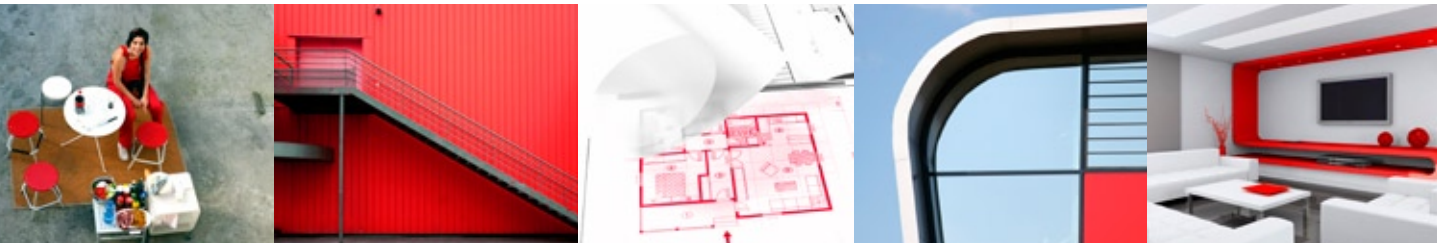




FURNITURE INDUSTRY IN RESTRUCTURING : SYSTEMS & TOOLS

FURNITURE INDUSTRY IN RESTRUCTURING : SYSTEMS & TOOLS



# Guidelines

How to align a human resources strategy  
with a business strategy



Co-funded by the EUROPEAN UNION  
European Social Fund  
Article 6 Innovative measures

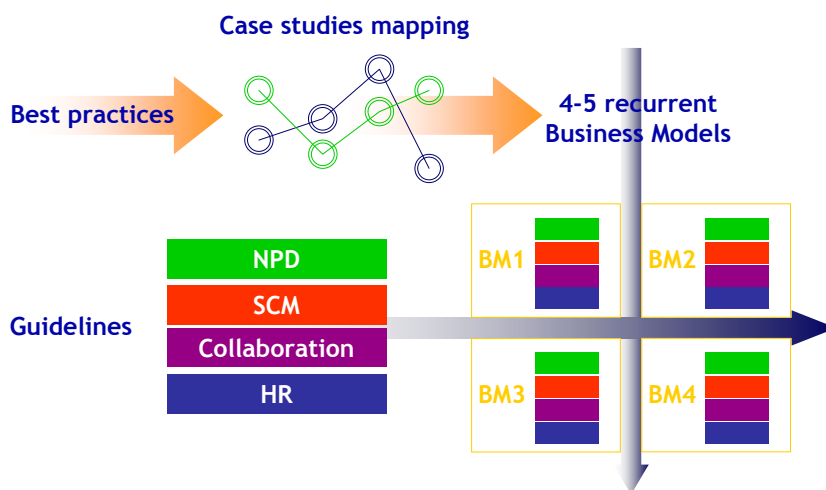
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The globalization is changing the structure of labor intensive industries such as the furniture industry. Increased imports at lower prices force the European manufacturers to look for competitive edges and if necessary to restructure their operations. Some looked at their business model, other at the product, the production, productivity or the relation with the final consumer or a combination of some or all of these different aspects. The solutions, some more successful than others they come up with are multiple.

The FIRST project has the ambition to look into this subject with the aim to formulate recommendations to serve as inspiration to manufacturers. The methodology used was to analyze 30 companies that either went to a restructuring or that had particular characteristics in one or more aspects of their business that allows them to (better) cope with the problems arising from the globalization. This analysis should lead to business models from which guidelines on specific strategies could be distilled.



During the work it rapidly became clear that there are almost as many business models as there are companies, and on suggestion of the advisory board of the project, it was decided to concentrate on guidelines for practical strategies in specific fields rather than develop entire business models. The advisory board also suggested to formulate these guidelines in short separate formats easily usable by interested manufacturers.

This way the work resulted in the formulation of six guidelines around specific activities: product development and innovation, supply chain management, industrial co-operation, outsourcing, human resource management and electronic communications. In parallel the partners developed a sub contracting database for manufactures interested in co-operation as an instrument of increasing such co-operation between manufacturers in the EU and especially with manufacturers in the most recent EU Member States. Information on the project and on the database can be found on the UEA web site [www.ueanet.com](http://www.ueanet.com).

The analytical work has been done by the partners under the leadership and guidance of the MIP, the Polytechnic University of Milan and of AIDIMA, the Spanish technical furniture center. BFM, MEDIFA and the UEA and some of its other members contributed in the best practices and the redaction of the guidelines. Ifabrick, the information department of MEDIFA was responsible for the Web site and database.

The current booklet formulates guidelines on how to align a human resources strategy on business strategy in the furniture industry. It is not meant to suggest that European furniture manufacturers should follow the strategies described, but the booklet wants to contribute to the reflection on this subject by those manufacturers who feel that it might fit into their business model. We hope it serves them well.

Bart De Turck  
UEA secretary general  
FIRST project manager

# I Identifying and rectifying weaknesses in the people organisation

A business strategy is seen as essential to any organisation but however well researched and defined the corporate goals may be, the strategy will be worthless without good people and people management systems. For example, in very simple terms, in order to develop a new product an idea has to emerge, research has to be undertaken into the potential market and the ease and constraints on production capabilities and the supply chain assessed. People drive or deliver all these processes in various guises and departments, from design, marketing, sales, purchasing, technical and production (management and shop floor).

Therefore, a business strategy and the strategic management of human resources are inextricably linked. They are mutually informative. The way people are managed, motivated and deployed, and the availability of skills and knowledge will all shape the business strategy.

This tool is designed to:

- identify the key characteristics of an HR strategy
- clarify the issues that need to be addressed in an HR strategy

The tool:

- is aimed at smaller and medium sized companies that do not necessarily enjoy the luxury of employing a HR specialist although the tool may be used by those practitioners too
- introduces method into HR analysis by providing three key performance indicators that will allow companies to review existing practices and work towards improvement

## Key performance indicators (KPI):

Do I have sufficient information at my disposal in order to compare the HR and business strategies? **Action 1** and **Action 2**

Can I identify the weaknesses in the HR strategy? **Action 3**

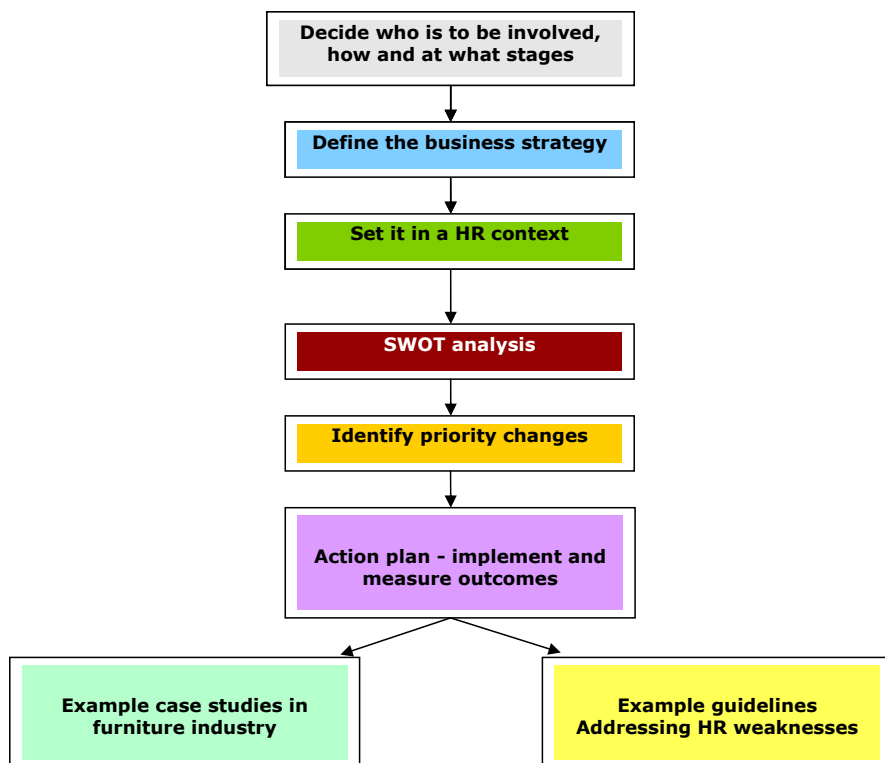
How do I know if I am developing an effective strategy? **Action 4** and **Action 5**

**The KPI Action colours indicate a directly linked section of the guide**

The intention behind the review of the people organisation does not have to be driven by an imperative for change. Reviews may be incremental addressing specific areas of concern which you already believe may be problematic, for example, absence levels. This tool can help you focus your mind on individual issues too.



## 2 The HR strategy development process



The intention behind the review of the people organisation does not have to be driven by an imperative for change. Reviews may be incremental addressing specific areas of concern which you are already believe may be problematic, for example, absence levels. This tool can help you focus your mind on individual issues too.

### Define the business strategy

Most organisations possess a business plan with strategic goals and it is important that the HR strategy is aligned to business need. Typically these plans can look 5 years ahead. If you do not have a clear written business strategy with a plan going forward, what information can be obtained about business intentions? You need to determine as well who should be involved in formulating the HR strategy and at what stages?

#### Action 1:

**Do I understand the business strategy as it could affect people resourcing needs?**

**If not, what further information/explanation do I require?**

## The business strategy in a human resources context

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You must not only be aware of the business strategy but be able to assess its implications for HR management. This will mean that you will need to appreciate the strengths and weaknesses of the organisation and in this respect you will need to draw upon information on labour needs and core competency requirements as it affects business need, current and future.

### Action 2:

**Identify the information sources/tools available to assess your labour requirements and the competencies of your employees**

**If you do not have sufficient information what do you need?**

## Undertake a SWOT analysis to identify key HR issues

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The key issues are those that directly affect the achievement of the business goals. They may be arranged under headings such as training resources, personal development needs or working systems such as hours' arrangements. Some will be general to the whole of the workforce or to particular employee groupings, while others may be specific to a particular skill or role.

SWOT stands for strengths, weaknesses, opportunities and threats. A SWOT analysis should enable you to establish for example, the strengths but perhaps more critically, weaknesses in the HR strategy that need to be addressed. For example, you may find that you need to develop specific competencies to cope with the launch of new products for new markets.

### Action 3:

**Compare the business strategy/need against the human resources strategy - identifying gaps – SWOT Analysis**

## Priorities for change

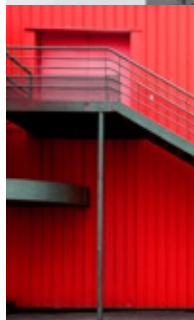
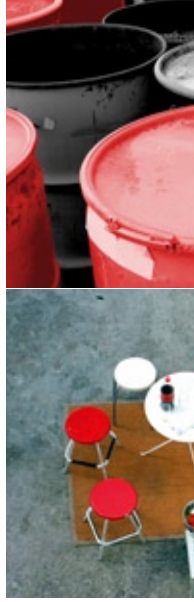
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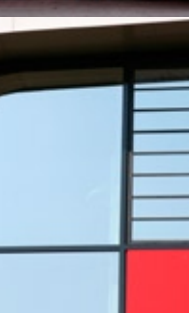
Once you have undertaken the SWOT analysis, you must set priorities for resourcing and/or change. By identifying potential defects in the current people organisation you are well down the road to developing a more effective HR strategy.

Too much innovation at any one time however may be difficult to achieve and that is why priorities are important together with a plan and timescale for action.

It is advisable certainly at this stage – if not earlier – to do this with a group of senior managers because they will have important contributions to the debate and development of the strategic HR goals. Senior management will also have to authorize major changes.

Also, while identifying the need for change in a particular area may be easy, it may not be possible to implement it in its ideal form and therefore barriers to change have to be discussed to establish potential alternative courses of action including if necessary outsourcing.





#### **Action 4:**

**Identify new strategies and practices needed to bridge the gaps and rectify existing HR and organisational weaknesses**

**Any potential barriers to change including any additional HR resources need to be identified**

### **Action the change and measure the outcomes**

---

This section will obviously depend on the previous sections. Careful planning is required and an achievable timescale for securing the change needs to be set. You need to decide too how you are going to monitor or measure any actions you put in place and someone should be given responsibility for this.

#### **Action 5:**

**Action plan - implement and measure outcomes**

### 3 HR diagnostics

Knowledge tree (current and in relation to future plans):

- 1 = inadequate
- 2 = fair (may need more)
- 3 = Sufficient

<b>ACTION 1: Business strategy:</b>	<b>1 2 3 Current</b>	<b>1 2 3 Future</b>
<b><i>Do I understand the business strategy as it affects people resourcing – short and long term aims, goals and objectives? For example:</i></b>		
Headcount and projected count – Key job profiles and department breakdowns		
Organisation structure		
Investment plans – machinery and systems		
Financial plans		
Expansion plans		
Contraction plans		
Changes in products		
Changes in processes		
Production and workflow (including productions bottlenecks etc)		
Payroll expenditure on labour – direct and indirect etc		
The supply chain		
Plans to acquire national accreditations (e.g. ISO 9001(quality) or 14001 (environment))		
<b>Summarize the main aims as they effect resourcing needs:</b>		
<b>Identify areas of the business plan where you require further information and how you are to acquire it:</b>		

<b>ACTION 2: HR analysis information and tools:</b>	<b>1 2 3 Current</b>	<b>1 2 3 Future</b>
<b><i>Am I able to assess labour needs and competencies via information and tools at my disposal? For example:</i></b>		
Organisation charts		
Training underway or planned and completion dates		
Job roles/profiles by department		
Appraisal data – identification of employee abilities, potential and aspirations		
Age profiles – by job, department (e.g. are employees in key roles near retirement)		
Vacancies		
Absence data – reasons and amount		
Labour turnover figures		
Employee reasons for leaving company		
Working time and systems		
Details of outsourced labour if used		
Contracts of employment		
Health, safety and environment compliance information		
Pay data		
Performance data – group/individual		
Trends in the local labour market – supply and demand		
<b>Identify main areas where you need to improve information and data resources:</b>		
<b>Priority remedial action for obtaining that information:</b>		





<b>ACTION 3: SWOT analysis:</b>	<b>1 2 3 Current</b>	<b>1 2 3 Future</b>
<i><b>You will need to look at the strengths, weaknesses, opportunities and threats of your HR strategy against the business plans to identify key priorities. The key issues are those that directly affect the achievement of the business goals, for example:</b></i>		
Organisational structure		
Specific skills and competencies		
Training and training resources		
Succession plans		
Induction of new employees (introduction to company and rules/procedures)		
Personal development		
Promotion opportunities		
Recruitment and selection		
Employee retention		
Flexibility/deployment		
Pay and incentive systems		
Working systems/productivity/quality		
Team working		
Motivation		
Communication strategies and policies		
Health, safety and environment practices and procedures		
Employee consultation/involvement		
Empowerment		
Working hours		
Work life balance (e.g. part time/flexible to family needs)		
Age profile of workforce/departments/key skills		
Absence management		
Clear written HR documentation		
<b>Aide-memoire comments:</b>		

<b>ACTION 4: Priorities for Change:</b>					
<b>HR Area</b>	<b>Reason</b>	<b>Assign your own priority rating of importance of action</b> 1      2      3 High      Low	<b>Estimated Timescale To achieve Actions</b>	<b>Managers likely to be involved</b>	<b>Possible barriers to implementing change</b>

<b>ACTION 5: Action plan:</b>					
<b>HR Area And priority rating</b>	<b>Start date and end date of action</b>	<b>Identify managers with individual responsibilities for delivery of actions</b>	<b>How will any barriers to change be overcome</b>	<b>Employee Communications</b>	<b>Set outcomes and how will change be monitored</b>

**Example 1: Action – to improve decision making and improve product quality –period for change – 6 months**

**Delivery** – Production manager supported by line managers

**Benchmark reasons why?** Speed-up day-to-day decision making and place more responsibility for quality with factory employees

**How?** – rationalize the management structure, and empower employees through education in the importance of quality and introduce systems that can track back individual faults to individual workers

**Inform** employees of reasons for change and consult on major changes

**Measurement** – regular assessments against each of the benchmark reasons (above) using (*defined*) qualitative and quantitative data

**Example 2 Action – to introduce an individual performance appraisal and development system in 6 months time**

**Delivery** – Production Director and Finance Director

**Benchmark reasons why?** Accurately monitor abilities and aspirations, provide training and development to motivate employees, reduce labour turnover

**How?** – Develop appraisal forms and development plans and train managers in appraisal techniques

**Inform** employees of intentions and positive aspects of scheme

**Measurement** – regular assessments against each of the benchmark reasons (above) using (*defined*) qualitative and quantitative data

**Barriers to change** – internal resources – will need outside assistance (e.g. independent consultant)

**Example 3: Action – to improve levels of absence – introduce in 3 months time**

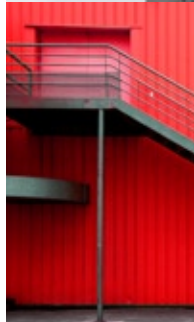
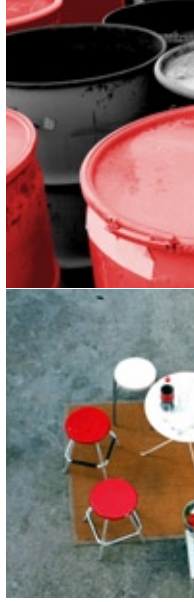
**Delivery** – Payroll Manager (data) and Works Director (control system)

**Benchmark reasons why?** An unacceptable level of sickness absence hindering production and giving rise to extra cost through overtime working

**How?** – introduce an absent control policy and absence thresholds once passed will lead to counselling and/or formal cautions to employees

**Inform** employees of reasons for change

**Measurement** – regular assessments against each of the benchmark reasons (above) using (*defined*) qualitative and quantitative data





## Questions to consider when setting HR priorities

What are the key components of the business strategy?	<input type="checkbox"/>
How can HR strategies support the achievement of the business goals?	<input type="checkbox"/>
What are the strengths and weaknesses of the organisation and opportunities and threats it faces?	<input type="checkbox"/>
What are the implications of the political, economic, social, technological, legal and environmental contexts in which the organisation operates?	<input type="checkbox"/>
To what extent is the organisation in a stable or dynamic (turbulent) environment and how will this affect our strategies?	<input type="checkbox"/>
What is the nature of the corporate culture? Does it help or hinder the achievement of the organisation's goals	<input type="checkbox"/>
What needs to be done to define or re-define our values in such areas as quality, customer service, innovation, team working and the responsibility of the organisation towards its employees?	<input type="checkbox"/>
What do we need to do to increase commitment?	<input type="checkbox"/>
How do we communicate our intentions and achievements to employees and how do we obtain feedback?	<input type="checkbox"/>
How do we involve employees?	<input type="checkbox"/>
How can we increase resource capability?	<input type="checkbox"/>
To what extent does our HR practices meet future business needs and to what needs to be done to rectify our inadequacies?	<input type="checkbox"/>
In light of the SWOT analysis what are the specific aspects of the HR processes and practices that we need to focus upon when formulating the strategy?	<input type="checkbox"/>
How can we bundle the various HR practices together into a coherent whole?	<input type="checkbox"/>
How can we achieve the flexibility required to cope with change?	<input type="checkbox"/>
What kind of skills and behaviour do we need now and in the future?	<input type="checkbox"/>
Are performance levels high enough to meet demands for increased productivity, better quality and improved customer service?	<input type="checkbox"/>
Does any aspect of the supply chain hinder effective performance?	<input type="checkbox"/>
Will any new products planned require different skills?	<input type="checkbox"/>
Is the organisation and management structure supportive of the business goals?	<input type="checkbox"/>
Are we making the best use of our skills and capabilities?	<input type="checkbox"/>
Are we investing in developing those skills and capabilities?	<input type="checkbox"/>
Are there potential barriers to change?	<input type="checkbox"/>
Are our employment costs too high?	<input type="checkbox"/>
Is there a likely need for any de-layering of management or downsizing of the workforce?	<input type="checkbox"/>
How can we ensure the strategic plans are implemented?	<input type="checkbox"/>

## 4 Example case studies-furniture manufacturers

### Bed and mattress manufacturer with 340 employees

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#### Problems identified:

1. To many suppliers performing at different levels
2. The need to continually re-engineer its production processes and materials/parts input to enable the maximum number of product lines to be met by the minimum number of components, whilst maintaining high quality and innovative sought-after designs
3. Age profile of workforce high
4. Shortage of skilled labour

#### Actions:

1. Recruited a Supply Chain Manager to overhaul their systems and introduced Key Performance Indicators like supplier/vendor ratings
2. With the initial assistance of consultants introducing 'lean' management techniques to reduce number of components in production
3. Empowered individuals with the responsibility for the quality of their own work
4. Training & development programmes and skills needs analysis
5. Re-engineering certain jobs so as to de-skill them by deploying different designs or innovative techniques
6. Recruited skilled labour from Eastern Europe

### Office furniture manufacturer with 100 employees

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#### Problems identified:

1. The lack of codified practices, rules and procedures making it difficult to manage a workforce who were not sure of the workplace boundaries
2. A de-motivated staff

#### Actions:

1. Engagement of a consultancy firm to audit its practices
2. The issue to all employees employment documentation covering their own employment terms and conditions and rules, policies and procedures as they affected all the workforce
3. A regular audit of the employment documentation via their affiliation to a national trade association for the furniture industry
4. All employees are now aware of what is expected of them, morale has improved and management can apply consistent standards when dealing with employees

### Manufacturer of furniture (wood and plastic) for the health care market with 130 employees

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#### Problems identified:

1. To be seen to have high quality standards by its customer base and for each employee to continually work to high quality standards
2. Skill shortages
3. A reward system that did not reflect individual contribution to the Company

#### Actions:

1. Introduced the nationally accredited quality standard ISO 9001 and likely to introduce the environmental standard 14001
2. Individuals are empowered with making sure that any product they are working on meets the quality standard, with personal identification labels attached to each element of a product an employee works upon so quality





issues can be tracked back to individuals

3. A weekly quality control meeting looks at non-conformity issues which covers literally anything to do with process or service, allows the managers to discuss it and put in place procedures to prevent/limit re-occurrence

4. Extensive training and personnel development programmes starting with performance appraisals with all employees given opportunity to learn new skills so that they can cover positions or move into them when a vacancy arises - an apprenticeship programme for new employees

5. Training needs analysis

6. The employment of skilled labour from Eastern Europe and the use of a local prison's workshop where prison inmates undertake outsourced work

7. The introduction of a 5-band payment system to reward individual development, skills and experience



## Upholstery manufacturer of furniture for the health care market with 51 employees

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### Problems identified:

1. Unacceptable levels of absenteeism through ill health and poor timekeeping - lost production time (measured in hours lost) was on average 7.5% in any year and could peak around 12%

### Actions:

1. As an incentive to good attendance, it introduced an attendance bonus scheme that would incentivize good attendance and penalize bad attendance

2. Developed a clear policy on reporting all absences

3. Established benchmarks and thresholds which would result in formal cautions of employees and potentially dismissal if they continually recorded poor attendance levels

4. The incidence of lateness has reduced by around 50% and the amount of total production time lost fell by one third



## Cabinet manufacturer with 160 employees

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### Problems identified:

1. To improve business efficiency given competition from low cost imported furniture

2. The need to significantly reduce the number of component parts in the production process

### Actions:

1. To lower the cost of production by introducing a range of systems and performance measures including the techniques of KANBAN (a system for manufacturing and calling off piece-parts), SMED (improved machine setting times) and the 5 S' (individual methods of working and storing tools to improve efficiency)

2. The number of component parts used has reduced by 20%, 15% saving in general efficiencies with a target of 25%

3. All main skilled employees trained to nationally accredited standards in lean manufacturing methods

4. Introduced a flexible method of working time that uses in basic terms the concept of annualized hours, sometime called seasonal working where hours are adjusted to meet peaks and troughs in production



## 5 Examples guidelines

### Annual/Seasonal hours working (Appendix I)

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Annual/Seasonal hours' arrangements can take a variety of forms and can be quite complex and some of these may not be suitable for companies within the industry.

However, some arrangements will suit and they rely, in some form, on converting working time from a week to a year (or even to identifiable blocks within the year such as quarters), to vary working weeks to match peaks and troughs in production. There is also usually flexibility to change the scheduled hours in some weeks if workflow is not what it was expected to be. There are 52 working weeks in a year. Hours of work therefore, when based (in this example) on a 39 hour week, can be converted approximately to this (note: leap years and other factors can change the number of days slightly):

$52 \times 39 = 2028.0$

Less 22 days of annual holiday at 7.8 hours = 171.60

Less 8 public holidays = 62.40

Available working hours in the year = 1794 or 230 days of 7.8 hours each.

Appendix 1 shows how the working year may be laid out.

### Performance appraisal (Appendix 2)

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The main objectives of an appraisal system are to review an employee's performance and potential. These systems may be linked to a reward system. A personal development plan is usually drawn up as a result of the appraisal.

Appraisals are of benefit to employees and employers as the intention is to improve job performance by making it easier to identify strengths and weaknesses and determine the suitability for training and development.

They are an opportunity to take an overall view of work content, quality and volume by looking at what has been achieved during the reporting period and then agreeing objectives for the next period. Appraisals also introduce a measure of objectivity, and without them, much will depend on the attitude of individual managers. Communications too should be improved, as should the understanding of the company's objectives.

Appendix 2 example shows the type of performance factors that can be used.

### Absence control measures and thresholds (Appendix 3)

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Absences (generally sickness) cost companies but can be controlled and usually the most disruptive and costly absences are the regular but intermittent ones that last for short periods.

Firstly however you need to know the level of absence in your company and this can be done for it as a whole and then by department (see example measures). If an employee is taking more than the normal acceptable level of absence then by introducing absence thresholds you can require an improvement in attendance by using formal warnings or cautions, that ultimately if unheeded could lead to termination of employment.

Management counselling may also be appropriate, particularly if there is an apparent underlying cause. Long-term absences usually require a different approach and invariably involve seeking medical opinion before making any employment decisions. Legislation too can affect the way matters are handled and this can occur for example if an employee has developed a disability.

See Appendix 3 for absence threshold triggers and these can be set to suit you.



## 6 APPENDIX

### APPENDIX I: Seasonal hours working

Example of yearly pre-planned schedule of adjusted hours—based on variation to normal 39 hour week/8 public and 22 annual holidays

Week Number	Week Begins	Variable worked Hrs	Cumulative Var./Stan.(39)	Cumulative Variation	Holiday Public/Annual
1	2 Jan	H	0	0	1PU/4AH
2	9 Jan	39	39	0	
3	16 Jan	39	78	0	
4	23 Jan	39	117	0	Apart from
5	30 Jan	39	156	0	holidays
6	6 Feb	39	195	0	any new
7	13 Feb	39	234	0	starter
8	20 Feb	39	273	0	up to
9	27 Feb	39	312	0	week 39
10	6 Mar	39	351	0	works
11	13 Mar	39	390	0	39 hours
12	20 Mar	39	429	0	as
13	27 Mar	39	468	0	standard
14	3 Apr	39	507	0	
15	10 Apr	31.2	538.2	0	1PU
16	17 Apr	31.2	569.4	0	1PU
17	24 Apr	39	608.4	0	
18	1 May	31.2	639.6	0	1PU
19	8 May	39	678.6	0	
20	15 May	34	712.6	-5	
21	22 May	H	712.6	-5	5AH
22	29 May	31.2	743.8	-5	1PU
23	5 June	34	777.8	-10	
24	12 June	39	816.8	-10	
25	19 June	39	855.8	-10	
26	26 June	34	889.8	-15	
27	3 July	34	923.8	-20	
28	10 July	34	957.8	-25	
29	17 July	34	991.8	-30	
30	24 July	H	991.8	-30	5AH
31	31 July	H	991.8	-30	5AH
32	7 Aug	34	1025	-35	
33	14 Aug	34	1059	-40	
34	21 Aug	34	1093	-45	
35	28 Aug	31.2	1125	-45	1PU
36	4 Sep	34	1159	-50	
37	11 Sep	34	1193	-55	
38	18 Sep	39	1232	-55	
39	25 Sep	44	1276	-50	New
40	2 Oct	44	1320	-45	starters
41	9 Oct	44	1364	-40	from week
42	16 Oct	44	1408	-35	39 work
43	23 Oct	44	1452	-30	the
44	30 Oct	44	1496	-25	scheduled
45	6 Nov	44	1540	-20	hours
46	13 Nov	44	1584	-15	without
47	20 Nov	44	1628	-10	premium
48	27 Nov	44	1672	-5	
49	4 Dec	44	1716	0	
50	11 Dec	39	1755	0	
51	18 Dec	39	1794	0	
52	25 Dec	H	794	0	2PU/3H

## APPENDIX 2

### Examples of performance factors to use when assessing individual employees

These are typical examples, although not all of which will suit each company. Points do not have to be awarded against the categories. The appraisal could simply describe the outcome for each category of measurement in a narrative form.

If points are allocated, 1-4 or 1-6 is typical and a comment section to allow the points awarded to be quantified. Weightings too can be given to more important factors so for example X2 so that the ratings are doubled with 2 becoming 4 etc. Measures, with points or otherwise, such as the following can be used:

#### Example performance rate for individual elements of work

<i>Unacceptable</i>	<i>Slightly below standard</i>	<i>Above Standard</i>	<i>Well above standard</i>
1	2	3	4

#### Overall performance rating - taking into account all aspects of the job

<i>Performance</i>	<i>Occasional</i>	<i>Consistently</i>	<i>Outstanding</i>
<i>Consistently</i>	<i>under-performance</i>	<i>good performance</i>	<i>performance</i>
<i>Unacceptable</i>			

#### Performance against set objectives - the extent to which previously set objectives have been met

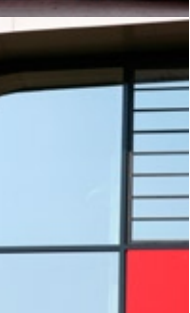
*Not acceptable* - Achievements consistently fell below objectives or requirements.

*Below expectations* - Achievements frequently did not meet several of the objectives or requirements

*Achieved objectives* - Achievements consistently met the majority of the objectives or requirements

*Exceeded expectations* - Achievements consistently exceeded objectives or requirements





**Example individual work categories measuring/assessing the individual**

**Job knowledge/abilities/skills** - does the employee have the necessary knowledge/skills to perform in all aspects of the main job role

<i>Limitations in essential skills</i>	<i>Lack of knowledge hinders progress</i>	<i>Above average skills</i>	<i>Highly skilled</i>
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**Adaptability/flexibility** - ability to cope with changes, multi-skilling in other secondary roles

<i>Limited to present task</i>	<i>Basic skills - more than 1 task</i>	<i>Above average skills - more than 1 task</i>	<i>Highly skilled - more than 1 task</i>
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**Volume of work** - how does the amount of work output compare with the job requirement

<i>Insufficient improvement needed</i>	<i>Occasionally unsatisfactory</i>	<i>Usually above average</i>	<i>Consistently high output</i>
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**Quality of work** - attention to detail/consistent quality

<i>Quality is significant problem</i>	<i>Occasional quality failures</i>	<i>Quality good seldom a problem</i>	<i>Consistent high quality</i>
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**Dependability** - how well he/she works according to instructions/job requirements

<i>Requires constant supervision and/or job instruction</i>	<i>Requires more checks and/or job instruction than normal</i>	<i>Little supervision job instruction needed</i>	<i>Always reliable and gets in with job without assistance</i>
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**Attitude to work/teamwork** - commitment, motivation, enthusiasm

<i>Uncooperative lacks motivation</i>	<i>A few issues with teamwork/motivation</i>	<i>Team worker motivated</i>	<i>Very good team worker highly motivated</i>
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**Communications skills** - assumes no medical issues when allowance needs to be made

<i>Does not communicate effectively</i>	<i>Some problems communicating</i>	<i>Usually good communicator</i>	<i>Very good communicator</i>
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**Work planning** - how well work is planned/time managed

<i>Does not plan effectively</i>	<i>Some aspects need improvement</i>	<i>Organizes work well</i>	<i>Displays excellent planning ability</i>
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**Attendance** - the number of individual spells of absences - sickness and unauthorized - (requires care to distinguish between one-off long-term absences and those too that may related to an employee's disability)

<i>Individual spells of absence 5 plus</i>	<i>3-4</i>	<i>1-2</i>	<i>None</i>
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Each unauthorized absences is weighted and multiplied by x3

**Timekeeping** - measurement of punctuality - individual occasions in last 12-months - an example

<i>Individual occasions of lateness 5 plus</i>	<i>3-4</i>	<i>1-2</i>	<i>None</i>
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**Safety awareness/housekeeping** - awareness and compliance with health, safety and environmental standards, policies and procedures

<i>Poor housekeeping and/or adherence to safety standards</i>	<i>Sometimes needs reminding of safety standards and/or housekeeping</i>	<i>A good attitude to safety and workplace generally clean and tidy</i>	<i>High motivation towards safety workplace always clean and orderly</i>
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**Supervisory ability (where appropriate)** - leadership, organisation, ability to train and develop staff

<i>Poor leadership direction and organisation</i>	<i>Good in some aspects and needs improvement in others</i>	<i>Adequate in all aspects</i>	<i>Extremely good in all aspects</i>
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## APPENDIX 3

### Average number of days lost per employee

This is a broad measure that reveals the number of days lost on average per employee

$$\frac{\text{Number of employees}}{\text{Number of days of absence}}$$

### The lost time rate

This is a broad measure and takes no account of whether the absences consist of a small number of employees who are absent for long periods or whether the absences consist of a large number of short spells

$$\frac{\text{Number of days of absence}}{\text{Total number of workdays available in year}} \times 100$$

### Frequency rate

This shows the average number of spells of absence per employee as a percentage, irrespective of the length of each spell

$$\frac{\text{Number of spells of absence}}{\text{Number of employees}} \times 100$$

### Individual frequency rate

This is used to measure the number of employees taking more than one spell of absence

$$\frac{\text{Number of employees taking more than one spell}}{\text{Number of employees}} \times 100$$

### Example of Company triggers for cautions:

*Company one*

**7 working days**

in any 12-month period on a rolling basis, or

**3 periods of absence**

in any 3 month period on a rolling basis, or

**Regular patterns of absence**

(e.g. on specific days or events driven)

*Company two*

**2 spells** of absence

in rolling 6 week period or

**14 consecutive days**

in a rolling 6 week period or

**Regular patterns of absence**

(e.g. on specific days or events driven)





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