity, but with uncertain dates. In this specific case, workers would typically be in service for seven-eight months. The additional staff is hired on a temporary basis to face peaks in activity.

Payment

The establishment uses a system of fixed pay, respecting the amounts established in the collective agreements.

Work organisation

Different work organisation practices apply to the two main categories of staff:

- Management, administration and finance, including HR: They are a relatively small number (around 20%) and the ones whose job involves finding solutions to unfamiliar problems, as well as being entitled to organising their time independently. Overall, the work is goal-based and trust is at the core of the activities – where possible, each person is provided with a good level of autonomy and time flexibility.
- Warehouse employees are assigned to different areas - at the top of each area there is a manager (four in total – one at reception, two at packaging, one at loading); all area managers respond to the warehouse director, who in turn responds to the director. For warehouse staff the level of autonomy is much lower – it is very similar to a factory with a very clear production line which is constant, and which is set to minimise costs. These are repetitive tasks that are performed by staff because no machines exist allowing their automation.

Overall, the establishment does not have an elaborated staff engagement plan, being based rather on quite basic principles. Nonetheless, it has an 'open doors' policy, whereby suggestions from staff are considered when implementing changes. While recognising that the tasks are not particularly meaningful, the directorate sees work stability as a key aspect for the motivation of staff. This reflects the long-term vocation of the cooperative, which tries to establish solid links with its employees – whenever possible.

Training and skills development

Overall, for the establishment it is fairly difficult to find employees with the right skills as well as to retain them. In this respect, a perfect matching between skills and tasks is rare - the establishment has some under-skilled staff (information on the proportion not available). Overall, the knowledge and skills needed from the employees do not change quickly.

Different types of training are provided:

- In the warehouse, training on OSH and prevention of occupational hazards, food safety and certification methods is offered - provided by external consultants. This is to ensure that

workers have the knowledge required by the existing regulations. Staff needs to keep abreast of the key developments in those fields also because the establishment is often subject of audits.

- Management, administrative and finance staff are also provided with training in languages and IT.
- Finally, from time to time the establishment also organises teambuilding activities, provided by external consultants too.

Performance appraisal

For each post there is a job description with milestones attached – some are qualitative and others quantitative. An informal interview is conducted yearly with managerial staff, for monitoring purposes. Each manager in turn takes note of the performance of each staff member. At warehouse level, a very important aspect that is monitored is the speed, as the reduction of costs is the key element of the company competitiveness.

Process to design and implement the HRM/workplace practices

All staff are involved in decision-making and suggestions on HRM and workplace practices. In this context, the works council has a strong influence. Overall, the HR department works closely with the directorate, and experiments different strategies and policies.

Outcomes of the HRM/workplace practices and lessons learned

For the employer, the key outcomes consist of: cost reduction and efficiency; reputation on the product/service market, including responding to the needs and requests of the main clients; as well as the establishment growth.

Despite operating in a difficult sector, the establishment aims at maintaining its staff, the profitable relation with the cooperative members, as well as innovation and diversification. Keeping a good mix in staff, in terms of seniority in the establishment, allows some flexibility as well as cost containment.

For the staff, a key aspect is motivation, the creation of a positive working environment – also to counterbalance the limited intrinsic motivation the staff may have towards repetitive tasks. What is also important is that staff develop a sense of belonging and ownership of the product. Staff are the first ones to give value to the brand; they act as ambassadors and give good visibility to the products.

Overall, HRM and workplace practices also support the establishment development in a sector which is very traditional. They allow the establishment to innovate and evolve, for instance through digital transformations.

Concluding remarks

The main supports received by the establishment relate to employment and training – the latter being supported through tax credits/deductions. Otherwise, external consultants and advisory services are purchased directly.

The cooperative operates in a very traditional sector, where it is difficult to implement innovations in workplace practices. Changing the existing habits is a long and difficult process, given the high resistance to change.

For this reason, it is fundamental for public policy to support the innovation of the sector, for instance by supporting a better inclusion of the new generations.

Valentina Patrini, interview conducted on 2 February 2021.

Cruzber, Spain

Characteristics of the establishment and its international activities

The establishment and its activities

Cruzber is an independent family business. It manufactures transport equipment – as the [company website](#) explains, since 1963, CRUZ offers a complete range of roof bars, roof racks and transport accessories for passenger cars and commercial vehicles.

The CRUZ brand is leader in the Spanish market, one of the main players in the European market and present in more than 30 markets in all five continents. The destination markets are: 53% national market, 42% Europe and 5% rest of the world. In Europe, the UK, Poland, France and Czechia are the main export markets. The establishment sells its products to different types of customers - mainly companies that import car parts and products. The sale occurs through different channels - from distributors to companies that sell online.

Internationalisation activities used to be sporadic until 2006. Since that year, the establishment has focused on international activities in a more systematic way. This came as a logical consequence for a company that had been growing, had a significant volume in the national market and saw possibilities of selling the product in EU countries that have a similar fleet of vehicles. They already had the technical capacity and quality standards that were considered necessary for carrying out internationalisation. Moreover, internationalisation was also seen as a way to ensure a greater distribution of risks.

Overall, the establishment has a good performance and outlook. Since COVID-19 it did not suffer major variations: after a small decrease at the beginning of the pandemic the business recovered, achieving a performance in 2020 that was 1% better than in 2019.

Workforce

The establishment has around 70 staff, of whom 65 are direct employees. 40 work as management and administration (50% have higher education, others have medium education levels), while 30 are blue-collar workers. One fourth of the workforce is female.

While design is conducted internally, production for the establishment is mainly contracted out.

The establishment has a works council composed of five members.

Background and objectives of the HRM/workplace practices

Key reasons for establishing the specific HRM/workplace practices are staff motivation/satisfaction, but also efficiency and productivity improvements. The establishment always seeks to generate a feeling of belonging and that the workers see that the establishment offers them the possibility of continuing to grow professionally and to strengthen and expand their skills, which also allows them to access new functions.

Also, taking into account the evolution of the establishment and the difficulties in finding personnel, the establishment seeks to establish a long-term relationship with their employees, setting the bases for the workers to develop their careers within the establishment.

Characteristics of the HRM/workplace practices

Recruitment

Whenever possible, the establishment tries to foster internal promotion: internal growth of the personnel is one its guiding principle and pillar. However, there are not always the right profiles within the establishment – especially with the growth of the establishment, increasingly specific profiles are needed. Still, as the establishment is relatively small, it does not have a long-term plan for hiring; needs are faced little by little as they arise.

To recruit external personnel, the establishment uses different mechanisms, which depend on the profiles sought. For the production site, they look for jobseekers in surrounding geographical areas. Generally, they are recruited through temporary work agencies or subcontractors. On the other hand, to recruit administrative and technical profiles, the establishment mainly relies on recruitment specialists or advertisements on web pages.

Overall, the establishment finds it difficult to recruit specialised profiles, because in the region (Andalusia) there is a major labour shortage regarding technical profiles (engineering, marketing, e-commerce, new technologies).

Type of employment

Most of the staff are hired full-time and on permanent contracts. New contracts usually start with a duration of one year, which then becomes permanent. For this conversion, two performance appraisals are conducted during that year - one of which is focused on the requirements for the eligibility for the conversion of the contract from temporary to permanent.

To react to peaks in workloads, the establishment also relies on temporary agency workers and subcontractors.

Payment

The establishment has a variable remuneration system for the management and commercial teams. The variable pay ranges between 10% and 20% of their fixed salary. This variable pay is linked to individual performance and company performance.

In addition, all personnel with indefinite contract also participate to the profits of the company (no differentiation based on roles; no information provided on amount of these rewards).

Work organisation

In general, staff works in single teams with tasks distributed by a superior. This happens both in the administration and production units. In administration, there is a management team composed of function managers, each of whom directs a different department (production, materials and logistics, commercial, HR) and its staff. In the factory there are also four managers of the production area, and a factory manager who supervises the whole activity.

Management tries to favour delegation of responsibilities rather than adopting a very central management style. The level of autonomy depends on the profile and the work area (there are a series of limits with respect to the level of autonomy that staff can have in the development of their tasks): the management team has a lot of autonomy, but blue-collar workers less so.

Regarding staff engagement, the establishment does not have a suggestion scheme in place. At the time of the interview (February 2021), the establishment was undergoing a reorganisation process, whereby it planned to set up 'teams for continuous improvement', which would conduct periodic meetings to conceptualise and implement improvements.

Role of automation/digitalisation

The use of data analytics is used for production functions but not for employee surveillance as such. The establishment has a data capture system in the plant, which allows to monitor how the plant is working and what machines are being used.

Training and skills development

Almost all the personnel working in the plant have learnt their specific tasks within the establishment. To try to enhance the versatility of the workforce, staff are offered internal training based on rotations in different departments and using different machines. For instance, in order to learn how to use a specific machine, the new hire works under the supervision of a specialist for a period of three to six months depending on the machine and the process. After training, the worker is enabled to use the machine in question.

The establishment also provides training on new technologies, negotiation techniques, telematic negotiation, etc. – a training offer that becomes more and more specialised as the establishment acquires increasingly demanding and high-level clients. In addition, the establishment also offers coaching programmes, reorganisation consulting, and various training projects to meet technical training needs. Both internal and external personnel are used to provide training.

There are also trainings on occupational safety and risk prevention, following current legislation, which are provided by external trainers.

The establishment also pays attention to language training - increasingly important for customer service tasks and beyond. English is the first foreign language, but French and German are also used.

Performance appraisal

The establishment has two main types of performance appraisal in place:

- For the personnel in the first year, two evaluations are carried out before the conversion of the contract into an open-ended one;
- For the management and commercial teams, performance is monitored and evaluated through 'development talks' with the employee.

Process to design and implement the HRM/workplace practices

The design and implementation of the HRM/workplace practices is based on shared decisions between HR and the heads of each department. Also in the plant, the area managers are the ones who make the main decisions.

At the same time, some practices also derive from employee requests - especially for the provision of specific training courses.

Outcomes of the HRM/workplace practices and lessons learnt

At the moment of the interview (February 2021), the establishment was undergoing a reorganisation process. This reorganisation became necessary as the establishment is growing. Before, the general

management had a very centralised style, especially in decision-making. More recently, in order to address its growth, the establishment has been seeking to decentralise the decision-making process, involving teams and not just one or a few people.

This is happening at a time when the director of the establishment is approaching retirement. Although someone will then be hired as CEO, the establishment is aiming to strengthen its structure and to avoid a strong dependency on only one person for decision-making.

Concluding remarks

The interviewee emphasised that the establishment has been fortunate because it was able to use public support provided by the regional administration to convert a series of temporary employment contracts into permanent contracts. This measure was useful because it provided financial resources allowing the creation of permanent jobs. In addition, the establishment has benefited from public aid to finance training and the improvement of company practices. However, just as it is difficult to find qualified staff to hire, it is also difficult to find good trainers and good training projects.

As a wish to policy, the interviewee stressed that it would be beneficial to have more structural and effective public supports and tax credits for investments made in training.

Valentina Patrini, interview conducted on 3 February 2021.

Detergent company, Austria

Characteristics of the establishment and its international activities

The Austrian company was established in 1999 as a distributor of ecological laundry detergents and cleansing agents. Since 2008, it is also active in the production of respective products. For the last few years, the business performance has been positive and improving, and the company is also positive about the future outlook.

The company employs about 20 staff, of which some are people with special needs and refugees. All staff are employment on a permanent basis, and the vast majority work full-time. As regards nationalities, the company is characterised by a large diversity ('multi-culti', as the manager flagged in the interview). The owner-manager is Belgian, his wife is Chinese, and the staff is composed of, for example, Austrian, German, Spanish, Italian and Turkish citizens.

Given its small size, there is no worker representation active in the company.

The company has been involved in international activities since the mid 2010s. Exports are mainly initiated through contacts the company makes while participating in international trade fairs. This generally results in one-off exports rather than in longer-term ongoing business relationships. As of early 2021, the company is active in Europe (considered as the main target market, notably the German-speaking area), Russia and some Asian countries, and sells more than 50% of its products to clients abroad. The management reports that the administrative challenges (for example, legislative frameworks, product standards) related to doing business in another European country are substantially lower than when dealing with third countries.

Since the onset of the COVID-19 pandemic in early 2020, the company has experienced a disruption in their supply of raw material which is mainly sourced from India as the natural product can only be grown in this area. However, the supplier kept on doing business as far as the local governmental lockdowns allowed, and the company jointly with the supplier found a solution for continued supply.

Background and objectives of the HRM/workplace practices

Overall, the owner-manager explains that his management style is driven by his personal preference to create an inclusive workplace, where communicating and explaining decisions are in the forefront, to make staff understand why certain things have been decided in a certain direction. This is to ensure their intrinsic commitment and hence motivation, instead of leading by authority or high-ambition objectives and creating a work environment characterised by fear of sanctions.

The manager flags as the main reason for the multicultural team his own professional background. Before joining the company, he had a long track record (almost 30 years) in top management positions in large multinational companies, requiring engaging with different cultures, including for example spells of several years of work assignments abroad. Against this background he has set a personal objective to bring people from different cultural backgrounds together – even if challenging – to contribute to a better understanding of each other in a multicultural environment.

Characteristics of the HRM/workplace practices

Recruitment

When being faced with a vacancy, most of the time the management starts by looking whether this can be filled through internal redeployment. This not at least as the most important criterion considered in hiring is that the candidate has a personality that fits the company.

Since the COVID-19 crisis started, the management observes a higher level of unemployment, hence more supply on the labour market which makes it easier for companies to recruit. Furthermore, the government is offering employment incentives in the form of subsidising a certain share of wage costs for a few months to tackle the negative consequences of the crisis. However, the company has not considered this option as of early 2021 as there currently is no need for additional staff.

Work organisation

Most staff work in multiple teams with a high level of autonomy as regards distribution, sequencing and timing of tasks. That said, in production, systematic processes are established that staff need to follow strictly to ensure a smooth operation. Production staff, accordingly, also receive concrete instructions and are closely monitored. White-collar workers in the administration of the company, in contrast, have full autonomy.

The company expects that colleagues help each other when needed without being asked to do so and that staff makes suggestions for improving processes and procedures.

To cope with the impact of the COVID-19 crisis, the company took advantage of the public support for short-time working during the first lockdown in spring 2020, but then decided not to continue with this work arrangement as the management perceived that it negatively influenced team dynamics and the corporate climate. This was attributed to the fact that all staff on short-time working had the same reduction in wage, but the actual working time reduction differed according to the roles/positions in the company and the individual capabilities of the workers (some succeeded to do their assigned tasks quicker than others and could leave earlier) which resulted in a feeling of unfair and unequal treatment among staff.

Following their strive for an inclusive society and labour market, the company regularly employs young refugees and invests a lot of time in integrating them. The management mentions the need for patience and persistence to familiarise these young people with cultural values like responsibility, commitment, respecting schedules and deadlines etc.

One pillar of integration – not only for the refugees, but more generally for the multicultural team - is the requirement that German is the working language in the company and all staff are expected to be proficient in it. Another important aspect that the manager mentions is the need to communicate to all staff about the multicultural differences, that is trying to explain why a certain person behaves or reacts differently than colleagues might expect, thereby sensitising all staff for cultural particularities.

Training and skills development

The management assesses that the knowledge and skills needed from the employees to realise their assigned tasks do not change very quickly. Accordingly, they do not engage much in external training offers, but put more emphasis on learning by doing and training on-the-job through more experienced colleagues.

Outcomes of the HRM/workplace practices and lessons learnt

The management assesses that the HRM/workplace practices applied decisively contribute to a very good relationship between management and employees, to staff being very motivated and a high staff retention.

The multicultural team is perceived as an important opportunity to learn from each other and to be and remain open to different perspectives and attitudes.

Concluding remarks

For their engagement in the active integration of young refugees in the society and the labour market, the company would wish for better frameworks and public support. They, for example, observe decreasing motivation of the young people who came to Austria with high expectations, but are then confronted with a minimum income as employers cannot afford more generous wages. This income level hardly allows the refugees to financially support their families in their countries of origin while covering the costs of living in Austria and hence leads to decommitment at the workplace.

Another suggestion related to a better integration of migrants refers to enhanced awareness raising on the need to accept and adapt to the culture (and language) of the host country, and on the need to avoid silos among migrants instead of bonding with host country nationals.

A third point raised in this context is a perceived lack of multicultural sensitivity in public authorities where clerks are seen not to take into consideration the specific situation of people with a different cultural background (and language) but in a routine manner follow processes and procedures which are difficult to understand and satisfy if a person is not yet well familiar with the host country. More awareness raising and multicultural training would be appreciated.

The example of this company also clearly shows the importance of the management's attitude and capabilities for dealing with a multicultural team. Firstly, there is a need for openness and understanding of the benefits of compiling a workforce with different backgrounds. Secondly, management needs to be familiarised and sensitised with cultural differences, to support the team in their daily work. Both might be achieved by stronger emphasis to exposing (future) managers to different cultures or multicultural settings, for example along the lines of 'Erasmus for (future) managers', or by organising exchange opportunities among managers from different cultures. This could also include recommendations by peers or a designated training programme how to approach the integration of workers with different cultural backgrounds into the company, in terms of sensitising staff about cultural differences and make them accept and appreciate them.

Irene Mandl, interview conducted on 1 February 2021

ENEXIO Hungary Zrt., Hungary

Characteristics of the establishment and its international activities

The company was established in 1948, under the name EGI (Energy Management Institute), initially for post-war reconstruction of energy infrastructure. The production of the company became based on a new method in 1954, when two professors from the Budapest University of Technology developed the Heller System®, a dry cooling system for power plants. The invention has since become world-famous.

The single, independent company designs, manufactures and implements projects for dry and wet cooling systems as well as ash treatment systems for power plants. According to NACE 1-digit category, its activity belongs to the ‘professional, scientific and technical activities’. More specifically, the company works in the sector of architectural, engineering, and related services.

The company used to be foreign-owned, but in December 2020, the Hungarian [MVM Group](#) purchased the company. As a result, it has become fully owned by the Hungarian government. Due to previous foreign ownership, however, the company was able to gain a good reputation abroad, an extensive international experience and important professional foreign contacts. In addition, through its two subsidiaries in China, ENEXIO Hungary managed to set up a base in China (in Beijing since 2005 and a heat exchanger plant in Wuqing). At the same time, the suppliers of the company are also from abroad (for example, from Vietnam or Mexico).

Due to the specific feature of the Heller® System (that is, no water needed), the key markets of the company are those places where there is a lack of water, such as the Middle Eastern countries (Syria, Iran), and also Turkey, as well as those parts of Russia (Siberia, where water is available, but tends to be frozen). Almost 100% of the products of the company are sold abroad – in Hungary, this method is not needed, since water is available in the country.

Approximately 70 people work in the establishment. The workforce consists of mainly highly qualified male engineers.

In its business activity, flexibility is highly important – the company must react immediately to emerging demands. The company’s activity has not changed to a large extent due to COVID-19. The energy sector is specific, it may not be affected immediately, there could be a delayed effect of the crisis. However, there had been some major projects planned which could not be launched due to the pandemic.

Background and objectives of the HRM/workplace practices

The activity of the company (for example, the strong R&D element) has a direct impact on the HRM/workplace practices, such as for example recruitment. As the HR manager reported, their job vacancies are not advertised on the usual recruitment websites. Even if highly qualified engineers are required, retaining staff does not seem to be a big problem. Only those young people leave, who do not want to wait for their promotion, and many of them eventually return.

With regard to the organisational culture of the company, the legacy of having been a big socialist company (labelled as a typical company under planned economy) between the 1950s and 1980s can still be felt. Loyalty is part and parcel of the company culture with its advantages and drawbacks. The

longest-serving colleague has been working for the company for more than two decades. Seniority has a great significance; promotion has to be earned.

It has to be noted, however, that during the 1950s and 1960s the company exported to Western countries, which was rarely the case with such a type of company. The production and performance of the company were widely recognised and highly valued, so no wonder it was among the first which was privatised towards the end of the 1980s, early 1990s. A German multinational holding purchased the company. That meant a sudden and large change in the history of the company, and colleagues had doubts about the ownership change, up to 2013, by which time most of the staff recognised that the holding proved a good owner. However, the holding decided to sell the company, and at that time, Triton Partners, a German financial investor purchased it. It was from then, when the company started to operate under the new name of ENEXIO Hungary Zrt. The Hungarian state bought back the company after seven years, on 31 December 2020. The reason given for purchasing back was that a Hungarian company, based on Hungarians' invention should be in the ownership of the Hungarian state. It remains to be seen, however, what this could mean for the organisational culture of the company. So far it has been a quickly adapting organisation, where the decisions had to be taken swiftly by several key managers – the value of each of the new projects could be between €20-50 million. Now the company has to be part of a gigantic, complex organisation of 17,000 staff, which may lead to decisions to be slowed down. It is challenging to adapt to and implement the new regulations, and the various procedures/processes, such as accounting, cash pool, HR, quality management, etc. The integration into this huge organisation is inevitable, but the challenge is to find a solution which will not adversely affect the long-term perspectives and the efficient operation of the company.

The organisational culture has strongly changed recently, partly in relation to adapting to the situation under COVID-19, namely, to shifting to teleworking (previously, there were strict requirements for presence in office, with core hours, etc.). Teleworking has become acceptable for all the staff, as a new norm. Presence in office is not compulsory anymore, but deadlines should be respected, availability for meetings is strictly maintained, etc.

With regard to long-term consequences of teleworking, renting of expensive offices should be reconsidered (renting agreement will expire in summer 2021, so decision should be made about prolonging or not).

Characteristics of the HRM/workplace practices

Recruitment

The main objective usually is to replace people who left. The turnover is not high; only about one to three people's contracts end annually, for one reason or another (for example, retirement, resigning of the job). The channels of recruitment depend on the job. For example, if a controller is recruited, a simple job advertisement is sufficient, and the candidates are interviewed internally. If a highly qualified engineer with special skills is needed, turning to headhunters is preferred to job advertisements (headhunters are commissioned who know the company, so they are aware which hard and soft skills are required). When newly recruited colleagues arrive, a three-months probationary period is always applied (this is stipulated by the labour law); when someone returns, no probationary period is in place, since the colleague is already known to the management.

Nevertheless, sometimes there are difficulties to recruit people with special skills (for example, the process of finding a head of inspection and head of expediting has been going on now for a long time – during this period their tasks are distributed among colleagues).

Internal transfer is a practice which is sometimes applied, but this is done on an informal basis, through e-mail exchanges.

Work organisation

All employees have open-ended, permanent contracts (there is only one exception, a trainee, who has a fixed-term contract). The staff members usually work full-time, although there could be some (rare) exceptions – for example, the interviewee, the HR manager, when she came back from maternity leave, worked on a part-time basis for some months. The management has a family-friendly approach when such arrangements are designed.

People work in teams. Both the formal structure is based on this, and also when staff members work on projects, they work in quasi matrix project teams (for example, if there is a project of a tower to be built in Siberia, the engineering, the supply chain and the project management teams closely cooperate with each other). The autonomy for the professionals is large, and all the formal heads of units/departments are highly skilled professionals, who are outstanding in their professions. Most of the employees work in more than one team (for example, if some projects are being conducted simultaneously, colleagues work in those teams of projects where they are assigned to). In that case employees report to the responsible project managers (but also to his/her formal reporting officer/superior). Hence, the composition of the teams could change, but there is a stable organisational structure, that is different functional units/departments – for example, there is a supply chain director, head of project management, head of engineering in place. The formal and the project organisation are interrelated (for example at regular management meetings the status of all the projects is discussed).

Both the workflow and the administration is fully digitalised. Both the workload planning/scheduling and the performance monitoring are conducted through data analytics.

Salaries, wages, payments

By default, all employees are on fixed payments, monthly wages for 12 months, plus daily allowances if someone has a business trip (either domestic or to abroad). Costs are covered also for travel/commuting to work, for using mobile phone and laptop, plus cafeteria. The managers are eligible for a performance-related bonus.

Training and skills development

Language training used to be important, more specifically, English and Russian were key. Nowadays, English is conserved as a basic knowledge, since for the 3rd year, communication with the CEO could also be done in English. Therefore, staff members had to develop their language skills, and now all of them can be in daily contact with the CEO. With regard to Russian, they need engineers who speak Russian as native speakers. Especially for the salespersons, it was important that they can not only speak Russian, but understand the culture as well.

Several trainings are organised which aim at developing occupational skills. For example, there are compulsory further trainings for engineers, stipulated by the Hungarian Chamber of Engineers (entitlements for practicing certain jobs/tasks). There are highly specialised trainings for experts in nuclear power plants – these trainings are organised annually, it is also compulsory so that

qualifications for certain tasks/jobs could be kept. Furthermore, staff members participate in conferences, exhibitions on a regular basis.

Internal trainings are also organised on a regular basis; the various units/departments closely cooperate with each other in organising such trainings.

Performance appraisal

There is no formalised performance appraisal in general yet; only in the case of managers there is such an appraisal in place, before they get their performance-related bonus. However, a new leadership training is now being launched, to raise awareness of the importance of good leadership skills and broaden the tools which are available for them, as leaders. The other objective of this training is to introduce performance appraisal for all staff in the future (appraisal twice a year between managers and workers, in which objectives can be set, appraisal and development objectives could be conducted and identified).

Process to design and implement the HRM/workplace practices

About 7-10 managers make decisions and lead the organisation of 70 staff members. The management board consists of three members. The board decides on the most important issues. They should cooperate closely with the supervisory board (which has been in place since the change of the ownership, that is from January 2021). The supervisory board should set up strategic directions. Every week, there are management meetings (now held online). Emails are the main channel of internal information flow.

Outcomes of the HRM/workplace practices and lessons learnt

The HRM/workplace practices in the establishment cannot be considered innovative. According to the HR manager, colleagues like the workplace, they have been working for the company for decades; even if they leave, they return. The company itself is an attractive workplace. Under these specific circumstances, they were not under pressure to be innovative.

With regard to possible changes, now they have to focus on meeting the requirements by the new owner. For example, instead of the informal system (which has been in place so far), a more formalised (and bureaucratic) job description system should be built up. There may be less scope for individual and bilateral agreements between management and workers.

Concluding remarks

The foreign affairs minister, when he announced the purchase of the company, promised the support of the government by providing valuable foreign contacts at high level. Indeed, political support is needed.

From the point of view of HRM, it is important to keep the good atmosphere within the company, to continue to be attractive to the current and possible future employees. For the company, it is challenging to quickly adapt to changing demands, and the HRM can only support it if they manage to maintain the company as an attractive workplace, with highly motivated workers. So, the main objective of the HRM remains to be able to attract the required staff when needed.

Klára Fóti, interview conducted on 19 February 2021

Halo Steelrings, Belgium

Characteristics of the establishment and its international activities

The establishment

The establishment operates in the sector of metal manufacturing. It is specialised in the manufacturing and heat treatment of ring rolled products, its key products being seamless rings and railway tyres. Until 2020 it was called ArcelorMittal Ringmill (AMR). It was founded in the 1980s as a subsidiary of the [ArcelorMittal Group](#) (the worldwide leader in steel production and transformation) and specialised in the manufacturing and heat processing of ring rolled products. In 2020, the establishment was acquired by the stakeholder [Callista private equity](#) and rebranded as '[Halo Steelrings](#)', and is currently (February 2021) operating as a stand-alone company. As stressed by the interviewed management representative, *de facto* the establishment was operating almost as a stand-alone business already before the change in ownership, as it benefited of limited support from the parent company. For instance, it had access to some resources for recruitment only during the last two years before becoming a stand-alone company. Given the recent change, at the moment of writing the establishment is still undergoing a transition phase in terms of HRM and workplace practices.

The establishment has 82 staff, including temporary staff. Overall, the staff numbers are expected to decrease in the immediate future and, according to the interviewee, this is also an effect of the scarce investment and support received from the former parent company ArcelorMittal. Yet, the establishment hopes to be able to stabilise the number of staff in the coming years.

The establishment has a management committee where the general management responsibilities are shared between the commercial and the operational manager. Under the top management there is a direction committee (five managers), structured around five key functions:

- Technical and quality direction: around 18 staff
- Commercial activities: three staff
- Financial and administration: three
- Human resources: no staff, tasks filled by the director
- Operations: production and maintenance: 44, and supply chain: nine staff

70 staff have indefinite contracts, one a temporary contract, nine interim contracts, and two external contracts.

There are staff representatives in the establishment.

International activities

Halo Steelrings has become a key supplier for a large international customer base. Its customers include the major world manufacturers of slewing rings and gear boxes. Their raw materials are supplied by an extensive network of European steelmakers.

The establishment has a site in Belgium, and almost all of its products (98-99%) are destined to exports, while the national market is extremely narrow. The main export markets are the EU, and mainly Germany and Spain. The establishment also delivers to European clients' establishments outside of the EU – for instance, to establishments of a German company in Brazil and Mexico.

Exports in the non-EU market (Turkey, Israel, China etc.) happen sporadically and are marginal in terms of volume.

The main reasons to engage in international activities relate to the evolution of the market and the existence of a very narrow market in Belgium. In terms of key markets and products, the establishment initially used to serve international clients in the field of transport (trains and trams). After a major accident in Germany, the high-speed trains started to be built with different components; therefore the establishment had to shift to other markets – mainly the wind sector, which currently represents most of the business for the establishment. The establishment serves the main producers of windmills in Europe -its main market - but, given the characteristics of this sector, the market of reference is global.

Innovation, business performance and impact of COVID-19

The establishment's performance has not been positive during the last years – having experienced a loss in 2018 and a lack of profit in 2019. The establishment operates in a very competitive environment. Competition is mainly based on cost containment, and innovation is quite limited.

COVID-19 did not have major consequences on the international activities and company performance in 2020, apart from a small decline and the need to readapt to the needs of the clients. Nonetheless, the establishment is currently facing some 'collateral effects' that derive from the COVID-19 crisis: since their European competitors suffered a blockage of their activities during 2020 due to the lockdown measures, in 2021 they are being more aggressive in terms of price competition. This is causing a reduction in the demand for the products of the Belgian establishment that is estimated to be around 5-10% of total sales for 2021.

Background and objectives of the HRM/workplace practices

The key motivations behind the HRM/workplace practices in place relate to health and safety, monitoring functions, as well as the need for an efficient and effective management. This includes having the means and possibility to both sanction and reward staff.

Even though staff motivation does not represent a key driver for the implementation of these practices, it has been observed as a very positive outcome.

Characteristics of the HRM/workplace practices

Recruitment

The evolution of the activities of the establishment since 2008 made it difficult to adopt an expansive approach in terms of recruitment. On the contrary, the need to contain costs implied a reduction of the number of staff over the years. In general, the establishment does not have long-term planning in terms of recruitment; it rather recruits on a short-term basis, reacting to the events and needs as they arise.

The establishment recently conducted an analysis of risks associated to critical functions and tasks, and identified the quite advanced age of the staff as a challenge (an important group of the staff being aged 45 or more, no employees who are younger than 25, and most of the white-collar workers belonging to the 55+ age group). This risk is particularly relevant for some positions that are currently filled by older workers - namely the ones related to the technical direction - characterised by high internal capital and difficult to replace with external candidates. The interviewee stressed

the need to adopt some actions to react to these risks – particularly the ones related to the age pyramid of the workforce and the firm-specific capital that will need to be maintained. This will also include providing specialised training to the current staff. Nonetheless, there are some difficulties related to the training offer, given the overarching need to contain costs. At the same time, replacing other profiles which are more transversal and less specialised (commercial services, administration, etc.) is seen to be less problematic.

The establishment tries to provide its internal staff with opportunities to change functions; in these cases, the post is advertised internally and, depending on the characteristics of the post, specific support is provided for the person to be trained for the post. Where there are managerial responsibilities, specific coaching is provided.

The external recruitment channels differ depending on the staff: for blue-collar workers, the establishment tends to use the services of temporary employment companies. For technical staff and white-collar workers, they mainly use post job advertisements on relevant websites or the services of the public employment service. In some occasions they also use the support provided by external HR consultants to carry out the selection of the CVs of the candidates.

Even though the establishment tries to recruit locally, finding candidates with relevant technical profiles can be complicated. The international character of the business does not have major impacts as regards blue-collar workers, but it does when it comes to white-collar workers: staff are expected to master different languages, but at the same time they also need to have good technical skills. This combination - a polyvalent staff with technical and language skills - makes it more difficult to find relevant candidates, especially locally. For such profiles the establishment also considers the French market (north of France). Still, the establishment does not use international recruitment channels: it is rather the candidates from abroad who check the relevant Belgian websites where the establishment publishes its job ads.

An important asset that allows the establishment to find relevant candidates is an agreement for internship schemes with technical universities. This is seen as a good opportunity for the establishment to train some people internally and, if everything goes well, consider them to cover some vacancies. Many engineers from northern France tend to be interested in internship opportunities.

Type of employment

Most employees (70 out of 82) are hired on a permanent contract. Employees generally work full-time. Every blue-collar worker starts with a temporary contract which, after a maximum period of two years, is converted into a permanent one. This is part of a specific agreement with the staff representatives which dates back to 2015. The tacit agreement is that people who have received at least one year of training are supposed to become permanent, whilst there is no obligation to convert those who have received less than one year of training into permanent staff – they rather can be replaced by other candidates.

Moreover, the establishment keeps a pool of temporary workers (nine staff) and two freelance workers. Maintaining this 'reserve' of workers on temporary contracts is a way for the establishment to react to fluctuations in the business and intensity of activities. Nonetheless, when there is a reduction of activity, the establishment prefers to decrease the amount of work for all the staff (often for all the temporary staff; more rarely for all the staff) through either the recuperation of holidays or short-time working schemes (*chômage intérimaire*), rather than dismissing part of the (temporary) staff.

Payment

Since 2019, there is a new salary grid for blue-collar workers, which is meant to last 10 years. When hired, the person receives a starting remuneration that corresponds to either 90%, 95% or 100% of the salary within the respective grade. It is then possible for the employee to evolve within the salary range for each position/class.

The payment for blue-collar workers is mainly of a fixed nature; staff are paid based on hourly rates, and also have a shift bonus. Moreover, there is a bonus for all the staff which is provided at the end of the year based on the company performance.

White-collar workers receive a bonus based on the achievement of individual objectives – in the case of management, this is based on the achievement of both individual and company objectives. The bonus is higher for management staff, also because they do not receive a 13th monthly pay, differently from all the rest of the staff.

Work organisation

The establishment adopts a managerial style that aims to be participatory, putting the person at the centre, because staff 'are all in this together'. When it comes to HRM and workplace practices, the management has a good exchange with staff representatives. Moreover, when it comes to technical aspects of the work, the establishment is generally open to suggestions provided by any staff, while the managers take the final responsibility.

Work is organised in teams according to the units described above. Staff works in single teams and each team has a leader, who has a good level of autonomy in terms of tasks and organisation. At the lower levels, though, autonomy is much more limited. The management meets weekly to coordinate and follow-up on business activities.

The establishment uses a digital system to record the presence of staff, but it does not use any type of digital surveillance or performance monitoring.

Training and skills development

Training is provided to a very high share of staff; some training has a compulsory nature, while other offers are tailored to the needs of specific employees.

Managerial staff is typically provided with external coaching. Technical staff is trained both internally and by external providers. Moreover, in general there is an internal system of peer support.

Performance appraisal

The establishment has a follow-up system for every new person hired with a temporary contract, which is structured around the main areas of: objectives and acquisition of competences; knowledge; and abilities. These areas are assessed by both the individual worker and their manager (1 to 5). The system generates an overview and represents the basis for the definition of the training options. This is especially important when it comes to skills and competences, but even more as regards the aspects of health and safety. The intensity of the follow-up ranges from observation, to accompaniment, monitored autonomy, and then full autonomy for the function. Once full autonomy is reached, the constant monitoring ends, and the performance is evaluated once a year through the use of an annual interview. This is structured around the principles of knowledge, abilities and competences. This evaluation represents the basis for the definition of salary increases and for the progression withing a certain grade.

Performance monitoring and appraisal is conducted in a regular way only for new recruits/ temporary staff and when an employee has a change in function.

Outcomes of the HRM/workplace practices and lessons learnt

Staff motivation and well-being are very important effects of the practices in place. Staff feel highly welcomed and appreciate working in this establishment when comparing their situation to staff working in similar companies. Overall, this results in efficiency and effectiveness.

Concluding remarks

In July 2020, the establishment conducted a SWOT analysis, which also touched upon HR issues. Key strengths related to HRM are staff flexibility and polyvalence, as well as a positive social environment at work. Main weaknesses related to a limited investment in staff's technical competences and in consolidating their expertise, and an old age pyramid of the workforce. No HRM aspects were mentioned under opportunities or threats.

In terms of public supports, the establishment mainly used the public employment service for some recruitments, as well as short-time working schemes offered by the national government, and some supports for training (from both public and private providers – for instance, from [Agoria](#), a Belgian network of different stakeholders which supports technological innovation). The support provided by the public employment service was not assessed as particularly efficient or useful.

When it comes to 'wishes' to policies, the interviewee stresses the need for a higher uniformisation of salaries across Europe, in order to avoid the need to shore production elsewhere (for instance Poland or Czechia, where labour costs are much lower).

In addition, he stresses the need to better manage the competition for European companies – he mentions the example of some transformed products from China, which receive some types of state aid of which European companies cannot avail. He calls for a higher level of protectionism to ensure the European Union for the European companies.

Valentina Patrini, interview conducted on 4 February 2021.

Machinery producer, Austria

Characteristics of the establishment and its international activities

The Austrian machinery producer was established about 70 years ago. Almost 100% of sales are realised through exports, with clients all around the globe. Its supplies stem partly from Austria, partly from abroad (extending, for example, up to China).

The COVID-19 crisis resulted in a severe disruption of the company's business activities in terms of most of 2020 characterised by a complete hold in production due to lacking orders. Since early 2021, orders have slowly started to pick up again. This unfavourable situation is to an important part caused by the lacking possibilities to travel to clients abroad (and for clients to visit the company in Austria). Customer relationship management is hence limited to exchange through phone or e-mail which the management observes to result in lower trust relationships than face-to-face meetings. Another hindering factor is that due to the persistent uncertainty about the future economic development, clients have become very cautious as regards their investment decisions and are hence more reluctant to place orders.

The company employs about 60 staff, most working on permanent full-time basis. As the management did not want to dismiss workers during the COVID-19 pandemic, they opted for the use of short-time working and benefitted from respective public support. While in the beginning (that is since March 2020) all staff were short-time working, the research and development team was put back on normal schedule in January 2021 to work on innovations to ensure future competitiveness of the company.

Characteristics of the HRM/workplace practices

Work organisation

Most staff work in a single team, with tasks distributed and their realisation monitored by a superior. As regards the company's international activities, the sales team (in cooperation with the research and development department, to ensure that the technical customer requirements are adequately addressed) is responsible for international sales and customer relationship management. The sales team consists of three staff (two at the time of the interview as one colleague recently left the company) who have, in general, divided up the international customer relationship management by target countries, but apply large flexibility to reorganise work and replace each other when needed.

Sales staff work autonomously on acquiring international business up to the point in time when the finalisation phase of contracting is reached. Then, the CEO gets involved to review and validate the contracts (including the final pricing decision), given their large scale of the individual orders (€0.5-1 million).

For the implementation of the international business activities, staff relatively often have to travel to customers abroad, but the individual trips do not last very long (a few days up to maximal two weeks for destinations that are further away like China or Brazil).

Recruitment

When looking for sales staff to administer the company's international business activities, for the company excellent English language competences are as an important precondition to consider a candidate. Further selection criteria are an applicant's willingness to travel and intercultural competences.

In general (that is, across the organisation, not only focusing on the staff involved in the international business activities), the company experiences difficulties in recruiting the required staff. There tend to be rather few applicants for advertised vacancies which the management attributes to a general lack of skilled workers on the labour market.

Training and skills development

The management reports that a high share of staff is underskilled for the tasks they are expected to complete due to the above-mentioned lack of skilled workers that can be recruited as well as due to the fact that the knowledge and skills required in the company become rather quickly outdated.

Hence training and development opportunities are provided very often. This is done in cooperation with an external training provider with whom the company has been working for several years. Training takes place during the working time. To cover (parts of) the training costs, the company applies for public support.

During the COVID-19 crisis, training support during short-time working has not been considered. On the one hand, staff on short-time working are to some degree reluctant to conduct training during the downtime instead of enjoying more leisure time or time to deal with care responsibilities. On the other hand, the management does not want to commit workers to extensive trainings, in the hope that the business situation improves soon and staff would be flexibly needed to increase their productive time on short notice.

Outcomes of the HRM/workplace practices and lessons learnt

The management assesses that the applied HRM/workplace practices result in a fairly motivated staff who are committed to their tasks and the company, and willing to engage in continuous learning to contribute to maintaining the company's competitiveness.

As a lesson learnt, not at least during the crisis situation caused by COVID-19, the management flags the importance of clear and open communication with staff, to ensure transparency about the company performance and decisions across the organisation. This, together with genuine interest in staff well-being and empathy with the individual situation of the employees, has been observed as success factor to cope with uncertainty and to maintain workers' trust in management.

Concluding remarks

As a general expectation towards policy, the management flags the need to ensure a healthy business environment that enables (international) companies to be sustainable and grow. In the current situation of the COVID-19 health crisis, this includes increased investments in and support of the pharma industry to secure a sufficient amount of effective vaccines to increase the societies' resilience as this is an important precondition for the functioning of the economy.

Furthermore, as internationalisation tends to go hand in hand with innovation, public support for innovation is important to enable investments in research and development without having to back them through acquiring orders based on the future products. Such support already exists but is not always easy to access; as the administrative effort related to applying for such support tends to be time consuming and cumbersome, the management would appreciate a reduction of related red tape.

In the field of HRM, the management suggests enhanced employment incentives for older workforce to ensure longer integration in the labour market against a culture of preferred hiring of young staff.

Irene Mandl, interview conducted on 5 March 2021.

Marvicon, Romania

Characteristics of the establishment and its international activities

Marvicon is a forwarding and transport company which was established in 2015 through a Belgian capital investment. It is part of the BE-TRANS group and specialised in the transport of sea containers, running shipments between all major European ports. Despite being part of an international group, the establishment has full autonomy over decisions that concern human resource practices and policies. Initially the establishment had a fleet of 20 trucks which was gradually expanded to approximately 160 trucks in 2021. According to the CEO, the market for container shipments is currently relatively small in Romania which is the main reason why the establishment relies predominantly on the European market. In this sense, the location of its headquarters plays a key role in ensuring access to the foreign markets. Located in Oradea, Western Romania, near to the border with Hungary, Marvicon uses its trucks to transport goods between Eastern and Western Europe not only from Romania but also from Hungary. In fact, the Hungarian market is essential for ensuring that the company remains profitable (approximately 90% of the shipments of the company are sent from Hungary).

As of March 2021, the establishment has 280 employees (238 men, 42 women), out of which 250 are professional drivers. The average age of the employees is 56 and most drivers are Romanian. 10 drivers are of Ukrainian origin.

There is no representative trade union at the establishment. Instead, annual collective bargaining takes place between management and a non-union employee representative.

Despite the COVID-19 pandemic, in 2020 its turnover increased by 10% compared to 2019 with the establishment also registering a profit. The establishment also made a profit in 2018 and 2019. According to the commercial director, turnover decreased during the second quarter of 2020 because of the lockdowns implemented across Europe. The lockdowns led to a period of instability for the establishment as the volume of goods to be transported declined which, amidst a crowded market, increased pressures on companies in the sector to reduce costs for transport services. While some of the competitor companies indeed responded by cutting prices, Marvicon did not pursue such a strategy. Instead, the response of the establishment was to improve the quality of the services it provides by maintaining a flexible approach towards deliveries, tailoring its services to the needs of each client and by not refusing any deliveries. For several weeks in Q2 2020, the establishment also did not subcontract its services while also seeking to expand its client pool.

Besides the pandemic, the activity of the establishment was impacted by the Mobility Package 1 which is applicable in the European Union since 20 August 2020. The package introduced a set of social provisions on driving times and rest conditions of drivers. The most impactful requirement in terms of costs which was introduced by the package is the provision that drivers need to return to their country of origin at least once every four

weeks. This new provision required Marvicon to implement operational changes that allow drivers to return home should they wish to do so. Prior to the pandemic, drivers used to be flown back home with a Romanian low-cost company with which the establishment had signed a corporate contract. On average, this happened once every 60 days. However, this contract was cancelled and as of 2021 drivers return home with the trucks two at a time so that transport costs are minimised while as drivers get the opportunity to return home. To cope with these changes, the establishment is looking for clients who need haulage services between Western and Eastern Europe so that the number of empty return trips is minimised.

The package also introduced provisions regarding daily and weekly rest times to which the establishment responded by building or renting its own accommodation spaces in Europe. All these additional costs will be reflected in higher prices for the services the establishment provides as Marvicon plans to negotiate contracts that reflect a 10-15% increase in prices.

Background and objectives of the HRM/workplace practices

There are several reasons for the approach that Marvicon uses in its HRM practices. The first one is productivity and price competitiveness which requires the establishment and its drivers to be flexible and adjust to client demands. Given the intense price competition between firms in the sector, the establishment seeks to gain a competitive advantage by adapting to the demand of the market or by tapping into new markets (such as the transport of goods with refrigerated semi-trailers). This means that on average a truck travels for about 13,000 kilometres a month with a single driver and 20,000 kilometres with two drivers. This requires drivers to minimise downtime and to be available for taking assignments.

The second objective of the HRM practices is improving the external reputation of the establishment. Since the establishment does not use a standardised recruitment policy while also having to address turnover, having a reputation as a good employer is important for attracting labour. According to the CEO of the establishment, this is a key dimension of the informal approach to HR that is used by the establishment which also includes providing fringe benefits to employees (for example, loaning company cars) or providing time-off depending on personal needs.

Another objective of the HRM practices is to ensure that staff are motivated and receive sufficient support for carrying out their tasks. Drivers are helped by a team of dispatchers who speak multiple languages and are available non-stop to assist drivers with issues related to the IT system or unforeseen circumstances that may appear during transport.

There were no changes in HRM practices due to the COVID-19 pandemic. This was mainly because the high level of digitalisation in the establishment allowed employees to follow social distancing protocols without the need to implement additional measures.

Characteristics of the HRM/workplace practices

Work organisation

All employees are employed on a permanent contract. Work is organised in teams with most of the employees working in more than one team. Drivers do not have the autonomy to choose the sequence or the content of the tasks. Tasks are distributed by a superior with the freedom to independently organise time and scheduling of tasks being limited to employees in managerial positions. All the employees in the establishment use company computers in their daily activities.

An annual performance review is carried out by the HR department and its outcome is communicated to employees by their immediate supervisor. In the case of drivers, the outcome of the review is communicated by dispatchers. For drivers, the annual performance review is takes into account various criteria including whether they fulfil their tasks responsibly and without questioning management decisions regarding task assignments, whether the truck is kept in a good condition and whether they have a collegial attitude towards co-workers. Each truck is equipped with a track and trace system which monitors fuel consumption, driving style, driving and rest times, waiting times and loading and unloading times for each driver. The system is used for monitoring and improving the performance of the drivers and is used in annual performance evaluations.

According to the CEO, the establishment does not keep employees who are not a good fit for the establishment. Also, employees who do not perform their tasks appropriately tend to be fired. However, this is an exception rather than the rule with very few dismissals over the years.

Recruitment

According to its CEO, the establishment is continuously looking to recruit professional drivers. This is because in recent years the establishment has invested in expanding its services but also because of employee turnover. On average between two and five drivers leave the establishment every month (this is equivalent to an annual turnover rate of around 17%). The turnover is explained by the intense competition for employees between firms in the sector. In Romania, the recruitment of new staff is mainly done through informal channels, with the establishment not advertising on specialised recruitment websites. In the overwhelming majority of cases (90-95%) potential employees call the establishment to enquire about job opportunities. The establishment also advertises jobs on Facebook – with this being the only online medium on which the establishment posts information about jobs and working conditions. The CEO also reported that the establishment is in contact with regional and national public employment service (PES) but that these contacts were not used in recruitment. In fact, none of the drivers currently employed were recruited through national or regional PES. The establishment also participated in several job fairs along the years, but this has been assessed not to be an effective strategy for recruitment.

Given the shortage of drivers in Romania and competition from other companies in the sector, in the last two years Marvicon has also expanded its recruitment to other Eastern European countries and specifically to Ukraine where it has opened a recruitment office. The employees in the Ukrainian office are responsible for recruiting the drivers and preparing the documentation for the Romanian work permits and coordinate with the Romanian office regarding visa applications.

One out of the six employees of the HR department is responsible for ensuring that recruitment covers the staff needs of the establishment. Since the majority of drivers are recruited nationally and internationally, the job interviews usually take place over the phone.

Payments

Wages have a fixed and a variable component with the latter being the largest component for drivers. The variable component is a daily rate allowance which is paid to drivers for each day worked. Additional benefits include tenure related bonus payments and life insurance. In some situations, better performing drivers are informally rewarded through additional days off. Office employees can receive performance bonuses, but these are also decided through an informal process which involves an assessment by top management.

Training and skills development

The establishment also has a training department where inexperienced drivers are trained. Annually, between 15 and 20 drivers are employed through this system. Drivers are taught defensive driving skills, workplace health and safety procedures, but also standards of behaviour towards clients. The training department is also used in situations when a driver receives successive complaints from clients or when the track and trace system warns about the driving style of the fuel consumption of the driver. In these situations, the driver is called back home and must undertake training for several days. During training the issues raised by clients or the track and trace system are reviewed. If, following training, the driver repeatedly receives warnings, the employment contract is terminated. This is a very rare situation, and it only happened a few times since 2015.

Outcomes of the HRM/workplace practices and lessons learnt

The HRM practices in the establishment are not innovative. However, they are fit for purpose in that they contribute to the positive image of the establishment as an attractive employer. According to the CEO of the company, even though labour shortages are a pressing issue in the sector, the establishment employs enough drivers while also having a reserve of drivers to cover periods of unusually high demand.

Another positive outcome of the HR strategy is the good relationship between line managers and employees as well as generally good communication between employees within the workplace. The CEO of the establishment reported that having a collegial

workplace where employees can communicate openly and respectfully is very important for the establishment and is something relatively rare for companies in the sector.

A challenge that the establishment is facing is to retain drivers and reduce turnover rates. As driver shortages are widespread in Western Europe, the establishment competes for labour with Western companies and seeks to balance wages and working conditions against concerns for competitiveness and the small profit margins in the sector. The HR approach also seeks to retain drivers by providing predictability of incomes for drivers. As an example, compared to other companies which reduced the wages of the drivers in response to the COVID-19 pandemic, Marvicon did not do so. However, the wages of the drivers are lower in comparison to wages paid by Western companies which limits the effectiveness of this strategy for retaining employees.

Concluding remarks

The establishment did not receive external support regarding its HRM practices and does not see an immediate need of external support in this area. This is potentially linked to the capacity of the establishment to organise in-house training for its drivers and to rely on technologies for organising work.

The establishment would welcome changes in current financial and fiscal regulations that would involve reducing bureaucracy, widening opportunities for businesses to follow regulations and creating a leaner and more efficient administration.

Dragos Adascalitei, interview conducted on 22 March 2021.

Medline, France

*Please note that the interview was carried out with **Medline Assembly** (production), the establishment of the company in Chateaubriand, France –therefore the information often is related to that specific establishment rather than the group as a whole.*

Characteristics of the establishment and its international activities

The establishment

As per company website, Medline manufactures and distributes a wide variety of medical and surgical devices for healthcare facilities around the world. It has grown to become the largest independent manufacturer and distributor of healthcare products and services in the United States and actively pursues its international development.

Founded in 1910 and dedicated to the manufacture of aprons, surgical gowns and uniforms, Medline has grown into a \$13.9 (€11.8) billion international company.

Medline Assembly, the establishment of Chateaubriand, was opened in the late 1970s with the main mission of transferring the most successful products of the company from the USA to the European market. In terms of governance, Medline Assembly has its director, but much of the guidance comes from the director of the international department of the company, which manages the whole European business.

There is a business model (rather, a tax model), whereby Medline Assembly is a production plant and sells all their production to the MIBV (cost model + 5%), the headquarters in the Netherlands. MIBV are in charge of selling the French products to Medline International, the legal entity of the company which is in charge of selling the products to the clients.

The workforce

Around 300 people are usually working at the establishment of Medline Assembly France. In 2020, all the temporary contracts (40) were discontinued because of the decrease in demand related to the pandemic.

Normally, there are around 170 people in production, 50-55 in charge of pre-order and delivery, and the rest are in support and operational functions (HR, supply chain, quality control) - with the only exception of the commercial functions, which are not carried out in the establishment.

The establishment has a works council on site.

International activities

Launched as a family business in the USA, the Medline group, as of 2021, is at the fourth generation of the same owner family. It started its international expansion in 2011, by acquiring plants of competitors across the world. This is also what happened with Medline Assembly (the establishment that has been interviewed).

As of early 2021, Medline is a leading healthcare company providing medical and surgical supplies throughout North America, Europe, Asia, Australia and New Zealand. In Europe, Medline conducts

business in 16 countries, where the company is growing rapidly. France and Germany are the main countries, but it has also presence in the rest of Western Europe.

When it comes specifically to Medline Assembly, the establishment is not in charge of commercial activities as such. Their international activity consists of selling all their products to the establishment in the Netherlands. Medline is not based on an export model; it has some salesforces in each country, and where there is no specific sales unit, they use sale intermediaries/representatives.

Innovation, business performance and impact of COVID-19

The business performance is quite stable over time. They operate in a market which is in a process of strong expansion, but Medline Assembly (the establishment in Chateaubriand) has reached its full capacity, therefore its performance is quite constant. The extra production is carried out in another plant, in Slovakia.

COVID-19 has had important effects on the business growth, mainly related to the change in demand for certain products. In Europe, there was inevitably an important increase in demand for personal protective equipment (such as masks) and a decrease in demand for other surgical products. Growth reached 0% overall in Europe as opposed to 7-9% of the previous years. This has clearly had an impact on Medline Assembly as well (no more precise figures provided).

Background and objectives of the HRM/workplace practices

Key objectives of the workplace practices relate to:

- Efficiency: it is very important to be more and more efficient, especially considering that the establishment has high costs related to the high number of staff.
- Staff motivation and reduction of absenteeism.
- Professional development of the staff.

The international character of the establishment activities has important consequences in terms of HRM and workplace practices, mainly in terms of inter-company cooperation, strengthening of a multicultural workforce and company culture, and adoption of common procedures across sites.

Characteristics of the HRM/workplace practices

Recruitment

Medline does not have long-term strategies – it rather reacts to the opportunities as they arise, in the short-term. This is also mirrored in the recruitment practices, which work in function of the needs.

At the same time, this does not prevent the company to have some stable processes in place. They have very standardised recruitment processes, which are used across Europe. This allows the company to open vacancies and recruit in different locations. For instance, if Medline Assembly needs a certain profile to be recruited, but which does not need to be necessarily located in Chateaubriand, the vacancy is opened in different establishments. The recruitment process is still managed by the establishment which opened it, but in close collaboration with the HR of the other establishments with which the vacancy in question is shared. For this reason, there is a group of recruiters across the different Medline establishments in Europe, who collaborate closely to cover

these vacancies according to the availability of the best profiles. In this sense, the job is finally allocated where the best candidate is (within the locations where the company has establishments across Europe).

In some cases, Medline Assembly struggles to find relevant profiles, mainly for two reasons: the need for staff to master the English language, but also the scarcity of people with advanced technical profiles who may be willing to work in a small town like Chateaubriand (they rather tend to be attracted to bigger cities).

When it comes to production and warehouse functions, these are very specific to the establishment, meaning that new recruits need to be trained in order to learn the characteristics of the job. There is a good compatibility with functions performed in the agri-food industry – staff coming from that sector are used to work in a similar environment, with strong attention to the hygiene, the use of production chains, etc. Thanks to these synergies on which the establishment can capitalise, these profiles tend to be of interest when hiring production and warehouse staff.

Type of employment

Most employees are hired on a full-time contract. Those who work in office functions are typically hired directly on permanent contracts, while staff working in manufacturing/production often start on a temporary contract, which can be then converted into permanent.

Payment

Every employee has a fixed and a variable pay. The variable pay depends on the function. Generally, people in charge of commercial and production tasks have a variable pay which depends on the overall performance of the establishment, while for office staff it depends on the individual performance.

Work organisation

There is an important separation, in terms of work organisation and autonomy, between production and warehouse staff (limited autonomy) and office staff (higher level of autonomy).

- Production and warehouse staff. Employees working in production are relatively low-skilled and have a very limited degree of autonomy. As it typically happens in the pharmaceutical industry, they are subject to strict production protocols and processes and a high level of supervision. They typically work in teams, in a collaborative way, in a setting that is similar to a production chain. Warehouse staff still have very limited autonomy, even though a bit larger than production staff. In both cases, there is a head of department (one for production, one for the warehouse) and staff work in shifts (alternating: one week in the afternoon, one week in the morning). Under the head of department there are team leaders, each in charge of 20-25 employees (three in production and two in the warehouse).
- Office staff: Here, the establishment follows a 'classical' organisation, with a person responsible for each specific function (HR, etc.) and managing the functions and team quite autonomously.

In the last years, the establishment has undergone a process of change, in the attempt to become more participatory. Key changes consist of detaching from a very vertical system of assignment of tasks and shortening the distance between management and staff. So far, this has mainly focused on:

- Strengthening performance management, and
- the creation of smaller teams (before there used to be around 60 people assigned to a manager; now 20-25), with stronger exchanges and communication between the members of the team and their manager – also to ensure that there is higher participation as regards suggestions for improvements.

This is seen as a long-term process, which is still under way.

Role of automation/digitalisation

The establishment uses automation, but this rather represents an instrument to analyse data on production and get some lessons from the analysis of these data. This is a learning tool for performance and production rather than a staff surveillance tool.

Training and skills development

Office functions: The establishment tries to invest in competence development, and they also respect the legal obligation related to training.

Warehouse and production: They provide job-specific training to the staff, as these functions are very specific to the establishment and cannot be acquired elsewhere. Generally, there is a peer-system in place: some staff, who has been trained to train, provide specific support to the new recruits.

Some transversal, collective training is provided to the whole staff (for instance, in soft skills, communication, change management, etc.).

Job-specific, technical training is provided internally, while more general training can also be outsourced to external trainers.

Performance appraisal

The establishment performs an annual assessment of each employee. They use three specific questionnaires to assess staff in office, production and warehouse functions.

Process to design and implement the HRM/workplace practices

The establishment follows a project-based approach for managerial changes and the establishment of HRM practices, which is therefore supposed to support exchange, communication and participation.

At the same time, every two years Medline conducts a staff satisfaction survey, which is used to identify the needs of the staff and to ensure improvements in the establishment practices.

Specifically, the results of the survey are used to identify areas of work and focus for the following two years – as an example, the establishment is currently working on the dimension of ‘recognition’, intended as a system to reward the employees for their efforts and work. This is not only intended in purely financial terms, but more generally as possible strategies and actions to make sure that the staff feel considered, have opportunities of career development, etc.

Outcomes of the HRM/workplace practices and lessons learnt

- Staff retention and motivation and sense of ownership and belonging
- Establishment efficiency

- Collaboration across all the establishments of the company in Europe and good coordination

In terms of public support, Medline Assembly has used some local aid which accompanies change management as well as a stronger link between the establishment and the community (which also strengthens its visibility when it comes to attracting new staff). Still, public support is not used intensively, because the establishment has already many internal tools which can be used for the improvement of its HRM/workplace practices.

Valentina Patrini, interview conducted on 8 February 2021.

Oncotherm, Hungary

Characteristics of the establishment and its international activities

[The company was founded in 1988](#), under the name of 'Felülettechnológiai Kutató Kft' ('Surface technology research limited liability company'). The objective was to manufacture those devices which were based on the inventions of the founder. Later it turned out that the inventions could be promising in biological applications of surface physics, so the company became specialised in those, more specifically, in oncology. The first device, using electric field for the destruction of tumorous tissues and human treatment was developed. The experiments with it proved successful: despite the illness' advanced state, significant tumour regression was achieved in most cases. Therefore, in 1990 a German private hospital started to apply it, then developed it, and, as a result, the device earned an international reputation. Since then the device has been further developed. In 2002, the German Oncotherm GmbH was founded in Troisdorf, close to Cologne. At that time the German office was responsible for sales, marketing, device maintenance and repairs. The Hungarian branch's tasks included production and development. During the following years, Oncotherm sold many devices in Germany and could find other partners for selling them not only in Germany, but also all over the world. As a result of the further development of the device, by 2017, Oncotherm has sold more than 400 devices and with that, more than 200,000 treatments were performed. In the same year, a new marketing division was opened (it is based in Budaörs, a village nearby Budapest, where Oncotherm, Hungary is based).

The activity of the company belongs to the category of scientific research and development (NACE 2-digit). The establishment is engaged in the production of goods or delivery of services mainly internally, and it also designs and develops new products or services internally. More than 50% of the establishment's sales were to customers in other countries. In 2018, the profit was expected to increase over the next years.

In 2018, the number of employees was 42, but currently this figure stands at 50 (last year more people were hired). Further increase of staff numbers is the long-term plan, but eventually, this will depend on the projects.

Background and objectives of the HRM/workplace practices

Up to 2020, there was no separate, official HR function. With regard to levels of HR developments, at that time it was on level 1, meaning basically just administrative tasks, such as data collection, data storage, and update. From last year, the HR reached its 2nd level, when not only is administration important, but use of HR tools for arranging work organisation. In addition, performance appraisal is also being developed, and HR policy is being elaborated, with an aim to have a well-functioning HR system, covering all the activities within the company. They want to develop the system further, for example to build up a system for workers' feedback, procedure and processes for internal communication. All these should be integrated within the internal quality management system. The interviewee herself was not hired as an HR person, but as an officer responsible for tendering. However, from the beginning, she helped with HR activities. When she arrived, many people resigned, about seven to eight people out of the 25-30 staff, and a staff satisfaction survey was launched to explore the reasons. One of the reasons for dissatisfaction was about wages, but mainly the fact that for staff the operation of the firm was not transparent, the employees did not

understand the background of the decisions made by the managers, and for many, the exact tasks and competence were unclear.

Characteristics of the HRM/workplace practices

Recruitment

When hiring, usually this is done when new projects are emerging. So even if short-term requirements dominate, because the projects last long (development of a device could last seven years), employees are usually retained after the project ends (this is in line their mentioned plan to increase staff). With regard to internal transfer, they announce the vacancy internally. They want to encourage colleagues to recommend people by offering bonus for this. For recommending someone for a standard job, the bonus could be HUF 100,000 (about €300, a bit less than the monthly minimum wage in Hungary), for an engineer, HUF 150,000 and for a senior engineer HUF 250,000. The amount could be awarded at the end of the three-months probationary period. Despite these incentives, recommendations are rare.

For key jobs, special expertise is required (for example, embedded software developer, electric engineer specialised in radio frequency – both are very rare professions, and difficult to find). Therefore, the company commissions their own head-hunters. In addition, they use job advertisements in the most frequent websites (for example, www.profession.hu), or other (free) websites.

Type of employment and work arrangements (working time)

All the staff is on permanent (open-ended) contract. There is a three-month probationary period and a three-month notice period at the end of the employment, but they do not always insist on the latter. Twelve colleagues work on a part-time basis (24%) for various reasons: some jobs do not require full-time work; there are staff members who study, or need to improve their work-life balance (for example, mothers returning after childbirth, or grandmothers caring for their grandchildren). Flexitime is also possible for every position. In sum, the interviewee emphasised the possibility to introduce tailor-made work arrangements, taking into account of the needs of the employees.

Work organisation

Work is organised basically in teams. There are four major units in the organisation; they are as follows:

- Quality management
- Manufacturing (logistics, mechanic and electronic production);
- Engineering (software, hardware and machinery development);
- Administration (HR, finance, and marketing).

To some extent, colleagues who belong basically to one of the above units, could also work occasionally for another unit as well (for example, engineers could work also in manufacturing/production). Each unit has its own manager with the exception of the administration; its head is the Executive Director. In terms of hierarchies, it is a flat organisation, but shortly it is planned to introduce more hierarchical layers. At the moment the organisation consists of four level of hierarchies: the company management, heads of departments (middle-management), team

leaders (for example, three in the department of engineering: software development, electric development and machinery development). Each employee has a job description, and the tasks are distributed by a superior.

Not all people work in teams; especially in administration, people tend to work alone. About 20-39% of the employees do their job independently, that is, they can organise their own time and schedule their tasks.

Currently, a system of budgeting is being developed, meaning that each department/unit/area could manage their own budget allocated to them.

The company can be regarded as digitalised. Not only do basically everybody, 80%-99% of the colleagues, work on PC or laptop to carry out their daily tasks, but the company also has its own digital company management system, developed by a software developer, who is also one of the owners of the company. Similarly, there is a digitalised worktime registration system (working hours starting when the PC/laptop is switched on in the morning and switched off at the end of the work, and the lunchbreak, half an hour after six hours by law, is automatically deducted). In this system, each employee can check the time they worked, how much they should work in the working timeframe, request leave, register their work outside of the workplace, and enter their request for support for commuting.

The task allocation is also digitalised: there is a task management system in place, where the employees could register their progress report, status description, etc. In this way, it could be measured how much time was spent on each task. This is important also from the point of view of tendering and accounting the time spent for the awarded projects. Currently, the digitalisation of HR is considered to be developed (through introducing electronic signatures, so that contracts could be made paperless).

Payment

All staff receive a fixed salary, but it can be changed annually, related to performance. The salary increase of last year was 17%, on average. This is quite high, considering that half of the colleagues have been with the company for about two to three years (actually, 23% of the staff has been newly hired since 2019).

End of year bonus is provided to all the staff, related also to performance (depending on the assessment - under-achieved, achieved, overachieved – 4-10% of the annual wage). Outstanding performance is recognised by extra bonus; its amount varies. So, monetary rewards are fairly often provided (see also the questionnaire).

Furthermore, small gifts, labelled with the logo of the company (like bottles) are given to employees, for example during Christmas.

Training and skills development

Being an export-oriented establishment, language training is important, although with the exception of colleagues working at the department of manufacturing (or finance), all staff members speak English, and they are expected to speak at an advanced level – many colleagues do so, for those who do not, language training was organised (before COVID-19), once a week. The costs are covered by the company, but no time allocated to that.

Skill development and training are significant activities within the company primarily due to the importance of quality management. When a new colleague joins the organisation, there is an induction period of three months, when various trainings are organised for the new colleague. This is organised by the quality management department. There is a basic package for all new colleagues: about the methods applied in the company, GDPR, company culture, task management, the working time registration, database, etc. In addition to that, specialised, professional trainings are organised, depending on the area the new colleague works at. There might be tests at the end of these trainings. These are all internal trainings.

In addition, ad-hoc trainings, related to the job, also exist; for example, upon requests by the employees (possibilities for participating in professional conferences could also be mentioned here). It is planned that each employee will have a folder with documents about trainings s/he participated in. The professional trainings are organised not by HR, but by the quality management department. The HR organises the teambuilding exercises and the management trainings.

Performance appraisal

So far, this took place at the end of the year only (linked to the mentioned salary increase for next year). The plan is to introduce a performance appraisal on a more continuous basis. For this, the task system could provide data – on this basis, various indicators could be developed: the tasks themselves could be assessed (efficiency, availability quality of output). Some of the various indicators could then be weighted. This evaluation could be a base for the 360-degree assessment (self-appraisal, colleagues' appraisal, and manager's appraisal), and also for objectives for the next year. The rewards (end-of-year bonus, increase in salary next year) could also be linked to this kind of performance appraisal.

The performance management is done from two sides: the managers also ask for feedback on their own work from their staff. So far, however, this was informal, and the 360-degree feedback will be done in written form from this year.

Outcomes of the HRM/workplace practices and lessons learnt

Overall, employees in this establishment can be regarded as fairly motivated.

With regard to their reputation as an employer, the company is still too small for that, even if the objective should be a kind of an 'employer branding' (for example, the company has its own Facebook account, which is updated on a regular basis also by the HR officer, but they do not have many followers; however, locally the company is well-known).

Retaining people is important for the company – they are well aware of the high costs of replacing a colleague who left.

Concluding remarks

The HRM workplace practices within the establishment could be regarded as innovative; they continuously try to introduce new processes/practices. In her view, the HR activity in the company is part of a serious organisational development. There is scope for the company (managers plus staff) to participate in the processes with their suggestions. However, currently, many of the HRM/workplace practices are being developed. There are good practices (for example in recruitment, although the time spent for that could be decreased).

The interviewee thinks that the employees' feedback is of special importance, especially in the future, since they are growing from a small family firm to a medium-sized one, where written rules and procedures should be in place. A conscious awareness of important changes when turning from a small firm to a medium-sized one is inevitable, and the management should be prepared for that. In that case a more formal HR system is needed. Currently, there is an ambiguity between being small and the need to develop to a medium-sized company, and often there is a fine line between the two, so it is important to strike the right balance of how to develop further.

According to experiences/internal surveys, a good salary is not sufficient for worker satisfaction. Recognition and according to the results of a recent employee satisfaction survey, conducted by HR, the quality of collaboration with colleagues seems to be even more important.

Employment depends on demand (which could fluctuate), so they do not want to commit themselves to an objective they cannot meet. What they would need is tenders for HR development, including for example training for HR personnel, or consulting. The problem with the latter is, however, that certain consultants are offered, who may not meet their needs – so it is impossible to select someone who could be the most appropriate for the given task. In sum, tenders for certain services (for example, consultancy for organisational development) would be needed, that is to expand the service providers which they could turn to. The other problem with tenders is that the administrative burden is too heavy – they cannot shoulder that (and a smaller firm could face even more challenges regarding this).

Klára Fóti, interview conducted on 26 March 2021.

SBV Machining, Romania

Characteristics of the establishment and its international activities

SBV Machining was established in 2014 as a single independent establishment and currently has 58 employees. The establishment was established following a brownfield investment that included the restructuring and downsizing of the productive capacity of the previous company. The establishment is engaged in the production of bespoke industrial goods (industrial valves and pipe fitting appliances for the oil and gas industry) which is predominantly carried out internally. The establishment is also engaged in the design and development of new products which is carried out in collaboration with other companies. The majority of its products are exported to both European and non-European clients (including Africa, Kazakhstan, Russia, North America).

In 2018 and 2019 the establishment has increased both output and profits. Prior to the onset of the pandemic, the establishment expected to continue growing. According to the HR Manager, had it not been for the pandemic, 2020 would have been one of the best years since the establishment of the company. However, due to the full ceasing of production between March and June 2020, the profits of the establishment have declined. Although the financial year was not closed at the time of the interview (January 2021), the establishment expects to register a small profit for 2020 and to have maintained output volumes compared to the previous year. Therefore, the negative impact of the pandemic on production volumes and profits was limited to the full lockdown period.

The HR manager reported that the pandemic had no other impacts on production volumes, demand levels or the profitability of the establishment. This is because the pandemic did not generate major disequilibria in the market on which the establishment operates (selling of industrial appliances for the oil and gas industry).

A trade union exists in the establishment. There are no alternative representative bodies such as employee representatives or works councils.

The establishment mainly employs skilled workers who work on both CNC and traditional machines. The average age of the employees is about 55. As of early 2021, there are 15 women employed in the factory (25% of the workforce). Around 80% of the staff has more than 25 years of experience in the profession.

Background and objectives of the HRM/workplace practices

There are several contextual factors which impact on the objectives of HRM practices of the establishment. First, in the context of an ageing population, there is an undersupply of skilled workers while a significant share of the employees is expected to retire in the next three to four years. Second, this is a small establishment that competes locally with larger firms for skilled labour. The size of the establishment limits the financial resources that can be deployed for recruitment while also impacting on the resources that can be used for paying wages and additional financial benefits. Still, in comparison with other establishments in the region, the wages are relatively high

and since 2015 have increased on average by 27%.² Third, the establishment is headquartered in a relatively remote location, far from large metropolitan areas. Young people tend to leave the town to study in larger cities and rarely return. Fourth, emigration further decreases the potential pool of candidates. Fifth, the region is relatively underdeveloped in comparison to neighbouring regions and did not succeed to attract large inflows of foreign direct investment which impacts on existing public infrastructure.

In this context, the establishment seeks to balance the need to recruit skilled workers with cost efficiency. Cost efficiency is a central concern for the establishment, guiding the HR strategy related to employee recruitment and retention. Increasing loyalty and motivation amongst staff is also important for the establishment. According to the HR manager, the establishment cannot afford a high turnover amongst its staff due to a combination of tight labour market conditions and costs associated with turnover. As a consequence, the management seeks to ensure the retention of personnel by ensuring a stable work environment, good working conditions, and a good work-life balance through a flexible approach to scheduling and holidays and limiting overtime.

Ensuring that staff are motivated is also a key objective of the HRM strategy. Employees are motivated through incentives in the acquisition of new skills and through the recognition of their individual contribution to teamwork projects. Employees are also motivated through teambuilding exercises and informal meetings that include both managers and employees.

The HRM/workplace practices are designed by the HR team and communicated to employees by top management. In the case of major changes in HR policy or if there are events which have important implications for employees, the trade union is consulted, and the outcome of the consultation process is communicated to employees by management. The COVID-19 pandemic did not have any implications for the HR strategy.

Characteristics of the HRM/workplace practices

Work organisation

All employees have open ended contracts and are employed on a full-time basis. Work is organised in teams with employees working in more than one team. The tasks performed by the teams are distributed by a superior. The workflow is driven by CNC machines which hardly allow operators to decide on the order of tasks. For about 20% of employees in the establishment, the job includes independently organising their own time and scheduling of their own tasks. This is mainly the case for managerial and supervisory positions.

The establishment uses an ERP (Enterprise Resource Planning) system to identify and plan resource needs. According to the HR manager, a full digitisation and automation of tasks is not possible due to the nature of the production processes. The pace of work is determined by technology - there are set times for each manufacturing operation, which are then compared to actual times.

The performance evaluation is done by the line manager together with the HR manager. The process involves a conversation with each employee during which the individual scores for each evaluation criterion are discussed. The outcome of the discussion is a decision which impacts on whether the employee receives the bonus. The employee has the option to

² As a reference, the gross minimum wage in Romania has increased from €217.5 in January 2015 to €472.44 in January 2021 (that is an increase by 54%).

agree with the outcome of the performance appraisal or to formulate objections to the scores. In the latter case, the HR and the line manager review the objections and have a second discussion with the employee which results in a final decision.

Recruitment

When recruiting, the management looks for internal candidates. However, due to the size of the establishment and the specialisation of the establishment, opportunities for internal promotion are relatively limited. For example, in the case of white-collar workers opportunities for promotion are limited to positions such as team leader because other roles require specialised skills that require an engineering degree. By comparison, the redeployment of blue-collar workers is linked to skills that they acquire on the job.

Recruitment for blue-collar workers takes place at the local and regional level and this is mainly the case because of resource constraints and the low cross-regional mobility of workers in Romania. Recruitment for managerial positions can be extended to the national level but this can also be problematic due to the cost associated with relocation and the possibility that the people do not adjust to the new environment.

The establishment has a standardised procedure for recruitment but many of the positions are filled through ad-hoc channels (word of mouth, recommendations from current employees, personal channels). The establishment also uses advertisement in local newspapers and social media as well as recruitment companies. Due to cost constraints, the latter is used only after all other channels have been exhausted. The establishment also participates in job fairs organised by the regional public employment services (PES). However, the HR manager assessed participation in job fairs organised by PES as being ineffective because job seekers in such events lack the specific skills that the establishment needs.

Training and skills development

Motivation and retaining strategies are mainly focused on providing interesting work and opportunities for training and development. Training takes place by learning from more experienced colleagues and by asking for help or through conversations with more experienced colleagues as well as through on-the-job training. In 2018, between 40 and 59% of employees in the establishment participated in training sessions on the establishment premises or at other locations while between 60 and 79% have received on-the-job training or other forms of direct instruction from more experienced colleagues. This is especially the case for young workers as graduates of vocational training usually lack the skills that the establishment requires. On the other hand, training is also extensively used because of the specialisation of the establishment in the manufacturing of bespoke products for its clients which requires workers to be able to keep skills up-to-date and to apply them in the manufacturing of diverse products.

Workload and work schedules tend to be adjusted so that employees can participate in training activities.

The most important reasons for providing training to employees are to ensure that they have the skills they need to do their current job and to allow employees to perform other jobs than their current job. Training is also fairly important for improving employee morale.

Payments

Since the establishment was created, wages have been increased every year. The annual increase is negotiated between management and the local union. The annual increase is made of a fixed part that everyone receives, independently of individual performance and a variable part which depends on individual performance. In addition to variable pay, a bonus system is also implemented by the establishment which has a fixed and a variable component. The fixed part of the bonus includes the holiday bonus and end of the year bonus which everyone receives. Depending on individual performance, which is assessed by line managers based on several indicators (productivity, quality of outputs, the following of health and safety protocols, team-spirit etc.) and approved by the HR manager, employees can also receive an additional annual bonus.

Outcomes of the HRM/workplace practices and lessons learnt

Overall, the HR manager evaluates the HRM practices to be effective. The employees are fairly motivated to do their jobs, turnover is low, and the establishment has a reputation as a good employer in the local and regional labour market. The HR policy has also contributed to increasing loyalty amongst staff. The establishment has also been fairly successful in attracting staff from local competitors with similar production profiles.

For staff, the relatively flexible HR policy ensures good workflows and good communication between colleagues. This creates a positive working environment in which employees are encouraged to develop their skills. The HR manager also reported that working in teams is a valuable aspect of work organisation and that teamwork aims to provide meaningful tasks to employees, to value the ideas of all team members and to make sure that the contribution of all members is taken into account and rewarded accordingly.

The main challenge encountered by the HR is the recruitment of skilled workers. The solution adopted by the establishment is to expand the internal training programme and to have experienced workers train young employees. At the moment, there are no alternatives to hiring workers with these skills in the local labour market. Locally, there is only one vocational school, and it does not equip graduates with the skills the establishment requires. In response, the establishment offers informal, in-house training to young workers who are also encouraged to enrol in the school in order to obtain the official recognition for their skills.

The HR manager also expects that skills shortages will increase in the next four to five years and that shortages will have a significant impact on the establishment, mainly because of its relatively old labour force which will go into retirement. In response the establishment plans to expand its training programmes while also developing plans for capital investments in more advanced technologies that will increase the level of automation of tasks and will allow workers with fewer technical skills to operate them.

Concluding remarks

The key issue for the establishment is accessing skilled workers. Therefore, the main recommendation for public policies at the national and regional levels is the development of strategies for vocational training that respond to the needs of the employers.

At the regional level, vocational training schools should be better adjusted to local labour market conditions, so that the curricula are aligned with the demand for specific skills. This remains

problematic in Romania as school curricula are decided at the school level depending on the skills of the teaching personnel rather than being based on the needs of the employers. Therefore, even if employers look for certain skills in the local labour market, vocational schools are unlikely to be able or willing to respond to demand.

Furthermore, regional PES strategies should also be adjusted to the needs of the local labour markets. This should be done in consultation with local employers so that public resources are not invested only in training programmes that provide skills which do not fit local needs.

At the local level, the public authorities should also invest in infrastructure projects that can contribute to increasing the mobility of the labour force. This relates to, for example, investments in the upgrading and extending the range of commuter infrastructure that will allow employers to recruit from more distant areas.

Dragos Adascalitei, interview conducted on 5 March 2021.

TEAM 7 Natürlich Wohnen GmbH, Austria

Characteristics of the establishment and its international activities

The company and its workforce

TEAM 7 is an Austrian family business established in 1959. It covers the whole supply chain related to furniture production, from forestry activities through running a sawmill, designing and producing the furniture and selling them through own flagship stores as well as cooperating retailers. The company offers high-end wooden furniture customised to the needs of the individual client and combining 'environmentally friendly principles with practical and contemporary design style' ([company website](#)).

During the past few years, the company experienced a stable to growing economic development and is also positive as regards the future outlook. Overall, also the COVID-19 crisis did not negatively impact the business so far, with the sales volume of 2020 being at the level of the previous years.

As of 2021, it is jointly managed by the owner (responsible for marketing and commercial operation) and a production manager. The company employs about 600-700 staff of whom about 570 are employed in Austria (according to the [company website](#) this makes them to one of the largest regional employers), about 30 in Germany and about 70 in Hungary. Most staff are employed on permanent full-time contracts.

There is a works council established in the company, and the management assesses the cooperation with the employee representatives as very constructive.

The international activities

In the first years after the establishment of the company, it focused on the Austrian market. The first expansion in the early 1980s targeted Germany and Switzerland. As of 2021, Switzerland is the most important market, with higher sales volumes than in Austria.

In the 1990s Italy and other countries neighbouring Austria followed. Since the early 2000s, linked to a change in management and ownership, the company applies an intensified and more systematic internationalisation strategy in terms of actively investigating potential demand for the company's products in other foreign countries. This resulted in a quick expansion to the Benelux countries, France, the UK, USA or Canada, followed by Australia, Russia and China in the late 2000s. While the company has also served Japan since the 1990s, demand from this market has been almost inexistent since the mid 2010s.

According to the [company website](#), as of 2021 the company is active in more than 30 countries globally. It runs own stores in several cities in the EU, USA and Asia and also serves foreign markets through a global distribution network with more than 500 partners. Its export quota amounts to 86%.

As a result of the COVID-19 crisis, the company experienced a full halt in the demand from the Russian market in mid 2020, followed by a slight improvement in autumn and another drop in early 2021. Similarly, business with the UK, USA and Canada has come to a stop since April 2020. Working time of the staff member responsible for the customer relationship management with these countries was reduced to 15 hours per week as a compromise not to lose the worker in spite of the lacking workload – which was welcome by the staff who wanted to spend more time on a private

project (building a house). The other markets experienced little disruption as periods of decreased demand due to lockdowns were followed by a surge of orders that had piled up while stores were closed.

Background and objectives of the HRM/workplace practices

The company strives to create and retain high-quality jobs in the region, including enhancing employees' skills and career prospects as well as staff well-being by, for example, focusing on reconciliation of work and family responsibilities or specific needs of older workers. Staff are not only considered as workforce required to achieve the company objectives, but as 'part of the family' ([company website](#)). Accordingly, the management is genuinely interested in the overall well-being of the employees and, for example, also engages in ensuring their physical health by providing sports and fitness activities.

The quick expansion of the company's internationalisation activities in the early 2000s made it obvious for the management that there is a strong need for in-house staff capable of the languages of the target markets, and the 'team international' was established (see below).

Characteristics of the HRM/workplace practices

Work organisation

In general, staff work in single teams of 6-12 staff, with tasks distributed by their team leader. In realising their tasks, employees enjoy a high level of autonomy. Management encourages staff to make suggestions to improve the work organisation and workflows.

The international activities of the company are administered by the 'team international' which is responsible for the commercial aspects of the contracts as well as the international customer relationship management. This, for example, also requires business trips to visit customers abroad or welcoming foreign customers if they visit TEAM 7. This normally involves the role of a guide for the client for four days per visit, to show them the production site, organise product trainings for them, show them one of the national stores, but also to provide them with touristic experiences.

The 'team international' is composed of five staff (including the team leader) who exclusively deal with the international business. Each staff (including the team leader) is assigned specific target markets. However, if workload in one target market temporarily is high (which, for example, regularly happens with Switzerland) while in another it is low, team members autonomously redistribute tasks among themselves. Furthermore, the 'team international' works closely together with staff from other teams, for example if an order needs to be checked for technical feasibility. One of the employees of the 'team international' stems from Russia, accordingly speaks perfect Russian and is responsible for the customer relationship management for the Russian market. Another staff member has Czech background. The other three team members do not have any multicultural background, but are very proficient in languages and interested in foreign countries (expressed, for example, by travelling being their favourite hobby).

Recruitment

When being faced with a vacancy, the management tends to consider internal recruitment first.

Relevant vocational education and professional experience are among the most important criteria sought for in candidates for the jobs to fill. Against this background, the company finds it fairly difficult to find employees with the required skills.

As for the operational implementation of the international activities, the company has never considered to hire somebody with a background from the countries they are doing business with. Rather, they decided to work with distribution partners abroad. For example, to cover the Russian market the company met their local distribution partner at an international trade fair who actively followed up with TEAM 7 and asked about the possibility to sell the company products in Russia. In contrast, from the administrative perspective, to ensure an effective and efficient cooperation with the new partner against the substantial cultural differences in doing business, the company actively and explicitly searched for a staff member familiar with the Russian mentality and found a Russian-born worker living in the region of the company's headquarter. While this job advertisement was published on an online job portal, the successful matching happened rather by coincidence: An HR manager of another local company learnt about TEAM 7's vacancy note and informed the management about the candidate whom they happened to know from their own business in Russia and knew that this worker wanted to move to Austria for personal reasons and hence was looking for a job.

More generally, the experience of the management is that when staff with such specific profiles are looked for, word-of-the-mouth and personal and professional networks are more efficient recruitment channels compared to formal ones like career portals, online matching platforms, recruitment through national language schools or public authorities active abroad (for example, TEAM 7 attempted once to recruit staff through the Austrian office of foreign trade in China).

That said, for other recruitments the company cooperates with the public employment service or specialised sector specific newspapers to publish vacancy notes (for example, when searching for craft specialists).

Training and skills development

The company offers apprenticeship training in a variety of occupations related to furniture production and commercial operation.

For colleagues newly joining, the company provides an induction programme composed of different elements which depend on the occupation/position. The duration of the induction programme varies from 12 weeks to half a year, depending on the role and the employees' skills and previous expertise. For example, a new sales person would be sent to a flagship store for four weeks to shadow the experienced colleagues in their daily work and to familiarise with the products, sales arguments or prices. This is followed by a two-weeks internship in the production unit to experience the full production process from the raw material to the final product. The staff would not be expected to operationally get involved, but the production team leader would explain each production step in detail and how the workflow works, including final quality assurance. As a final part of the induction programme, the new employee is integrated in their own unit, and the team leader step-by-step familiarises them with their tasks.

Furthermore, it provides training opportunities to all staff to ensure the high quality requirements of the company's products, but also with the aim to support employees' professional further development and career progression. Accordingly, the management estimates that 90% of the staff have the skills required for their job, and only 3% being underskilled.

Outcomes of the HRM/workplace practices and lessons learnt

According to the management, the implemented HRM/workplace practices result in a positive team spirit, employees' high commitment towards the company's products and high staff motivation which is deemed an important factor for the success of the economic performance of the company and also brings about a high level of staff retention.

Concluding remarks

As for the international activities, the variety of different foreign target markets turned out beneficial in the COVID-19 crisis in 2020. Demand from the various countries was experienced to be volatile, strongly linked to the various lockdown periods in the different countries. The multinational approach allowed to balance drops in demand in some countries with increased demand from other countries, notably as the management perceives that the crisis does not affect the overall demand for the company products. If a customer has decided for the high-end solutions the company offers, they tend to stick with this decision and orders are postponed due to the lockdowns rather than cancelled.

The company flags the challenge to attract talents to the region and avoid outmigration of young people as the area is not as lively as larger cities across the country. The company puts a lot of thought into how to present the company as an employer providing exciting jobs linked to products that are globally demanded.

To enable a more efficient HR administration, the management would appreciate a less complex structure of the public administration, so that the number of authorities and procedures the employer has to get involved with is reduced. From the internationalisation perspective, this for example relates to the administrative burden involved in hiring a third country national and the minimum wage requirement related to the work permit which is regulated at national level without considering the regional wage structure.

Another HR challenge related to the internationalisation is to identify the best channel to publish vacancy notes abroad. More support in establishing contact with relevant foreign bodies that facilitate recruitment or practical tips, for example which the most effective online platforms or newspapers to launch vacancies for a specific type of job are, would be useful.

Irene Mandl, interview conducted on 14 January 2021.

W&H Sterilization, Italy

Characteristics of the establishment and its international activities

The establishment

W&H Sterilization is an Italian subsidiary of the multi-site company [W&H](#), based in Bürmoos, Austria, and specialised in the production of dental handpieces and turbines. W&H has three sites in Italy: W&H Sterilization, in Brusaporto, is the only productive site outside of Austria; W&H Italia, the commercial branch in Italy; and a start-up company which will soon be affiliated to the brand W&H, and that will launch a new product in the market of medical devices. [W&H Italia Srl](#) was established in 1986 as a joint-venture with Dellatorre-Vera SpA, that used to sell W&H products in Italy since the 1940s. It sells W&H products and provides technical support across the country through a network of dental warehouses. The [production site in Brusaporto](#) is directly engaged in the production of medical devices for dental offices, dental clinics and dental laboratories, focusing on sterilising and reprocessing medical devices. They also offer technical assistance, repair and consultancy services for the maintenance of the products. The three entities have separate managements, yet they share some common functions, like administration, Human Resources, and ICT.

The workforce

W&H Sterilization employs around 110 people, of whom 15 were hired in the last three months. The establishment plans to recruit an additional 10 people. W&H Sterilization has its own local management composed of five people, and a middle management composed of seven people. The R&D division employs about 30 people, while 20 establishment employees plus 15 agency workers work in the production, testing and warehouse. The remaining staff is employed for activities related to procurement, quality assurance, commercial back-office, ICT, administration, and audit.

International activities

W&H Sterilization belongs to the Austrian W&H Group. The relationship with the parent company is maintained directly with the CEO of the company, who regularly visits the Italian production site. Some company departments are almost autonomous from the main company (like HR), while others are more strictly bounded to central guidelines.

Moreover, W&H Sterilization is largely involved in exports: the site began its activities by selling its products to the French branch of W&H. As of February 2021, 95% of sales are towards around 110 foreign countries; overall, about 55% of products are sold in Europe, while the remaining 45% to other countries. This export-orientation is mainly due to the existence of an international network of dealers provided by the parent company: W&H is represented in 130 countries with branches or dealers – the latter differ from the former as their activities are limited to promotion, sale, and technical support services. Hence, by entering the market with a product that is complementary to the ones produced by the main company, W&H Sterilization got easy access to the already existing network of buyers. Another explanation for the company's orientation to exports is the fact that the regulation about minimum standards for sanitisers is often more favourable abroad than in Italy. W&H Sterilization products are at the top end of the market and easily comply with the standards set in countries with more demanding regulations, while in Italy they suffer the competition from cheaper products due to the lack of compulsory minimum standards of production.

W&H Sterilization also provides training to branches and dealers abroad, especially in terms of technical support and maintenance. Italian technicians travel abroad to provide technical support in person only in case of critical issues.

Innovation, business performance and impact of COVID-19

From its establishment until 2009, the establishment experienced a constant growth in business and personnel, reaching a total of 70 employees. This growth was also due to particular contingencies: for example, in the early 2000s France imposed the adoption of sterilisers with certain requirements ('class B') to dentists, in response to the spread of the Mad Cow Disease. This new minimum standard led to a cut of the competition in the market, narrowing it to producers/sellers of highly performative sanitisers.

In 2009, due to a technical defect, one of their products was withdrawn from the market, leading to a drop in the brand's reputation, hence to a decrease in sales and to the necessity to cut the staff to 48 employees. From 2011, the company's turnover has been rising again, with forecasts of growth until 2031. This is also thanks to a change in the organisation: in 2010, the headquarters of W&H Italy were moved from Milan to Brusaporto and a new General Manager was appointed, determining a change in the management and promotion of the products. Moreover, a cultural evolution towards a more innovative and equipped image of the dental clinic supported the growth in sales in Italy.

The COVID-19 pandemic did not have a negative impact on sales, apart from a short halt during the first month of the lockdown, in April 2020. On the contrary, during the pandemic the demand for sterilisers increased, resulting in a growth in the turnover at the end of 2020.

Background and objectives of the HRM/workplace practices

The claim of the W&H Group is 'people have priority': one of the company values is to recognise the added value that people provide to the company. Building employee loyalty through the strengthening of staff motivation, and not exclusively through monetary incentives, is among the objectives of W&H Sterilization.

Recruitment

The budget for the recruitment of new employees is planned on a yearly basis after an internal assessment of the needs across functions. Extra-budget hiring seldom occurs.

In the selection phase, the most important requirement is that the candidate already has the necessary skills and does not need any additional training. Yet, for the establishment it remains fairly difficult to find employees with the required skills (data from ECS 2019 inform that between 60% to 79% newly recruited employees did not yet have the skills needed to do their job to the required level). Another fundamental requirement is the knowledge of the English language: except for the production division, all the personnel must be able to communicate in English. Suitable candidates are first looked for internally, but the establishment also employs agency workers to respond to peaks of work and to short-term orders (see section on 'work organisation' below). Generally, the establishment trains its employees and promotes them when possible.

Since recently, the establishment has started hiring young workers – even university students not graduated yet – to train them as potential employees. These young workers are recruited with internship and apprenticeship contracts characterised by high levels of flexibility, in order for the

intern/apprentice to balance work and study. It is in the establishment's interest that some of them decide to stay as employees at the end of the apprenticeship, however individual ambitions of professional growth outside the establishment are not hindered.

Due to the scarcity of technical profiles in the labour market (such as data scientists or electrical and software engineers), the only way to attract relevant candidates is by offering open-ended contracts. In principle, candidates are looked for in the geographic area of the establishment (Lombardy region), but since the diffusion of the teleworking modality the recruitment has become more flexible in this sense.

Candidates are selected according to their skills and professional level, even if coming from different industries. For example, the establishment recruited workers with previous experience in the production of coffee machines – something that is technically similar to the tasks to be performed in the establishment.

Staff retention is satisfactory, with low turnover.

Type of employment

Junior roles are generally hired through very flexible contracts, possibly part-time and/or temporary, whereas senior or highly qualified roles have open-ended contracts, especially those specialised profiles the most difficult to find in the labour market. Most staff work full-time.

Payment

The establishment provides for employee performance bonuses – for the contribution to patents, quality objectives, product innovations, etc. According to data of the European Company Survey 2019, 40% to 59% of employees received variable extra pay linked to individual performance following management appraisal. However, less than 20% variable extra pay is linked to the performance of the team, while the variable extra pay is mainly linked to the overall results of the establishment (profit sharing scheme). For the employees with contracts regulated by collective agreements, the share of variable pay is rather low: except for the managers, employees can earn up to €1,000 per year as performance bonus, adjusted to other parameters, like the number of absence days. The establishment also pays lump sum bonuses for the objectives' achievement.

The interviewee stressed that it would be desirable to increase the amount of the variable pay.

Work organisation

Most employees do teamwork work in a single team and tasks to be performed by teams are usually distributed by a superior. This is a practice imposed by the Austrian parent company since the establishment of the Italian production site. At the beginning, there were teams working in a more autonomous way while a cross-functional team used to enable the communication and coordination across different teams. Then, the figure of the 'referee' was introduced: teams are now autonomous for the daily business, yet the referee intervenes when the team has some difficulty in solving certain issues or when disciplinary reasons are involved. In some teams, however, the referee's intervention is more regular, and he/she takes on the role of a 'modern office manager'. Referees of different teams meet on a monthly basis to share issues and performance indicators, yet the effectiveness of those meetings should be improved. In general, the establishment tries to adopt a non-hierarchical style of leadership.

Each employee is guaranteed a high level of autonomy in completing tasks. The work environment is very collaborative, especially in the R&D area; employees meet frequently to share the progress in their activity, and the [‘agile’ method](#) is adopted. It consists of ‘an iterative approach to delivering a project throughout its life cycle’, meaning that the completion of the project is subjected to the completion of intermediate incremental targets in an iterative way, in order to learn and adapt to conditions throughout the process. In particular, staff in the laboratory work with a high degree of autonomy, still sharing objectives and results. Other teams are also involved in transversal projects, for example in collaboration with the parent company.

About eight years ago, W&H Sterilization had to introduce a more flexible contract arrangement for the staff involved in the production, under the instructions of the parent company. The whole group moved to a production organisation strictly based on the orders received by branches and clients, and those orders must be handled in no more than five days. This requires a high level of flexibility of the workload: the production is planned on an average basis, but then the staff must be able to work 30% more or less than the reference hours set, depending on the orders received. This type of flexibility requires employees to be able to do overtime/reduce their working time with short notice (generally of 24 hours). This agreement was reached with greater difficulties in Italy compared to Austria, where it is a more common practice. From January 2021, agency workers have also been included under this agreement.

From the beginning of the COVID-19 pandemic, the establishment has made the organisation of work more flexible, by switching to smart working models (home office, webinars, and distance learning). Although most of the work is still conducted remotely by the time of the interview in February 2021, this does not have a harmful impact on performance. What is more concerning, is the drastic reduction of the social aspect of work – such as the opportunity for employees to spend time together without the sole scope of working, for example, to celebrate one’s birthday (a tradition that was previously in place in the establishment).

Role of automation/digitalisation

Since the beginning of 2016, the use of data analytics has increased. The establishment uses data analytics to improve the processes of production or service delivery, but not to monitor employee performance. For 20% to 39% employees the pace of work is determined by machines or computers (ECS, 2019).

Training and skills development

Training is provided to employees mainly to ensure that they have the skills they need to do their current job and to improve employee morale. Training provision with job rotation or career advancement in mind is not a priority for the establishment (ECS, 2019).

40% to 59% employees are in jobs that require continuous training; workload and work schedules are adjusted to allow employees to participate in training and professional development activities. In 2018, 60% to 79% employees participated in training sessions on the establishment premises or at other locations during paid working time, while less than 20% employees have received on-the-job training or other forms of direct instruction in the workplace from more experienced colleagues (ECS, 2019).

The planning of the training offer is done on yearly basis, together with the budget plan. In this phase, referees and HR are involved, but not the employees. Every employee must attend English classes, taught by a native English teacher who works exclusively for the establishment. In addition,

the establishment provides courses to strengthen soft skills – for example, courses about leadership, management of conflicts, management and effectiveness of delegation, communication skills (especially for the new recruits), technical courses requested by R&D (MS Excel, budget planning, plastic processing), but also courses organised by universities and involving a final exam. Training is generally supplied by external providers – among the others, the Master in Production Engineering (MIP) of the ‘Politecnico di Milano’ university, the provider of training courses Cegos, the branch in Bergamo of Confindustria, that is the General Confederation of Italian Industry – but it is organised internally when they concern the products or quality procedures.

Performance appraisal

Production staff is evaluated with a system of working time and quality assessment. For the staff working in offices, the assessment system addresses both skills and performances, through a subjective evaluation of the referee and the employee’s self-evaluation in presence of HR. Following this meeting, an analysis of the existing gaps is done, and, if needed, a training individual plan is elaborated to compensate them.

Process to design and implement the HRM/workplace practices

Most HRM activities are developed centrally by the parent company, in particular concerning training and performance evaluation.

In the design of HRM practices, all main decisions are taken during the annual budget planning. Works councils are represented in the establishment, however the management prefers to consult with employees directly, rather than with the employee representation (ECS, 2019). Employees are regularly involved in discussing how work is organised. In general, the establishment tries to take employees’ suggestions into consideration. The establishment also has a transversal team dedicated to personnel’s well-being which collects and reports proposals.

Outcomes of the HRM/workplace practices and lessons learnt

The establishment reports that its HRM practices ensure low levels of absenteeism and a high degree of employees’ commitment and engagement. In addition to that, on 22 September 2020, W&H Sterilization was among the companies honoured with the [Italian Welfare Champion 2020 award](#). This award is given to ‘companies with a corporate welfare system characterised by a very significant breadth (initiatives in at least eight areas according to the [PMI Welfare Index classification](#))’ – where ‘PMI’ stands for the Italian of ‘small and medium-sized enterprises’) – ‘high intensity (usually more than one initiative per area even beyond the measures provided for by the collective agreements), social innovation oriented, significant economic and organizational commitment, and systematic involvement of workers’.

Concluding remarks

The establishment considers the current public funds and initiatives addressing employees’ training to be insufficient to effectively improve the skills of the workforce. For instance, they have access to ‘Fondimpresa’, the inter-professional fund for continuous training sponsored by Confindustria, and the major Italian trade unions Cgil, Cisl and Uil, but granted resources are considered too low. Training employees is one of the company’s core values, and they significantly invest in training by using their own financial and human resources; however, more external incentives would improve the quality and the quantity of the training offered.

Another proposal coming from the establishment is the institutionalisation, through public support, of initiatives like cross-enterprise meetings to share good practices and discuss common issues, currently promoted by Confindustria. For example, a network of companies would be useful to exchange instructions and suggestions about compliance to specific regulations.

Valentina Patrini, interview conducted on 12 February 2021.

WHSmith, Greece

Characteristics of the establishment and its international activities

The company was set up in 2016, as part of the multinational company WHSmith (travel retail) based in Greece (Athens airport) and employs 80 people. It is also a representative of the multinational Maltese company Miller, dealing with international press and work as distributors of mainly travel retail. Through their national network they also distribute and export certain Greek products to Malta and other countries under the Miller name and to the Miller retail network or that of WHSmith in the UK. Both multinationals allow their national operations office in Greece to organise their business autonomously. All staff work full-time and have open-ended contracts. No form of employee representative is present at the establishment.

COVID-19 has had a significant impact on sales (80%-85% drop). It is notable that out of the nine retail shops only six are operational at the Athens airport (depending on the government measures). They have started new shops in other cities, such as Thessaloniki. The Operations Manager (OM) stresses that in the current climate it is due to the government support measures that the company stays afloat and keeps all employees at work without any interruption.

Characteristics of the HRM/workplace practices

Work organisation

The establishment is organised in three functional departments or units: sales, warehouse and merchandising. Managers have responsibility for organising their work, there is a flat organisation structure. The British headquarters allow them the freedom to organise themselves as they see fit provided that they meet the profitability targets. Accordingly, decisions are taken jointly by the teams. There is autonomy in the teams' execution of tasks. This proved beneficial in the COVID-19 situation, for which the OM assessed that staff performed beyond expectations - 80%-90% of the staff performed their tasks as 'intrapreneurs'. Just before lockdown the OM had introduced the system of 'fixed teams' (each shop with its team rather than various constellations of teams). With that, each team was responsible for 'their shop' and would plan and organise everything that was related to the shop. However, this form of work organisation was disrupted due to the pandemic. They may return to this model after the pandemic has passed.

With regard to employee tasks, the interviewed employee explains that there is a general framework but freedom to organise and execute tasks. Certain tasks have to be accomplished on a daily basis (for example, positioning products on certain shelves, repositioning, ordering, delivery of products, communicating with the warehouse, sorting out returns, ensuring cleanliness of the shop, etc.). The work pace at the airport is hectic and if the team is not cohesive then conflicts are unavoidable. Workers aim at no pending tasks are left at the end of their shift for the next one. They divide tasks among themselves and with some guidance by the supervisor.

There is job rotation for the supervisors (all of them work in each of the three units, every year) but also for staff. For instance, staff in the warehouse can work at the till for some time and this has been supported by nearly all supervisors. Job rotation is useful for employees as it allows them to

break their routine, undertake different tasks and learn new things and develop their careers. Both staff and supervisors are in favour of this practice.

The OM explains that the working time schedules are demanding in the travel retail. The company does not want employees to work overtime because their work is demanding, they work day, night, Christmas, holidays, etc. (but always with respect to a 5 day week and 8 hours working day) which is not ideal for family and social life.

The company works as a 'group of friends'; the environment is very friendly and family-like and it resembles a neighbourhood shop. The interviewed employee confirms that teams play a crucial role and becoming better team players is part of the formal and informal training. Also in her opinion, the company encourages cooperation among workers, friendly relationships, and a family-like atmosphere. She mentions that staff also socialise outside work and that supervisors are very supportive and responsive to any queries. They would come by the shop every morning to ask whether there is a need for any assistance. The daily interactions with managers are not seen as a control mechanism but as getting support, to not being left alone.

COVID-19 impact on work organisation

Only one or two office employees telework (in total of four office employees), the rest of staff are in their normal workplace. Staff have been working continuously with increased health and hygiene measures (following the government health protocol, and the establishment also offers gloves and face masks (on top of the obligation to offer hand sanitisers).

According to the interviewed employee, at the start of the pandemic and prior to any government measures, workers received an email by the OM asking them to use masks and gloves and if possible long sleeves to avoid exposure and possible infection. Gels for cleaning of hands were also available to all. All measures taken by supervisors were communicated clearly to all staff. When flights were significantly reduced, workers were asked to take all annual leave, sick leave (if needed), drawing attention to workers with children and old parents. The company has fewer shops open and moving staff to the ones that are open would mean a high concentration in a small workspace which is not permissible. It was explained that the situation was difficult, no revenues were generated but workers were reassured that there will be no dismissals.

Government support is used for paying salaries and this is very important for maintaining staff. Management also used a financial 'cushion' for paying salaries. Some staff members even offered to reduce their pay to the benefit of other colleagues with small children or sick parents, but this was not accepted by the management.

Recruitment

The OM considers their recruitment practices as innovative. Lacking a dedicated HR function, the OM carries out interviews with candidates together with the line managers responsible for filling the job. For instance, the warehouse manager would always participate in the interview process and select jointly with the OM the candidate they wish to recruit when they have a job opening in that department. In order for this to happen, managers have been trained on recruitment techniques (interviews, psychology, etc.).

The experience of the interviewed employee with her recruitment process (two years ago) was very positive. All work demands, shifts and payment conditions were explained in advance, as well as the

plans for the future. New recruits tend to be anxious to get everything right as they would soon be asked to join shops and be immediately operational. However, they are reassured that they can take their time to get things right rather than having to rush into things.

Training

As exemplified by the interviewed employee, when joining the company, she was taken on a tour to all sites of the company at the airport and all operations were explained to her by the OM. The induction phase also included presentations and materials on the company structure (headquarters and Greek shops), the philosophy and products of the company, tasks, obligations, and entitlements of employees etc. Then all new recruits were allocated to different shops. The training started immediately after recruitment and involved supervisors and other colleagues. It was conducted in a safe environment where all issues were explained (by supervisors) and employees could ask all questions without being judged.

Beyond this induction training, employees participate in six to eight external training activities per year. The interviewed employee mentioned that these are very interesting courses. The aim is not merely to improve workers' skills - they are all very experienced workers and know how to behave and approach the customers - but also to develop as individuals (a more holistic approach). Training and support is also provided by the supervisors on a continuous basis.

Management training courses are very costly (more than €50,000 or €60,000 per year); however, the company found a way to cover these costs. Management training providers are given the opportunity and space to promote their business at the airport WHSmith shops at no cost in return for lower cost training courses to the WHSmith staff. Through these training courses managers have developed HRM skills useful for the running of the company (and staff recruitment).

Performance appraisals and promotions

Again, the headquarters allow the freedom to organise as the establishment sees fit.

The interviewed employee explains that the feedback from supervisors (during their yearly assessment) is frank, clear and constructive and leads to an agreement about the areas of improvement. New job openings offer opportunities for promotion on a regular basis.

Promotions are decided within the group of managers following performance appraisals and then voting (even for promotions of same-grade employees and managers), so it is not the decision of the OM himself but a joint decision (20 managers involved).

Pay

From the first year, non-managerial staff get an extra remuneration (as per legal provisions), and additionally other expenses such as transportation costs to the airport (which is their workplace) are also covered by the company.

Variable pay is in place, with staff working in sales receiving a proportion of the sales. All staff receive a bonus (€30-€50 per month) in the form of a voucher as a form of reward and to retain staff. The company also pays the work experience as extra for all employees in managerial positions (maximum nine years work experience and before 2012 according to the Greek law).

Overall, salaries are average; probably not the most attractive but not low either.

Staff involvement

The OM considers that their joint management decision making is a work practice that differentiates them from other companies. However, decisions on opening to other markets, investment plans and profits are not subject to joint decisions with staff due to competition issues. Daily decisions as to how to organise work are taken jointly by the supervisors' group without the need to involve the OM (interviewee).

There are some suggestion boxes in the establishment but they have never been used. There are daily interactions, face to face or through email to the OM.

Examples of employee suggestions adopted by the management:

- An employee suggested to designate a separate space for the staff to work on the daily cash register accounting, as the space around the till was very busy and it took a lot of time to complete the task and employees had to stay longer at the end of their shift. This has significantly reduced the amount of time required for the task. Then, they also created a new post, cashier supervisor (three people) who help and support staff.
- Bonuses and other rewards (as proportion of sales)
- Suggestion to rent a spacious meeting room for all staff that was located away from the airport

The interviewed employee clarified that the open work environment allows initiative and new ideas about new products, product promotion, etc. She mentions that the OM always asks about new ideas, discusses, takes notes and gives feedback on suggestions. Taking advantage of the downtime due to COVID-19, workers were particularly encouraged to reflect on ideas for improvements. Workers are being told that the shops are 'theirs', and management cares about improvements.

Outcomes of the HRM/workplace practices and lessons learnt

The company has good business results due to the effort the staff make. Productivity is high due to participatory way of working and employees feel like intrapreneurs. In Greece WHSmith is customer-oriented, despite the fact that this is not easy for the travel retail business. This reflects the culture of the local establishment in Athens. In the second operational year (the company operates for four years in Greece) the company received an award for the greatest sale increase among the WHSmith shops (more than 35% increase).

The recruitment method used (without the need to set up a HR department) has been working well. As the OM reiterates, they all know each other and operate as a small, cohesive group.

The OM thinks that the sales increase is owed to the team and the skills they have obtained through their training courses (management, sales behaviour, communication, team working). Short-term actions may have brought higher profits (for instance, running training courses on sales and applying an aggressive approach towards sales and monitoring employee behaviour towards the clients) but they do not agree with these practices. 'It is only in the long term that you can see the results of your actions'. In this context, public support for training costs would be useful.

The interviewed employee flags that while pay matters, the nature of her work, her relations with colleagues and the support she gets from them is what motivates her, notably in a very demanding work environment (hectic airport, shifts, early start times). She appreciates the fairness and empathy of the management, for example when it comes to shift assignments (sensitive to the needs of parents with children).

The employee furthermore voices that it is important that supervisors recognise and praise workers about their achievements daily. For instance, there is always a praise by her supervisor when she reports at the end of her shift about the total amount of sales (even modest ones) she has achieved. There were bonuses in place before the pandemic, which is a good extra payment and often without a huge effort. The company also offers workers once or twice a year a dinner.

The employee also believes that autonomy to workers and freedom to suggest and to experiment are considered innovative. Teamwork and cooperation are very important (airports are demanding places to work).

As regards improvement potentials, the digitalisation process and the electronic system of managing the warehouse, imports and exports could be improved and make work easier. But this is the system in operation at the headquarters, therefore there are limitations as to how much the establishment can change.

Stavroula Demetriades, interviews conducted 9 February 2021 (operations manager) and 5 March 2021 (employee/cashier)

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All Eurofound publications are available at www.eurofound.europa.eu

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