Case Study 1: How to engage your employees for more (intangible) participation (Germany 2018)

Abstract

This case study deals with a highly developed medium-sized company in the engineering and architectural sector in Saxony, Germany. The problem to be addressed is the lack of suitable ways to engage the SME's employees for more (immaterial) participation.

The practical part of this case study focuses on applying HR knowledge to the employee ownership problem in order to implement measures for more immaterial employee participation.

Introduction

The medium-sized company X-GmbH is a highly developed enterprise in the engineering and architectural sector in Saxony, using the latest technology in order to provide an excellent service to their customers. The company has got a team of specialists who offer services at the highest technical and technological level. Their project has been effectively implemented in different settings. The purpose is to fully satisfy the demands of their customers even when it comes to the most complex projects. However, they lack suitable ways to engage their employees for more (immaterial) participation. This is the special HR problem for the medium-sized company X-GmbH.

The Company

The X-GmbH is an office for engineering and architectural services. This includes planning services regarding building construction and statics, civil engineering and areas such as heating, ventilation, sanitation.
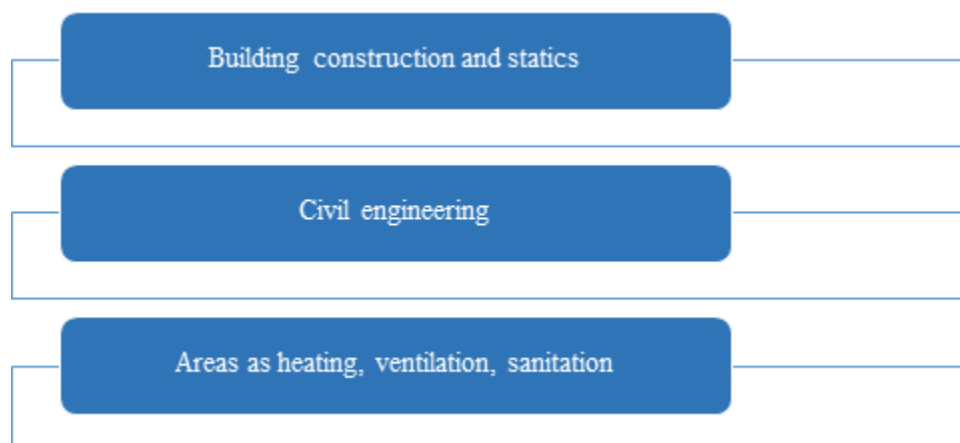

Figure 1: Services offered by X-GmbH (Source: own elaboration)

A challenge facing the company is the existence of many other companies in the region. These other companies present more attractive employment for young people. This case study is intended to intensify corporate loyalty for this target group. Furthermore, the company needs to be aware of problems that could prevent young people from applying to them. The company views its employees as a valuable resource, which works as a competitive advantage.

The SME is highly focused and also dependent on the region they are located in, which is not necessarily a disadvantage, as it can help to improve the employees´ identification with the company, which might lead to more motivated employees working for the organisation.

The HRM facts of the Company

The following information is available for the 2018 financial year for the medium-sized company X-GmbH:

Employee Structure

The company employs approximately 77 employees. There are a number of different divisions, namely Overhead, Profitcenter 1 construction above ground, Profitcenter 2 construction below ground, Profitcenter 3 subsection and Profitcenter 4 structural analysis with each a number of different team members with different responsibilities, qualifications and tasks on strategic as well as operative levels.

Table 1: Employee Structure (source: own elaboration)

Devision	Function	Count
Overhead	Director	2
	Controller	1
	Accountant	2
	Technical administration	2
Profitcenter 1 construction above ground	Manager	1
	Project leader	5
	Other achitects or engineers	12
	Technical assistants	5
Profitcenter 2 construction below ground	Manager	1
	Project leader	4
	Other engineers	8
	Technical assistants	5
		Subtotal 48
Profitcenter 3 subsection	Manager	1
	Project leader	4
	Other engineers	9
	Technical assistants	2
		Subtotal 64
Profitcenter 4 structural analysis	Manager	1
	Project leader	2
	Other engineers	6
	Technical assistants	2
		Total 77

Analysis of strengths and weaknesses

A strength and weakness analysis carried out by Consulting GmbH revealed significant weaknesses in the motivation of employees without management functions. This became clear through the following observations:

- Higher fluctuation

- Significantly higher lost days or downtimes, in particular due to illness

- A lower satisfaction index

- Increased time and cost of warranty activities

- Negative rates of increase in employee productivity

As a result, the circle of executive employees – consisting of the management and the profit centre managers – decided on the following measures, which will be explained in more detail in the following paragraphs:

- Voluntary Works Council

- Employee Attitude Survey

The following further resolutions were adopted in this regard.

Voluntary Works Council. A works council consisting of five people is formed, which will take care of:

- Worries

- Complaints

- Wishes

- Improvement suggestions

The employee is channelled and evaluated at least quarterly with the management, and in an annual evaluation with the circle of leading employees, during which suggestions for solutions are submitted.

Employee Attitude Survey. The employee survey should be anonymous. The focus is on the following aspects regarding the employees' thoughts and feelings regarding their workplace:

- Work climate

- Strategic alignment

- Authority of the company management (circle of leading employees)

- Improvement system

- Process flows

FINDINGS AND SOLUTIONS

HOW TO ENGAGE YOUR EMPLOYEES FOR MORE (INTANGIBLE) PARTICIPATION

☐ Working out the questionnaire in detail according to the above-mentioned focal points

☐ Evaluating the previous suggestions for improving employee motivation

☐ Name further suitable measures for immaterial employee participation

☐ Developing a coordinated (intangible) participation system for the X-GmbH

Figure 2: How to list for more participation (source: own elaboration)

Practical Toolkit

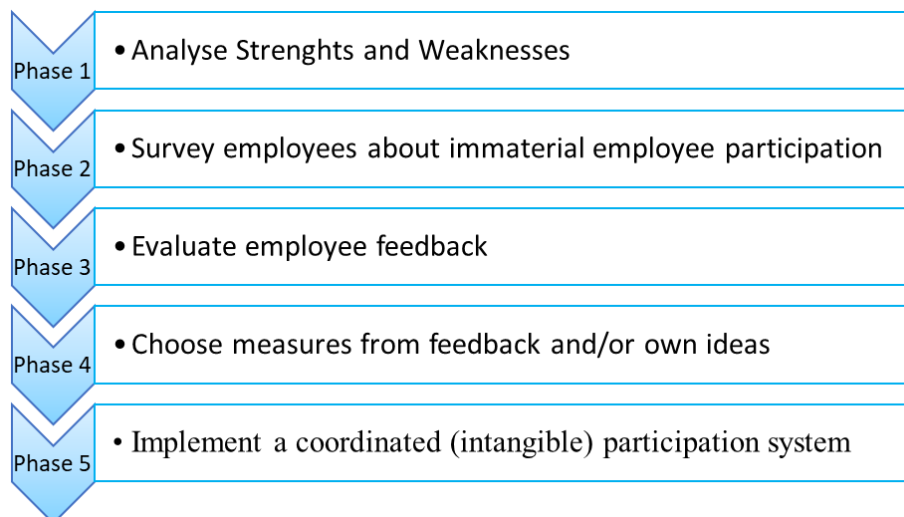| Phase 1 | • Analyse Strenghts and Weaknesses |
Phase 2	• Survey employees about immaterial employee participation
Phase 3	• Evaluate employee feedback
Phase 4	• Choose measures from feedback and/or own ideas
Phase 5	• Implement a coordinated (intangible) participation system

Figure 3: Implementation phases immaterial participation (Source: own elaboration)

PHASE 1 : Analysis

✓ Carry out a strength and weakness analysis --> can be done by Consulting company
✓ Analysis aims at revealing significant weaknesses in the motivation of employees without management functions
✓ Possible observations to keep an eye out for:
  • Higher fluctuation
  • Significantly higher lost days or downtimes, in particular due to illness
  • A lower satisfaction index
  • Increased time and cost of warranty activities
  • Negative rates of increase in employee productivity

PHASE 2: Survey

- ✓ Compose Employee Attitude Survey to ask employees about which forms of immaterial employee participation would be attractive to them
- ✓ Explain the concept of employee participation before handing out the survey
- ✓ Make sure that all opinions are heard
- ✓ Make sure that all questions are heard
- ✓ Survey should be anonymous
- ✓ Focus on the following aspects regarding the employees' thoughts and feelings regarding their workplace:
  - Work climate
  - Strategic alignment
  - Authority of the company management (circle of leading employees)
  - Improvement system
  - Process flows

PHASE 3: Evaluation

- ✓ Evaluate the suggestions for improving employee motivation
- ✓ Cluster feedback
- ✓ Sort measures into categories
- ✓ Popular measures can be:
  - Voluntary Works Council
  - Employee Attitude Survey

PHASE 4: Choose measures

- ✓ Determine which of your own and your employees' ideas will be implemented
- ✓ Consider your budget and general possibilities when choosing
- ✓ Remember to keep this process transparent
- ✓ Remember to communicate your decisions and reasons for your decisions

PHASE 5: Implementation

- ✓ Implement your participation measures into your regular company structure
- ✓ Frequently implemented measure example: Voluntary Works Council
- ✓ Voluntary Works Council = a works council consisting of five people is formed, which will take care of
  - Worries
  - Complaints
  - Wishes
  - Improvement suggestions

Research Methodology

The methodology was based on interviewing the company's Head of HRM. The methods are interview-based and consist of qualitative and quantitative research methods. The interviews were carried out using a questionnaire. In addition, accessible corporate documents and online information were analysed.

Literature

Kreuzhof, Rainer; Muschol, Horst (2015): Zur Zukunft der Mitarbeiterbeteiligung, Erfahrungen, Anwendungen, Ausgestaltungen, Die Neue Ordnung, 69. Jahrgang, Heft 2, April 2015

Muschol, H, (2018). Script Chapter 5. Employee Ownership (Human Resource Management Erasmus-Project- SHARPEN)

Muschol, H. (2016). Controlling und betriebliche Überwachungssysteme, Ein Handbuch zu dem entscheidungsorientierten (internen) Rechnungswesen, insbesondere für KMU, Plauen