

# A Milkmaid's Calculation

Only longer working hours can save German industry.

At least some say so.

But tinsplate manufacturer Rasselstein proves the opposite.

Here are what counts are results, not hours.

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Photo: Michael Hudler

• Employers' and business associations are calling for it. The CDU/CSU and FDP are calling for it. Managers are calling for it. Even Wolfgang Thierse (SPD) is calling for it: Germans must work longer hours again. Only then can the country's economy be saved.

Those who work longer achieve more. That sounds logical. So logical, in fact, that the forecasts with which many economic researchers support the advocates of this view seem almost superfluous. A return to the 40-hour week without wage compensation, for example, predicts DB Research, the think tank of Deutsche Bank.

"could reduce labor costs in industry by a good 11 percent." Eleven percent!

- "What a naive calculation," says Professor Friedhelm Nachreiner, work psychologist at Carl von Ossietzky University in Oldenburg. First, the actual working hours of Germans, including paid and unpaid overtime, already average 42 hours per week. And secondly, even if we take a 37-hour week as a baseline, it is naive to believe that work output increases linearly with increasing working hours: "Only attendance is measured, not the result. Those who work longer organize their day differently. And the intensity decreases. Humans are not machines." Euro-

European comparisons showed that the countries with the longest working hours were also those with the lowest productivity.

-Andreas Hoff, partner at the renowned working time consultancy Dr. Hoff Weidinger Herrmann in Berlin, doubts for other reasons that a blanket extension of weekly working hours is a good idea: "Secondary effects such as the demotivation of entire workforces are just as likely to be ignored in relevant forecasts as the expected loss of time flexibility." -

Because one thing is certain: the much-lamented reduction in working hours in German companies over the past decades



In this company, everyone thinks together. The man in the blue shirt behind his colleagues is team developer Karl Heinz Krämer.

Proven benefits: greater flexibility to respond quickly to fluctuating demand. Even if this is not sufficiently recognized: "For many manufacturing and service companies, this is worth more today than a few extra minutes of work per employee per day," Hoff points out. -

An assessment that managers, Works council members and employees at Rasselstein GmbH in Andernach, located in the Middle Rhine region, share this view with astonishing unanimity. At this tinplate manufacturer, 90 percent of the approximately 1,000 employees work less than 35 hours per week. The majority work two to three hours less than the working hours specified in the metal industry collective agreement.

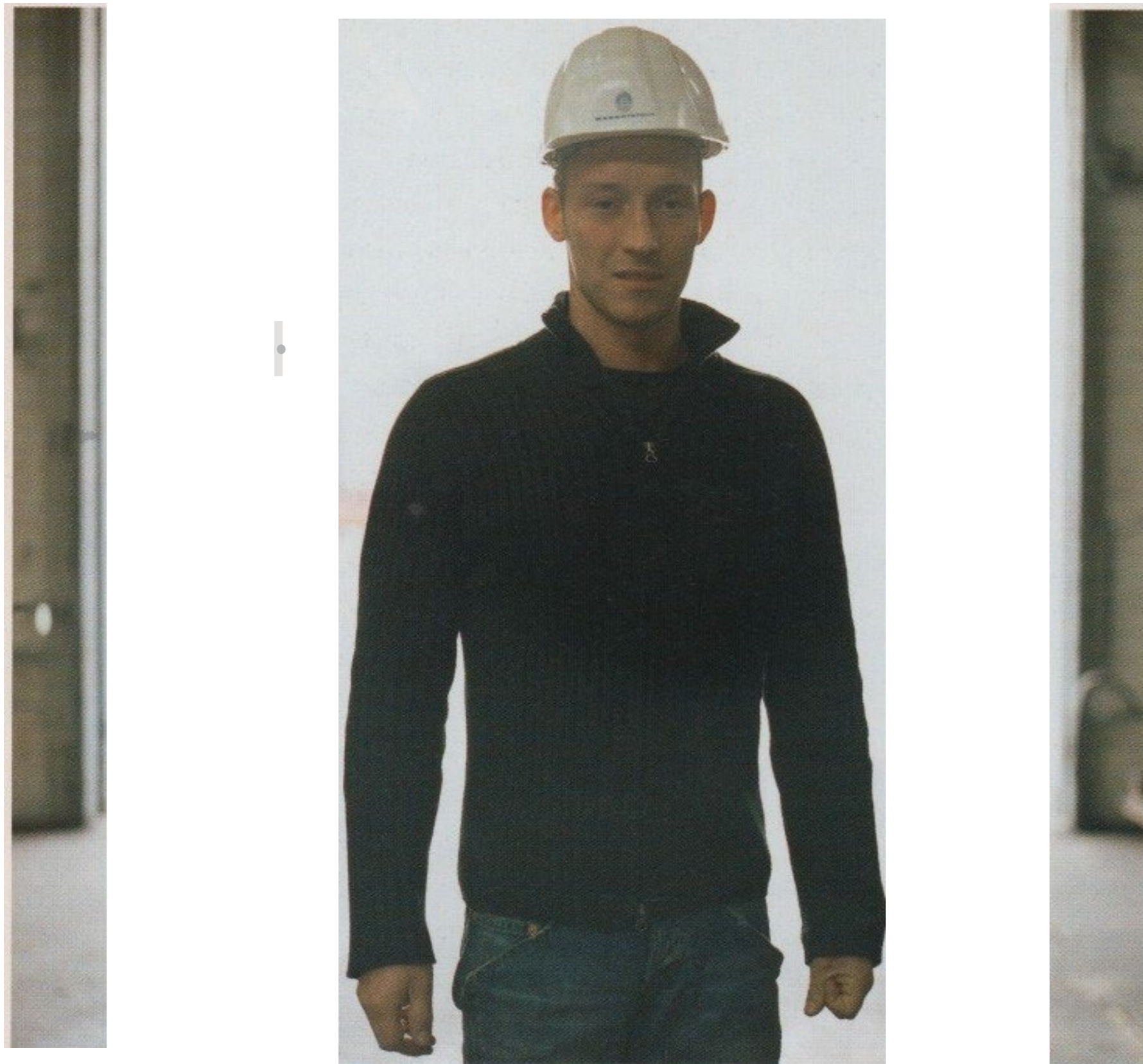
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"The voluntary reduction in recent years has been accompanied by a comprehensive reorganization of the company," says Klaus Höfer, head of work organization at Rasselstein. "It ranged from the introduction of annual working time accounts to new remuneration systems and group work."

This concerted action helped ensure that even the slump in the German beverage can market in 2003 did not leave any visible dents in the balance sheet: the third-largest tinplate supplier in Europe was able to more than compensate for the loss of orders

accounting for almost ten percent of total production by the introduction of a disposable deposit, the third-largest tinplate supplier in Europe was able to more than compensate for this by acquiring new customers from the food industry, especially overseas. "The advantages that helped us score points here are above all quality, flexibility, and service," emphasizes Höfer.

Shorter working hours and greater success - "This is by no means a natural contradiction, but rather an opportunity to secure jobs, create new ones, and strengthen Germany as a business location," says Dieter Kroll, Director of Labor Relations at ThyssenKrupp Steel. As Head of Human Resources ►



The coach: Dirk Müller gives good tips and calls himself a quality trainer and process facilitator.

of Rasselstein, he designed until the end of 2004 the change in working hours at the subsidiary. "But the impetus came from the employees," says the 48-year-old. When four jobs were to be cut at the beginning of 1997 due to a rationalization measure, several employees of the affected team proposed a general reduction in the collectively agreed working hours in order to save the jobs of their colleagues. -

-Management and the works council initially agreed to the proposal for one year. When we subsequently spoke to the employees, the response was so positive that we began to consider the general possibility of voluntary part-time work in production," recalls work organizer Klaus Höfer. Ultimately, company management and employee representatives agreed that shift workers could reduce their weekly working hours to 32 hours. The

"Alliance for Jobs" at Rasselstein was born.

- The total number of hours voluntarily given up alone made it possible to hire around 70 new employees at the Andernach plant. Since then, further jobs have been created as a result of growth: since 2002, when the number of employees fell to a low of 2,314 following the closure of a technically obsolete plant in Dortmund, it rose again by 115 by 2004.

- The Alliance for Jobs turned out to be a catalyst for further flexibility and modernization of the company.- "Mainly because all those involved put widespread taboos to rest," says Dieter Kroll, who was a works council member at ThyssenKrupp before being appointed to the HR department in 2001 and therefore knows the negotiating table from both perspectives.

For example, production workers waived wage compensation from 1997 onwards.

for the fewer hours worked and agreed to extensive training-. The company ruled out redundancies for operational reasons and promised to ensure the professional development of its employees, greater personal responsibility, and higher job satisfaction. - - In return, the works council and trade unions agreed to abandon the 40-year-old wage structure and replace it with a performance-based system.

This radically changed working relationships at the company, which was founded in 1760. Almost every worker can now be deployed in three different positions after completing voluntary training. Group work has been gradually introduced since 1998. The reduction in working hours and the larger and more flexible pool of employees made it possible to establish five permanent teams at all continuously operating plants instead of the previous four and a half frequently changing teams. At the same time, these teams were given expanded responsibilities, from workplace design to time management.- Recording. Time clocks today only record arrival times to provide evidence of shift bonuses to the tax office. Even private errands are possible during working hours without consulting a supervisor; only the group must agree and the production flow must be ensured.

What sounds like a social fairy tale when summarized according to- is the result of a hard struggle involving many sacrifices. "There was resistance and concern from all sides, especially when group work was introduced," recalls Karl Heinz Krämer, who is responsible for team development and innovation at Rasselstein. - Suddenly, steelworkers were expected to paint flipcharts, lead discussion groups, or present ideas to management. Reactions ranged from "You're crazy" to "I can't do that."

Even innovations that management was enthusiastic about...

- His assumption: "If a specific vacation request cannot be realized, then it is probably easier to explain to the family, 'The boss decided that,' than to say, 'I agreed on that with my colleagues.'"

- Supervisors, especially those at the lower and middle levels, viewed with skepticism the idea that a significant portion of their responsibilities should be transferred to subordinates. That many management positions should be eliminated altogether. That small kingdoms, which until then had often been recognized as important pillars of the company, should now be influenced by neighboring departments. -

- Several dozen managers left Untemelunen. Most of them took early retirement or partial retirement, while some resigned. And with each departure, specialist knowledge and experience were lost. It was a tough blow. - -

Today, the economy is said to depend

. However, this does not seem to be the case in this country, if

- According to the latest "Engagement Index" from the Gallup Organization, almost seven out of ten employees in Germany merely do the bare minimum required of them. According to the study, 18 percent of workers have even mentally checked out. Only 13 percent of those surveyed feel a strong emotional connection to their company. This figure is more than half lower than in the US, for example (29 percent).

The surprising finding: Less can be more.

Gallup researchers see a lack of leadership quality as a key reason for these disappointing figures. Six out of ten wage and salary earners complained about insufficient opportunities for individual development within the company, a lack of feedback, and a lack of recognition for their work.-

"When selecting managers-

, German companies place far too little value on interpersonal skills compared to professional competence," says Munich professor Dieter Frey with conviction. For the social psychologist and academic director of the Bavarian Elite Academy, the

The causes of this can already be found in the training of German bosses: "Prospective masters, economists, lawyers, and engineers are not taught how to deal with people at schools and universities. They are largely dependent on luck to experience the relevant social skills in their families or with their superiors." -

Michael Schmidt, who has worked as a human resources manager and interim manager for numerous inter- ly active companies, says: "Germans are in danger of becoming victims of their own recipe for success. - Experience has taught them for generations that technical innovation and disciplined work lead to success. But in the age of globalization, the Internet, and high tech, this is no longer true without- restrictions." Technology is becoming easier to copy, networks more complex, and processes faster. And people are becoming more and more self-confident. -

In this environment, Schmidt believes that the long-established organizational principle of many domestic companies, which is still largely based on command and control, is reaching its limits. On the other hand, success comes to those who do not entrust development and process optimization solely to a team of engineers or businesspeople, but rather to ▶



One of the founders of the Operational Alliance for Employment: Klaus Höfer

the broad front, also involving employees and even customers. Many eyes see more. "The few companies that live this way also produce the most successful managers in Germany."

In many German factories, however, dissent from below is considered just as much a vice as questions from above, says the interim manager, adding: "Many nations that are currently developing more successfully than we are, such as the Dutch, Swedes, and Finns, are benefiting from their lead in social competence."

An expensive disadvantage. According to calculations- by the Gallup Organization, every German who identifies insufficiently or not at all with their job causes their company productivity losses of around 2800 to 4800 euros per year on average: for example, by working to rule, by not passing on

information, careless use of resources, or higher absenteeism. Against this backdrop, the demand for a blanket extension of working hours appears to be a further expansion of already rampant waste.

"Many companies budget a tenth or more of their expenses for defects and rework," says Michael Schmidt. According to various studies, the potential for rationalization in terms of (often hidden) expenses for waiting and downtime, special shifts, overtime, or faulty deliveries amounts to 30 to 40 percent of total costs, and in the construction and skilled trades sectors, it is often even higher. "Here, productivity gains can be achieved with motivated employees."

At Rasselstein, productivity per employee in continuous production has risen since the 2000/2001 fiscal year,

When the measures introduced in the 1990s (- ) began to take effect, the total reduction was 15 percent. The number of overtime hours was reduced from 15 per employee per month (1996) to almost zero.

- "It's a different way of working," says Bernd Maus, commenting on the development, which he also finds personally gratifying. Since 1987, the 44-year-old has been working on degreasing line II, ensuring that the rolled steel strip is freed of fatty residues before the annealing process. The plant was the first to introduce reduced working hours and group work.

What has changed for him since then? "Firstly, the shift system: it used to be an opaque science, with countless variations. Since 1997, we have been working in a fixed rhythm of two early shifts, two late shifts, and two night shifts, followed by four days off." This makes it easier than ever to plan work, family, and leisure time. Secondly, Bernd Maus no longer works only as a degreaser, "but also as a crane and truck driver when needed." This brings variety and is also reflected in his pay slip.

lower, in the bonus share. "And thirdly," adds the trained bricklayer, "if something doesn't work out today, I'm more likely to make changes."

In the past, employees would have delegated a problem to the responsible specialist in the hope that he or she would solve it

, says Dirk Müller, who supports the groups on the degreasing line in their work as a quality trainer and process facilitator. "But because there was often no feedback, problems were sometimes not even reported. Today, we invite specialists directly to the group meeting if necessary, discuss the solution, and usually organize the implementation ourselves."

- As the list of implemented improvement suggestions grew longer, the initial skepticism of the employees faded. For example, the men on degreasing line II were able to repair fine cracks in the annealing hoods using fire extinguishers.

foam on the trail. "The repair- tur saved heating time and energy," says Müller, citing further examples: Some maintenance work that used to be carried out by external companies- when the conveyor belt was shut down is now done by the employees themselves- , eliminating costs and waiting times. A container for scrap material was sunk into the floor of the factory hall so that it can be filled more easily and the sharp-edged material no longer falls onto the walkways. "One of many contributions- to accident prevention" (Müller).

Employees who have a say are healthier. The health of the rolling mill workers is "nothing short of record-breaking," says team developer Karl Heinz Krämer happily.

The absenteeism rate in production- fell by a quarter with the introduction of the new Working Time -

- and Absence Management System in 1996/97, and then, with the additional support of a comprehensive company health program, fell further to 3.5 percent in the past fiscal year. This is a top value in the industry.

Rasselstein GmbH, on the other hand, was able to increase its sales volume for the fifth consecutive year in the past fiscal year. At the beginning of the year, the workers were delighted to receive a bonus above the standard wage agreement.- According to Dieter Kroll, the net wages of production employees are "on average only around €50 per month lower than their income during the 35-hour week". Depending on the bonus share, wages may be higher or lower in individual cases. "Through qualifications, ideas, and commitment, everyone can influence this themselves," says Kroll.

- An employee satisfaction survey conducted for the fourth time last year confirmed the trend: hardly any workers want to reverse the changes introduced since the late 1990s.

Now, the successful model is to be ThyssenKrupp Steel prove themselves on a larger scale- : "The framework agreement has already been signed, and the goal here is also to reduce working hours without wage compensation," says the labor director. The chances are good, as the aim is to preserve up to 700 jobs and modernize entire divisions of the group based on the model of the subsidiary.

However, Kroll also warns against The temptation to simply transfer Rasselsteiner's successful solutions. "That will definitely not work," he emphasizes. "It's about understanding, not copying." -

