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2013

## Work Organisation and Innovation - Case Study: Volkswagen Poznań, Poland

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## Work Organisation and Innovation - Case Study: Volkswagen Poznań, Poland

### Abstract

[Excerpt] Volkswagen Poznań Sp. z o. o. (VWP) 1 was established in 1993. 2 It is part of the Volkswagen AG Corporation and is owned entirely by Volkswagen Nutzfahrzeuge (VW Utility Cars).

VWP is a manufacturer of passenger cars. Currently, the company manufactures two types of utility cars: the Caddy, which constitutes the basis of production, and the T5 Transporter. The main target group for the products manufactured by the Poznań-based branch of Volkswagen are business clients, who use the utility cars for the transport of lighter goods. About 94% of manufactured vehicles are exported as part of the intra-Community supply of goods, as well as to third countries.

### Keywords

work organization, innovation, Volkswagen Poznań

### Comments

#### Suggested Citation

Andrałojć, M., Kochalski, C., & Skowron-Mielnik. (2013). *Work organisation and innovation - Case study: Volkswagen Poznań, Poland*. Dublin: European Foundation for the Improvement of Living and Working Conditions.



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# Work organisation and innovation

## *Case study: Volkswagen Poznań, Poland*

[Click for contents](#)

## Contents

|  |    |
|--|----|
| Background to the organisation         | 1  |
| Nature of the innovation               | 3  |
| Process of implementing the innovation | 8  |
| Reactions and challenges               | 10 |
| Impact on employees                    | 12 |
| Impact on the organisation             | 14 |
| Lessons learnt and future plans        | 16 |

# Background to the organisation

Volkswagen Poznań Sp. z o. o. (VWP)<sup>1</sup> was established in 1993.<sup>2</sup> It is part of the Volkswagen AG Corporation and is owned entirely by Volkswagen Nutzfahrzeuge (VW Utility Cars).

VWP is a manufacturer of passenger cars. Currently, the company manufactures two types of utility cars: the Caddy, which constitutes the basis of production, and the T5 Transporter. The main target group for the products manufactured by the Poznań-based branch of Volkswagen are business clients, who use the utility cars for the transport of lighter goods. About 94% of manufactured vehicles are exported as part of the intra-Community supply of goods, as well as to third countries.

Within the organisational structure of VWP there are nine departments, which are directly subordinate to the Technical and Managing Director. Apart from the strictly manufacturing departments VWP also operates production support units, i.e. the Logistics, Financial and HR departments. The vision of VWP is expressed in the following phrase: 'We are a highly motivated, innovative team, whose customers are offered, in the long run, profitable and competitive cars and highest quality components, manufactured in environment-friendly conditions.' According to the company, it focuses on sustainable enterprise development. This means an emphasis not only on productivity and profitability but also on the staff's satisfaction and efficiency. The company specifies its strategic goals as follows:

- Customers: the needs of our customers are at the centre of our activities;
- Employees: we aim to be the best employer, in order to guarantee that members of our staff are highly qualified, motivated and innovative;
- Processes: we shape and optimise our processes, so as to allow VWP to develop in the long term;
- Environment: we account for the needs and interests of our environment by taking conscious and long-term actions; and
- Finances: we achieve the specified financial goals, to secure the competitiveness of our enterprise for years to come.

For employees, the goal has been made even more specific: 'We develop high quality HR processes which, while accounting for the upcoming demographic challenges, will guarantee the acquisition and development of competent, productive, healthy, motivated and successful employees, so that VWP is perceived as the best employer.' The above-mentioned aim is fulfilled by activities such as health management, annual staff satisfaction survey, personal controlling, creating employee relationships, development of work systems, and changes of remuneration system.

VWP employed 6,035 people at the end of 2011. In the past five years the number of employees has been stable. The lowest number of employees was recorded at the end of 2007 (5,915), and the highest in 2008 (6,098). Maintaining a stable number of employees is the result of the HR strategy of VWP, which aims for good teamwork, high productivity, individual success and retaining the position of best employer. In the case of VWP, the recruitment plans do not assume any significant changes to the number of employees and after an analysis of the HR strategic goals and HR activities implemented in the last five years we may predict that the company will maintain a stable level of employment. Most changes in HR management are based on the existing staff, the competences of whom are constantly developed.

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<sup>1</sup> <http://www.volkswagen-poznan.pl/>.

<sup>2</sup> Data from the Register of Entrepreneurs of the Central Statistical Office, Poland.

A necessary condition for VWP to achieve its strategic goals is to take account of demographic changes taking place in the company itself, as well as in society as a whole. This gave rise to an innovative project, 'Demographic challenges at VWP'.

# Nature of the innovation

The core idea of the ‘Demographic challenges at VWP’ project is maintaining a healthy and motivated staff despite the demographic changes taking place in society and the increasing average age of employees. The project motto is ‘Tomorrow is now’. An innovative approach to staff management in the past few years led to the implementation of numerous projects and activities aimed at the employees. The innovation of ‘Demographic challenges at VWP’ consolidates the activities scattered throughout the company and adds an additional dimension by taking into consideration the age and health of the employees.

The idea for the Demographic challenges project arose in 2010 after the problem of demographic changes was recognised throughout the VW Corporation, including VWP. The analyses and forecasts concerning the average employee age in German facilities show that between 2010 and 2020 the average age of employees will increase by 6.2 years (from 44 to 50.2). Assuming that the employment rate will be stable, the fluctuation rate will be 0.3% and the retirement age 67. Throughout the same period the average employee age at VWP will increase by 8.6 years (from 36.4 in 2010 to 45 in 2020).

The average employee age at VWP is significantly lower than in VW as a whole, although in some departments it is more than 40 years. In 2011, the VWP departments with the highest average employee age were:

- Audit and Control Centre in the Quality Assurance division (42.69 years);
- Facility Technology in the Car Production division (41.03 years);
- Operational Logistics in the Logistics division (40.37 years);
- Legal Department in the Finance and Organisation division (41.33 years);
- Health Protection in the HR division (42.1 years); and
- Process Optimisation in the Foundry (43.42 years).

Although the project is aimed at all employees, it will be of particular interest to older staff and those working in departments with a high average age, especially those employed in production (Facility Technology and Process Optimisation).

Long-term partnership with employees and rejecting the principle of ‘hire and fire’ mean that the average employee age at VWP will be rising. Admittedly, the average age of Polish employees is lower than that of the corporation’s staff overall, but the forecast increase is higher. This increase in the average age will also mean changes in the mental and physical abilities of the employees.

The main reason for implementing the innovation is the desire to have a healthy, loyal and motivated staff. When speaking about the motives, managers at different levels of the organisation emphasise their concerns for its future, which depends on the quality of the staff. The employees, for their part, emphasise their health and well-being as an important issue of concern. The project in question balances the interests of the employer with those of the employees, although the points of view given as to the reasons for implementing the innovation are slightly different. The project is comprehensive in character and its scope covers six areas: shaping of workplace, company culture, shaping of work time, managing staff, personal development and health management. Activities related to each aspect are undertaken by appointed work groups.

The main goal of the project is to maintain employee productivity levels by addressing concerns relating to the quality of working life (maintaining mental and physical fitness, concern for the health of employees, promoting 'pro-healthy' attitudes) and adapting the workplace to the capabilities of the employees. Specific measures are introduced with regard to each aspect to achieve these goals.

The goal for the aspect 'Shaping of workplace' is to organise the workplace in an ergonomic manner – now and in the future – which should minimise the risk of employees experiencing physical ailments resulting from the work performed and should help the employees with the longest work experience to keep their posts. The existing workstations are and will be inspected and evaluated in order to improve their ergonomics, e.g. by introducing changes to the organisation of work, or purchasing new equipment. The following measures have been introduced in this area:

- specialist training courses in Germany for employees responsible for planning and organisation of workstations related to production;
- cooperation with the Institute for Analysis of the Workplace and Organisation of Work (REFA) in Poznań and the Poznań University of Technology;
- purchase of so-called 'Altersanzug', i.e. special suits that allow a young person to 'jump through time' and experience the physical limitations of an elderly person. These, for example, include weakening hand strength, limited movement capability or limited field of vision. As a result, the young employees will be able to assess equipment just like their older colleagues would; and
- encouraging the employees to submit ideas for workplace improvements (this is overseen by the Industrial Engineering Department, where CIP proposals are submitted; CIP stands for Continual Improvement Process).

The goal for the 'Company culture' aspect is to disseminate positive information concerning the ageing process, which helps to promote the so-called 'active ageing'. This work group is tasked with broadly defined project communication activities, and with organising educational meetings for managers and employees. The group's activities are aimed at bringing about a change in the ways of thinking of the management and the staff, which is a long-term process. The following measures have been introduced:

- educational workshops for different target groups dealing with Age Management;
- publications in the company paper and the Intranet, which will include interviews with the most senior employees, and articles on 'smart ageing';
- hosting an 'old cinema' event during a picnic for the employees, i.e. showcasing movies about seniors from around the world who, despite their age, remain active both professionally and physically; and
- 'Time travel' with the use of suits simulating the age of 50+ during the Volkswagen Football Cup – both the employees and their families will be offered this experience.

The goal for the aspect 'Shaping of work time' is the development of ideas for working time models which can be implemented at VWP within the context of ongoing demographic changes. The relevant group based its activities on an in-depth analysis of the current situation in the company and on researching the topic of 'shaping of work time' in various companies both in Poland and abroad. The following issues have been examined:

- working time system;
- full-time/part-time work;



- overtime;
- absence from work; and
- breaks from work.

The goal for the ‘Managing staff’ aspect is to monitor and analyse the situation so that the employees’ qualifications and health comply with the requirements of their posts. The following measures have been specified:

- rotation of employees who have temporarily or permanently lost their ability to work in their current capacity to different posts;
- matching the physical capabilities of employees (resulting from their age and health) to the requirements of their positions;
- developing a tool which would make it possible to juxtapose information on the contraindications and the employee’s qualifications with the requirements and health hazards of a given position;
- working out procedures permitting a quick transfer of an employee to a position that is most suitable to him/her; and
- a Matrix of occupational health hazards.

The OHS department was tasked to prepare a Matrix of occupational health hazards for all production posts, which is a database of all pathogenic hazards, harmful factors, and sources of inconvenience occurring in specific production areas. The Matrix was developed on the basis of a prepared checklist which takes into account noise levels, dust levels, the creation of chemical compounds, existence of electromagnetic fields, local vibrations, overloading of the spine, upper and lower limbs, body positioning, monotony, temperature, and operation of display monitors. The analysis identifies positions with low, medium, high, very high and unacceptable hazard levels, which are then marked with appropriate colours. Older employees and/or employees with permanent medical contraindications should be transferred to positions with low hazard levels. Positions with medium hazard levels can be filled temporarily by people with temporary medical contraindications. In the aspect specified as ‘Personal development’ the goal is to retain proper knowledge and experience in the company by preparing reserve staff and by promoting the personal development of employees. Defining the goal in those terms accounts for two crucial aspects of personal development. The first is the necessity to retain knowledge, which means the transfer of experience of older/senior qualified employees to the young employees who will take their place. Coaching and mentoring have been used as the most frequent solution. The second is the development of instruments which will encourage all employees, regardless of age, to improve their qualifications. The following measures have been introduced with regard to this area:

- diagnosing the current situation with regard to employee development;
- carrying out comparative analyses (what the situation is like in other VW facilities);
- recognising the possibilities of implementing a ‘knowledge relay’ at VWP, which would facilitate the transfer of knowledge between the older and younger employees;
- building development paths for employees; and
- employee development through teamwork.

In the aspect of 'Health management' the emphasis is placed on the promotion of a healthy lifestyle, according to the slogan 'conscious, healthy and fit at your job'. Measures introduced within this area focus on maintaining the health of employees at a satisfactory level regardless of their age. Apart from the activities of its work groups the Demographic challenges project aims to simultaneously implement a major, trans-departmental project entitled 'Health Strategy at VWP', the goal of which is to establish a unified strategy of measures and activities supporting the health of the employees. Both projects overlap. The members of the 'Health management' work group and the Health Protection Department achieve their goals through:

- Specific medical activities such as additional diagnostic and specialist examinations. At the beginning of 2012, VWP introduced medical checkups for all employees. These checkups encompass a wide range of diagnostic examinations and conclude with the employee receiving medical advice and specific recommendations. A factsheet is issued after the examination, which explains, in a user-friendly way, specific medical results and their impact on the employee's health. This examination is completely voluntary, which is why a written consent of the employee is required. The examination is repeated every four years.
- Raising the employees' awareness of the importance of a healthy lifestyle, proper diet, the exercise and physical activity.
- Cooperating with other departments in order to improve the ergonomics of the workplace.
- Adopting plans to expand the Outpatients Unit and the Rehabilitation Centre. The Rehabilitation and Sports Centre was established in 2008 on the premises of Facility 1, and is open to all members of staff. The Centre was intended to help employees who wish to keep fit and to relieve the stress that builds up during the day. The employees also have access to rehabilitation consultants. Group body ball classes for women take place every Thursday. Volkswagen Poznań has also made it possible for its employees to attend a gym free of charge.
- Identifying main health problems among the employees, which led to the preparation of the Preventive calendar. The goal of the programme is health promotion and preventive care among the staff, as well as raising awareness of health issues. The employees have access to preventive services focusing both on early detection of an illness and on stopping further development of existing illnesses. While these additional diagnostic examinations are taking place, the company paper *Głos Volkswagen Poznań* and the Intranet will run thematic articles on health. All activities take place in outpatient units on the company premises. Some of the examinations are free, and some have a charge that is lower than the market price. Campaigns implemented within the framework of the programme are shown in Table 1.

Table 1: Preventive care campaigns of the Health Protection Department

| 2010   | 2011  | 2012   |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Depression preventive care</li> <li>• Slimming the staff – in cooperation with the Poznań University of Life Sciences</li> <li>• Blood donation campaign</li> <li>• Promotion of physical fitness (preparatory meetings preceding the Run for your Caddy event – distance of 7.5 km, meetings with marathon runners, Health Protection Open Doors Day ‘Start being healthy today’ 27.05.2010, endurance contest, Glucose Examination, BMI, RR and FAT, Nordic walking training, nutritionist’s advice)</li> <li>• SUMMER campaign (vitamin and micronutrient supplements for direct production employees), Run for your Caddy event 24.09.2010 (distance of 7 km)</li> <li>• Preventive care against tumours (breast USG, preventive care against colon tumours, inoculations against influenza)</li> </ul> | <ul style="list-style-type: none"> <li>• Preventive care against cardiovascular system diseases (cardiac ECHO, Doppler USG of lower limb vascular system)</li> <li>• Educational campaign with the ‘Drużyna Szpiku’ group (voluntary bone marrow donors) – promoting the idea of donating marrow</li> <li>• Information in the <i>Głos VWP</i> paper on preventive care for backache</li> <li>• SUMMER campaign (vitamin and micronutrient supplements for direct production employees)</li> <li>• One Millionth Caddy 28.08.2011 – health promoting presentation prepared by the PS department – involvement of the Open Doors Day participants</li> <li>• Run for your Caddy event 24.09.2011 (distance of 10 km)</li> <li>• Preventive care against tumours (examination of birthmarks, USG examination of breast, thyroid gland and abdominal cavity)</li> <li>• Inoculations against influenza</li> <li>• Meetings with the employees of the Foundry (Facility 3) concerning promotion of a healthy lifestyle and the employees of the welding shop (Facility 1) concerning the protection of ears</li> <li>• Educational campaign concerning hepatitis C</li> </ul> | <ul style="list-style-type: none"> <li>• Checkup campaign</li> <li>• Healthy spine</li> <li>• ‘Policzmy się z rakiem’ campaign</li> <li>• Preventive care against tumours (examination of birthmarks, USG examination of breast, thyroid gland and abdominal cavity, mammography)</li> <li>• Health Protection Open Doors Day</li> <li>• Hepatitis C campaign</li> <li>• Vitamin and micronutrient supplements for direct production employees</li> <li>• Run for your Caddy event 25.08.2012 (distance of 4.5 km and 9 km)</li> </ul> |

Source: prepared based on data from VWP

The goals of the Demographic challenges project fit directly with the vision and strategic goals of VWP, which emphasise the importance and value of the employees. The demographic aspect was made part of the strategy in 2011, and since then every manager takes the age of the employees into account when making decisions.

The project is considered to be a model example of a campaign implemented in the field of age and health management suitable for the whole corporation. In 2011, the project was named as one of the best practices in this area among Polish entrepreneurs and won the first prize in the third edition of the ‘Zysk z dojrzałości’ contest, which has been organised since 2008 by the Academy for the Development of Philanthropy. As a result, VWP was awarded the title ‘Employer friendly to employees aged 50+’.

# Process of implementing the innovation

The Demographic challenges project is aimed at the whole staff of VWP (about 6,000 employees, including about 500 employees aged 50+). The impact differs depending on the type of initiative implemented within one of the six project areas (see Table 2).

Table 2: *Demographic challenges at VWP: Initiatives and their impact*

| No. | Area                 | Initiative   | Scale of innovation  |
|-----|----------------------|--|--|
| 1   | Company culture      | Articles in the <i>Głos VWP</i> paper and the Intranet   | 3,500 copies/month; all employees                              |
|     |                      | Contest for project slogan and logo  | 150 applications   |
|     |                      | 'Old Cinema' event during a picnic for employees   | 700 viewers  |
|     |                      | Meetings with the management board   | all employees  |
|     |                      | Meetings for foremen   | 270 employees  |
|     |                      | Central coordination of activities related to the project (e.g. organising workshops for management staff) | all employees  |
| 2   | Shaping of workplace | Ergonomics training courses  | employees of planning department                               |
|     |                      | AP Ergo analysis for all posts   | employees of production department                             |
|     |                      | Purchase of suits simulating the age of 50+  | all employees  |
|     |                      | Cooperation with the Poznań University of Technology   | employees of the planning department and production department |
| 3   | Health management    | Continuation and expansion of preventive care campaigns  | all employees  |
|     |                      | Continuation and expansion of campaigns promoting a healthy lifestyle (Team League, Run for your Caddy)    | all employees  |
|     |                      | Benchmarking in the concern and the Wielkopolska region  | employees of HR department                                     |
|     |                      | Promoting healthy eating habits (informational campaigns)  | all employees  |
|     |                      | Project: Health strategy (J. Nofer Institute for Work Medicine)  | all employees  |
| 4   | Personal development | Benchmarking in the concern – 4 areas of activity  | employees of HR department                                     |
|     |                      | Looking for good examples of knowledge transfer in VW Poznań   | employees of HR department                                     |
|     |                      | Analysis of available development tools with regard to demographic challenges                              | all employees  |
|     |                      | Preparation of new tools, e.g. development paths for direct employees                                      | employees of production department                             |
| 5   | Managing staff       | Benchmarking and information acquisition (compliance with standards) in the concern                        | all employees  |
|     |                      | Preparation for the implementation of the APMS system  |  |
| 6   | Shaping of work time | Benchmarking in the concern and in Poland  | all employees  |
|     |                      | Preparation of the idea of 'healthy' work time models  |  |

Source: prepared based on data from VWP

The project coordinator is the head of the HR Centre PS-1/1. The head was appointed by his superior, i.e. the chairperson for HR. Additionally, each of the six areas is headed by a suitable person dealing with HR issues and coordination of the team made up of several people.

The project initiative was conceived in 2010 and its implementation began in 2011. The following stages have been specified with regard to project implementation:

1. Awareness-building (movie about a positive approach to the process of ageing, Body–mind Training, ‘Time travel’ – special suits, workshops for the management staff);
2. Further education – occasional initiatives pertaining to the age and health of the employees;
3. Communication (the *Głos VWP* paper – two pages dedicated to the project; interviews with the most senior/older employees of VWP; contest for project logo and slogan; meetings with employees; meetings with foremen; exhibition stand at the Millionth Caddy picnic; VWP television; the Internet and Intranet); and
4. Implementation.

The team tasked with the implementation of the project was divided into six work groups responsible for undertaking specific activities. A cascade system of delegating responsibility was adopted, according to which the heads of respective units, who participated in a series of workshops, would be tasked with the pursuit of specific project goals. Providing knowledge and developing suitable skills and attitudes among the managers is a prerequisite for success with regard to actions aimed at the whole staff.

The project initiative was first conceived among senior managers. Work groups responsible for respective areas of the project consist of representatives of employees (including trade union members) and managers of various units. In most cases, employees of HR departments are also involved in the activities of these work groups. The managers play an important role in the implementation of the project.

Senior managers mostly took on the part of initiators and mentors of the changes introduced. The HR Manager is a member of the board and is able to directly influence the policy of the whole company so that it takes into account the demographic aspect. The HR Manager was responsible for initiating the project idea and making sure that the schedule was followed. In the case of line managers, project implementation is included in their progress charts, while they also support innovative actions of the employees. The employees work together on the project, submitting proposals for improvement of work place organisation.

Preparing for and implementing the innovation meant incurring material and non-material costs. At first, it was estimated that in the first four years of implementation the project would cost around €1 million. In the first year of project implementation roughly PLN 250,000 was spent, which had been allocated for this period. The expenses incurred in 2011 include, among others, the printing of the company paper – PLN 8,000/month; organising the contest for the project’s slogan – PLN 3,000; preparing ‘Old cinema’, the movie promoting an active lifestyle among the elderly – PLN 2,000; and the purchase of suits simulating the effects of ageing (€32,000). A portion of costs is covered as part of ongoing operations of relevant company departments.

Non-material costs, i.e. the labour time, are borne mainly by the HR employees who coordinate specific project areas (the whole group responsible for the project meets once a week).

The project makes no use of any material external aid. In terms of know-how related to workplace ergonomics the company cooperated with the Poznań University of Technology.

Campaigns run as part of the ‘Demographic challenges at VWP’ project have led to changes in the company’s HR practices and had an impact on both the employees and the results of the organisation’s operations.

# Reactions and challenges

The initial reactions to the new ideas varied widely: from disbelief that an idea like this might actually be implemented, through doubt as to whether such a programme is actually necessary, to satisfaction that the problem has been recognised and addressed. Some employees were afraid that the innovation was too idealistic and might simply be a cover to hide some negative management purpose, such as reduction of employment levels. This was largely due to lack of knowledge about ageing of society in general and of the company's staff in particular and the implications for VWP. In addition, people did not have, or subconsciously rejected, the vision of getting old as an irreversible process. The actions taken resulted in gradual dissemination of knowledge and understanding for the innovation which, in turn, led to a more positive attitude among staff.

The most positive reaction to the programme came from people aged 50+, as it gives them a chance to continue working at VWP. Even if someone is unable to remain in their current position, the programme allows them to find a different post. There are also many employees who, irrespective of their age or position, simply wish to improve the general workplace conditions. Consequently, such employees seek out ideas which would facilitate work at different stations, not only their own. On the other hand, there are many employees who ignore the programme completely, as it does not offer any benefits to them yet. As a result, they see no point in getting more involved. Interestingly, these are not only young people, because young people usually accept the fact that the workload of some senior/older employees is lighter. To the young this is natural and this is what they imagine their future at VWP will be like. Sceptical attitudes are not a result of age, but rather associated with the character traits of some staff who dislike change and perceive the project as of no benefit to them.

As a result of the aforementioned reactions, the main challenges of the innovation have been boiled down to two issues:

- building awareness among staff concerning the consequences of the ageing process and the possibilities of remedying negative effects for both employees and the company; and
- convincing employees and managers that within the framework of the organisation every employee, whatever their age, should and can still work without a fall in their productivity (and in consequence the company's profits).

As is evident, these were mostly mental and social challenges, related to the perception of the process of getting older at the workplace. It should also be noted that right from the start the company assumed that these challenges apply to both sides: the employer and the employees. This, in turn, meant that both sides had to be equally involved in the various tasks supporting this initiative. The employees, for example, have to be willing to participate in programmes dealing with healthcare, because this affects their fitness in the long term. In a similar vein, the employer, for example, has to spend time developing ideas concerning the rotation of employees between positions, because this is crucial for creating alternative posts in the company.

So, the main task during the initial implementation stage of the innovation related to building awareness among the employees. The following measures, among others, were introduced for this purpose:

- experiments with the 'ageing' suits;
- analysis of statistical data at Demographic Forums;
- 'ageing' make-up;
- portraits 'from the future'; and
- workshops in difficult conditions (small, uncomfortable chairs).

Emphasis was placed on the employees' knowledge about changes happening in the human body due to ageing, with particular focus on standard changes, i.e. those which would be characteristic for an average employee. The purpose of this 'standardisation' of age-related changes is to shape employee attitudes, i.e. to help them understand that this is something that everybody will experience one day, so everybody will eventually benefit from solutions which make the work easier. This approach ensures such working conditions which would be better for people aged 50+. The first group whose attitudes were altered as part of this process were the managers. As such, the awareness-building process is a top-down process, which affects the workers gradually. This approach was adopted deliberately, to prevent instances where employee initiatives would be blocked by their superiors, who would not understand the idea behind the programme. As it stands now, well-briefed members of the management staff can implement the programme in their units and continue to educate their employees. Currently, the programme faces another challenge that emerged recently, i.e. improving the understanding of the programme among rank-and-file employees, and increasing their involvement in its implementation. This is achieved, for example, by supporting employee initiatives related to workplace improvements with regard to employees aged 50+. The purpose of the innovation, taking into account current challenges, can be defined as understanding the mutual interests of the employees and the employer.

# Impact on employees

In general, the innovation had a very positive impact on the employees. However, due to its scope and diversity, the results can be both ‘soft’, i.e. difficult to measure, and very specific and quantifiable, depending on the type of activities undertaken by the six project work groups. At present, the work groups assigned to the following areas are most active: company culture, shaping of workplace, health management and managing staff; the remaining two are in the preparatory phase.

With regard to activities in the area of ‘company culture’, the level of employee knowledge about the ageing process, their understanding and involvement in remedying its possible inimical effects can be described as very high and still growing among employee groups involved in the project. What exemplifies the effect on the employees is the improvement of relations:

- between the employees – the programme makes the young employees reflect on the fact that eventually they will grow older and will require help. The innovation, therefore, subscribes to the idea of teamwork, though it does not call for specific actions, but rather supports team efforts. Production teams have formally been introduced in the past, so they are not a result of the innovation. Nevertheless, as a result of the innovation these teams operate better. Thanks to the project employee rotation plans have been prepared in numerous fields. Job rotation gives employees increased freedom and flexibility, while it also decreases the monotony of work. Employees have acquired a better understanding of team working, which make work itself more enjoyable.
- between employees and management – the employer wants staff to stay until retirement and the employees have a sense of being cared for. The leaders need to prevent and/or resolve conflicts and ensure cooperation between employees. The change in the attitude of the managers has been tremendous. The employees take note that once one has reached the age of 50+, the manager will ask about their health more often, and check if everything is all right during work or if anything poses a hazard to the employee. So, the project led to increased sensitivity to employee age- and health-related issues, reinforced the company’s interest in its employees and improved the image of the company as an employer.

‘Shaping of workplace’, on the other hand, deals mostly with optimising the efficiency of workstations and making them ergonomic – this is seen in numerous changes, which are often very minor, but nevertheless crucial to the way work is performed. These activities make the production lines better suited to the capabilities of employees who differ in terms of age and state of health. This leads to a decrease in the amount of time necessary to perform specific activities and lessens the physical strain on the employee which, in turn, may lead to increased work efficiency and improved employee health. At the same time, reducing the physical strain increases overall employee satisfaction and improves the balance between professional and personal life.

Activities undertaken with regard to the ‘Health management’ area have been included in the cross-departmental ‘Health Strategy at VWP’ project. The effects of these activities are visible in the improvement of employees’ mental and physical health. One goal, however, which was crucial in terms of demographic changes and was set at the start of the implementation stage of the innovation, was to build health-related awareness. Before the implementation of the programme problems related to employee health were more common and the company was sometimes forced to look for alternative posts for staff who had lost their ability to work at the production line, with mixed results.

Thanks to health management activities the employees are now more aware of the fact that, as they grow older, it will be more difficult to do their jobs, especially when taking into account the increased retirement age. Health awareness led the employees to protect their health better. Previously, there had been some resistance among some employees to using noise protection equipment; nowadays, it is extremely rare for anyone not to use it. The younger employees have already begun to think about their health as they grow older. The effects of activities in this area can be seen both in the results of employee satisfaction surveys (the so-called ‘work atmosphere barometer’ survey is conducted once a year), as well



as in more measurable aspects, e.g. number of participants in the 'Run for your Caddy' event, number of days lost through sickness absence, number of visits to the doctor, and results of 'checkup' examinations.

The area of 'Managing staff' includes activities related to the optimisation of workstations in order to adapt them to an employee's specific capabilities resulting from his health and fitness level. Even now there are cases of transfer of employees who have permanently or temporarily lost their ability to work at a given workstation. With the average employee age rising constantly, similar situations will occur more often, which is why the adaptation process should be improved and standardised to ensure that the workstation adaptation period will be short and yield the best results. The effects of activities undertaken with regard to this area are, at present, only visible in terms of individual employees, who have been given the opportunity to continue working, but in a different post. These employees emphasise, first and foremost, the employment security resulting from this solution, and the feeling of certainty that loss of an employee's ability to perform his/her current job does not mean losing his/her position. This also positively affects the image of the employer, reinforces the positive atmosphere at the workplace, and helps build employee loyalty. This area also aims to promote innovativeness among employees, who are given the opportunity to submit CIP applications. This reinforces the involvement of employees and offers them new opportunities to make use of their knowledge and experience.

In terms of effects which were unexpected, but nevertheless positive, it was surprising to find that the employees are willing to participate in the programme not only as its beneficiaries, but also as initiators of changes. The employees realised that they can have an actual impact on their workstations as well as on what happens throughout the organisation. Furthermore those employees who are forced to transfer to more demanding positions understand the whole idea behind and the need for such changes. It is also encouraging that employees appreciate the fact that the employer understands issues related to workforce ageing. This positive attitude to ageing is also shown by the trade unions, which cooperate with the employer very closely and encourage the employees to participate in the programme.

Unfortunately, there are also some negative aspects which will need to be addressed. Specifically, in the event of contests organised by specific departments, which are supposed to motivate people to adopt specific behaviours (e.g. not to overuse sick leave or to comply with the health and safety regulations). The monetary prize offered sometimes completely overshadows the actual purpose of the contest and some employees even come to work when sick.

# Impact on the organisation

Changes introduced in VWP as a result of the implementation of the innovation in question contributed indirectly to the fact that the company achieved good financial results despite the financial crisis. The profit after taxation in the years 2009–2011 saw an increase from PLN 250.21 million in 2009 to PLN 281.36 million in 2011. In the years 2009–2011 the company also recorded a consistent increase of revenue, while the number of employees remained stable. This was mainly due to the increased volume of production (sales) of vehicles. In 2009, nearly 140,000 vehicles were manufactured, and in 2011 this figure rose to around 177,000 vehicles. The number of employees between 2009 and 2011 only changed by 21 – from 6,014 people in 2009 to 6,035 people in 2011.

The innovation influences all employee teams and organisational units of VWP, albeit not to the same extent and not in the same way. As far as the organisation as a whole is concerned, there has been a notable increase in employee awareness of the consequences of demographic changes. Those employed at VWP are aware that time cannot be stopped or turned back and that age is not an obstacle to being competent, productive, healthy, motivated and successful employees.

The innovation is related to activities undertaken by the HR department. Its employees involved in the implementation of the project have been given additional tasks, including that of communicating the issue of demographic challenges to the staff.

In the production-related departments the innovation brought about a change in the method of assigning employees to workstations. Employees of an advanced age or of ‘poor health’ were given the opportunity to transfer from their current workstation to one where the workload is ‘lighter’ in terms of physical labour. The rule is that the younger and ‘healthier’ employees will be employed at positions requiring better physical fitness, so that in the future they might be transferred to positions where the physical workload is lighter. The argument here is simply the need to maintain total productivity of the employees, as defined by the organisation, without sudden changes in the number of employees.

In recent years VWP has been able to maintain labour productivity at a stable level. This is evidenced by the productivity index expressed as the number of hours dedicated to one vehicle during production activities (welding, painting, assembly). In the last three years the total productivity of these departments decreased only slightly from 39.63 hrs/vehicle in 2009 to 35.49 hrs/vehicle in 2010 and 35.45 hrs/vehicle in 2011.

Another measurable result of implementing the innovation at VWP is the rising number of internal employee rotations, which currently amounts to about 0.5%. This also affects the recruitment process. As already stated, due to these internal transfers VWP is characterised by a stable number of employees.

The changes in question had an important impact on the process of making the workplace more ergonomic. The project coordinates work done by other projects in this regard, e.g. by the Continual Improvement Project, which the company began in 2004.

As part of the process of making the workplace more ergonomic, the employees were given an opportunity to submit their own ideas. They were also given freedom and the ability to make decisions related to configuring their workstations. Awards granted for ideas on streamlining the work which are adopted by the company serve as an incentive for submitting such ideas. In the years 2009–2011, 2,652 improvements were introduced, which saved the company PLN 3,343,232.

The changes significantly affected the health and health awareness of the employees. Numerous health-related initiatives are undertaken in the company, which are aimed at motivating the employees to be more health conscious; promote health awareness; provide preventive care; and influence employee attitudes towards their health. These initiatives have yielded measurable results, as evidenced by the decrease in employee sickness rates from 3.2% in 2009 to 2.5% in 2011.

The innovation facilitates the improvement of the work culture by building mutual trust and creating an atmosphere of cooperation and collaboration. Employee satisfaction has improved, which is visible in the results of the 'work atmosphere barometer' survey. It is worth noting that employee satisfaction both with their current job and with working at VWP has also improved. In 2011, 74% of employees responded that they were satisfied with their job, compared to 70% a year before. With regard to satisfaction at being employed by VWP, 88% of employees confirmed this explicitly in 2011, which constitutes an increase of six percentage points as compared to the 2010 results.

# Lessons learnt and future plans

It is evident from the project that innovation does not need to be a single, specific initiative, based on a tight schedule and a detailed cost estimate. The innovative character of this project stems from, first and foremost:

- addressing a very relevant problem of an ageing society and staff (50+ issues); and
- a holistic approach – taking into account different areas, in which certain initiatives have already been undertaken; basing the project on employees, on building awareness, on evolution.

The project is still at the implementation stage, but the evidence collected to date allows us to state the following:

- innovations of this type should be treated as long-term activities, and therefore as investments;
- the key success factor is overcoming resistance to change. Recommended activities in this regard include: discussions, building awareness among the employees (starting with the managers) concerning the consequences of demographic changes and the opportunities offered by innovative companies with regard to this issue; and
- close cooperation with social partners is required.

The most recent plans related to the project put emphasis on the implementation elements. The following activities are planned:

- continuous transfer and increase of knowledge among employees (e.g. seminars, meetings with foremen and leaders, collecting examples from other facilities);
- further process of making work stations ergonomic; and
- regular activities promoting health (e.g. development of an IT system which would grant access to medical data).

At the same time, more energy will be put in the development of activities related to the remaining two project groups:

- creating optimal working time models (e.g. by implementing healthy shift-based work models), including those focused on the preferences and capabilities of staff aged 50+; and
- personal development – activities which focus, on the one hand, on mobilising the employees to educate themselves continuously and, at the least, maintain their professional competences at their current level, and on the other hand, on retaining knowledge and experience in the organisation when faced with turnover of employees (e.g. fluctuation, retirement, change of workplace) – creating a so-called ‘knowledge relay’.

The ‘Demographic challenges at VWP’ project is an innovative initiative in the field of work organisation, and will remain so for a long time. It may be used as a source of good HR practice by other companies, which may use its specific tools in their own operations.

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**EF/12/72/EN 10**