

Photocopiable activity

Case study: Fendara SL

Getting started

Read the following quote and discuss in small groups to what extent you agree or disagree with Herb Kelleher. Give reasons for your answers.

'Herb Kelleher, CEO of Southwest Airlines, rejects the conventional notion of putting the customer first. At Southwest, employees come first, in the belief that a company with happy and productive workers will have happy, paying customers.' (Knowledge@Wharton)

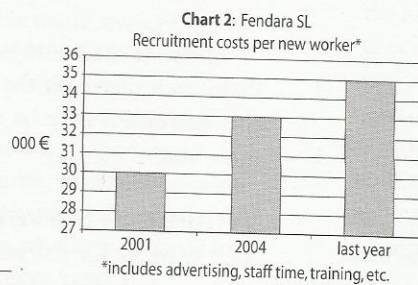
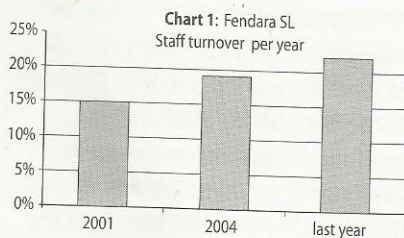
Reading

Fendara SL is a medium-sized hi-tech engineering company located near Verona in northern Italy. The company has 147 employees, of which 86 are shopfloor workers. Factory work is organised in three shifts, from 6 a.m. to 2 p.m., 2 p.m. to 10 p.m. and 10 p.m. to 6 a.m.

In recent years, they have seen their staff costs spiral due to rising salaries, higher training costs and the difficulty of recruiting and retaining skilled workers, particularly for the night shift.

1 You are managers at Fendara. Recently the HR department presented you with the charts below. Work in pairs, study the charts and answer these questions.

- 1 What do they show?
- 2 How do they illustrate Fendara's problems?



2 You have decided to investigate flexible working practices as a way of reducing staff turnover. Work in three groups, with each group studying one of the companies on the next sheet. Take notes to complete the table for the company you have studied.

1 Name of company:	
2 Sector:	
3 No. of employees:	
4 Reasons given for introducing flexible working:	
5 How their flexibility works:	
6 Cost savings from flexible working:	
7 Other benefits from flexibility:	

Brite Paints

Sector: Manufacturing
 Location: West Midlands
 Employees: 50

The waiting list is constantly growing of people wanting to join Brite Paints in Birmingham, attracted by the company's positive approach to work-life balance issues. In a very tight labour market, where recruitment is difficult, Brite is saving on advertising costs – some £3,000 over the last 12 months – as the reputation for flexible working spreads. Staff retention is excellent, and many wait to retire rather than leave to go to another job, again saving valuable recruitment money.

Chief Executive Tim Barnes is convinced that the company's flexible working practices are critical to this high level of staff retention and recruitment, and offers different packages to meet individual staff requirements.

The workforce is ethnically diverse, with many more women than men, and the work-life balance policies reflect this mix. Hours can be adjusted to fit in with family commitments, and flexible job routines have been introduced, both within and across departments, to make sure all work and hours are covered. This has led to an increase in the skills base and so widened the company pool of resources.

Selby Electronics

Sector: Manufacturing
 Location: North-West
 Employees: 1,700

Flexible working has had a positive impact on employee loyalty and improved performance at Selby Electronics (SE). Importantly, a significant reduction in staff turnover has been seen since the launch of their flexible working program in 2000. Previously, people who wanted to work only in term time, for example, would have moved to a competitor; now they are staying with SE. 'People are our greatest asset at SE, and with an estimated £30,000 cost for each employee who leaves the company, our flexible compensation and benefits package aims to reinforce a culture of flexibility and commitment to our company.'

Recent initiatives include a standard request process for flexible working, paid adoption leave, a childcare and eldercare helpline service, reduced hours and term-time working for employees, work-life resources online and a career break pilot scheme.

Employee reaction has been very positive, and the re-packaging of existing benefits into the work-life framework has shown staff – both actual and potential – the benefits of working for the company.

Milton Engineering

Sector: Manufacturing
 Location: South-East
 Employees: 50

Changing to annualised hours has maximised efficiency at steel manufacturer Milton Engineering. Its 50 staff are contracted to work 1,770 hours a year, with a reserve of 160 hours to cover sickness, medical appointments, rework and peak production.

Working hours are determined by customer demand, with the only requirement that teams deliver products to the customer on time and to high quality. As long as the core hours are maintained, operatives can

take an afternoon off to spend with their family. Because of this improved work-life balance, employees feel valued and trusted, paying dividends for the company in terms of a more contented workforce.

'The difference in performance has been incredible,' says founder John Smythe. 'Efficiency leapt up beyond all our expectations. Our teams are now not only facing in the same direction; they are focused correctly and all pulling together ... We can now compete with anyone worldwide.'

'Ninety-eight per cent of the most successful organisations in the world work in teams. They provide an effective framework within which to introduce flexible working patterns,' says Dave Lee, Managing Director.

Talking point

1 Work in groups of three with one student from each of the groups in Exercise 2 above. Hold a meeting to discuss changes to Fendara's working practices. You should:

- each present your findings from Reading Exercise 2
- discuss the advantages and disadvantages of introducing a flexible work system
- produce an action plan for changes to working practices in the company.

2 Present your action-plan to the whole class, and discuss the pros and cons of each.


Writing

Write a proposal, outlining your suggestions for changes to working practices at Fendara SL. If you wish, use the proposal on page 54 in the Student's Book as a model.

VOCABULARY Building up a business

A Complete the story with the words in the box.

competition set up loss profit ploughed
broke even raised floated bid turnover



About ten years ago, my brother and I decided we'd had enough of working for other people and that it was time to ¹..... our own company. We had some savings and with the help of the bank, we ²..... the rest of the capital we needed. For the first few years, we ran at a ³....., but eventually we ⁴..... and before too long we were making a healthy ⁵..... We ⁶..... all the money back into the business and expanded quite quickly. Next, we ⁷..... the company on the stock exchange, but then the economy went into recession and we starting facing some very stiff ⁸..... We were the subject of a hostile takeover ⁹..... and only survived by merging with a rival firm. It's been a tough ten years, but we're still here! We now have an annual ¹⁰..... of over three million dollars.

B Compare your answers in pairs. Then discuss these questions.

- Do you know anyone who runs their own business? What kind of business is it? How long has it been going?
- Do you know how it's doing?
- Would you like to run your own business?
- What kind of businesses are doing well at the moment? What kind are struggling?
- What do you think are the biggest problems that small business face in your country?

READING

You are going to read about the traits of successful people.

A Read the article on the right. Give yourself a score of 1, 2 or 3 for each characteristic, depending on the degree to which each describes you. (1 = this doesn't sound like me, 3 = this is me!)

B Add up your score (out of 30). Compare your scores in pairs. Explain your decisions. Then discuss these questions:

- Do you agree with the definitions of success in the article? Why? / Why not?
- Are there any other characteristics – or habits – that you would expect successful people to have?
- What does success mean to you personally in terms of your own life?

C Can you remember the nouns that the words below were used with in the article? Read it again to check your ideas.

push themselves to the
set high
have a wide of friends
maintain
be on the for new ideas
accept for your actions
stay one ahead of the crowd
maintain your
act on
seize an

TEN CHARACTERISTICS OF SUCCESSFUL PEOPLE

1 They work incredibly hard and push themselves to the limit. They set high standards and put in the hours needed to meet them.

2 They were high achievers at school and are always keen to learn more. They are inquisitive, read widely and are interested in everything around them.

3 They're social animals. They have a wide circle of friends and acquaintances and are always networking. They are good listeners and work hard at maintaining relationships.

4 They're perfectionists. They are never content to sit back and relax. They're always focused on improving themselves and their performance.

5 They display a healthy degree of impatience. They want results – and they want them now! They tend not to perform well in bureaucracies.

6 They're creative and they innovate. They're constantly on the lookout for new ideas, new opportunities and for faster, better solutions.



7 They don't waste time moaning or looking for people to blame. They learn from their mistakes and move on. They accept responsibility for their actions.

8 They're keen observers. They notice new trends, observe changes and keep notes. They keep one eye firmly on the future and try hard to stay one step ahead of the crowd.

9 They tend not to get stressed. They are patient and well-balanced – and maintain their cool and their sense of humour under pressure.

10 They often act before having the full picture. Successful people respond immediately – and act on impulse. If they see an opportunity, they seize it.