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# Work Organisation and Innovation - Case Study: Company X, Slovenia

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# Work Organisation and Innovation - Case Study: Company X, Slovenia

## **Abstract**

[Excerpt] Company X is one of the largest and most successful commercial grocery retailing chains in south-eastern Europe (Euromonitor, 2011). It was established over 60 years ago in Ljubljana, Slovenia. Company X is the largest Slovenian retailer with 24,000 employees and approximately a third of the market share for its sector (Gvin.com, 2012). Company X also operates in six other countries in the region: Serbia (9% market share), Croatia (9% market share), Bosnia and Herzegovina (5% market share), Montenegro (19% market share), Bulgaria (0.5% market share) and Albania (1% market share) (Company X, 2011). Company X's main activity is retail and wholesaling of fast moving consumer goods (FMCG). The chain has been expanding its core activity by selling clothing, furniture and household appliances as well. Company X has 1,581 outlets including hypermarkets, supermarkets, convenience stores, specialised stores, etc. (Company X, 2011).

## **Keywords**

work organization, innovation, Company X

## **Comments**

### **Suggested Citation**

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# Work organisation and innovation

## *Case study: Company X, Slovenia*

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# Background to the organisation

Company X is one of the largest and most successful commercial grocery retailing chains in south-eastern Europe (Euromonitor, 2011). It was established over 60 years ago in Ljubljana, Slovenia.

Company X is the largest Slovenian retailer with 24,000 employees and approximately a third of the market share for its sector (Gvin.com, 2012). Company X also operates in six other countries in the region: Serbia (9% market share), Croatia (9% market share), Bosnia and Herzegovina (5% market share), Montenegro (19% market share), Bulgaria (0.5% market share) and Albania (1% market share) (Company X, 2011).

Company X's main activity is retail and wholesaling of fast moving consumer goods (FMCG). The chain has been expanding its core activity by selling clothing, furniture and household appliances as well. Company X has 1,581 outlets including hypermarkets, supermarkets, convenience stores, specialised stores, etc. (Company X, 2011).

Company X's current business strategy for Slovenia is to maintain its status as the leading FMCG retailer, consolidate its position as second largest retailer of home products and develop additional trade services to secure customer loyalty. In the existing foreign markets of Serbia, Croatia, Bosnia and Herzegovina, and Montenegro, it is seeking to consolidate or attain the position of the second largest FMCG retailer, to rank among the top three retailers of home products, and to build customer loyalty. It also wishes to expand market share in its new foreign markets of Bulgaria, Albania, the former Yugoslav Republic of Macedonia and Kosovo. This will lead to the creation of over 9,000 new jobs by the end of 2015, in addition to the 4,000 new jobs it has created in the last five years. In Slovenia, almost all employees work full-time (more than 98%) and over 90% have a permanent contract. Over 70% of the workforce is female.

## Human resource strategy

A study by Fortune magazine (2011) shows that world's top retailers are making employees' health and happiness a priority. With its recent innovations (certification as a 'Family-Friendly Company' and the Health Promotion project discussed in this case study) Company X is trying to follow this trend. Company X's HR strategy is developed at corporate level but it is adapted according to local needs and is revised every four years.

The current strategic HR goals are defined at the corporate level. These strategic goals provide guidance and direction and motivate and inspire employees. The strategic HR goals are defined as:

- Leadership development – renewal of leaders' competencies involving training, monitoring and evaluation of impact;
- Dialogue with employees and social partners – communication of new corporate values and employees' code of conduct, improvement of internal communication, and increase in employee satisfaction;
- Transfer of expertise – through employee training, development of internal trainers, lecturers and instructors;
- Motivation and rewards – encouraging employees' suggestions for improvements;
- Internal and external recruitment – recruitment of key and promising employees, retention of key and promising employees, increase in internal mobility;
- Recruitment and training of salespersons – creating an internal sales training programme, improvement of customer service;
- Health and safety of employees – managing absenteeism, maintaining the current percentage of people with disabilities, i.e. 4.21%. An additional priority is to improve the health of workers aged over 55 due to concerns about the health and absence rates of older Company X workers.

Employees are represented through a workers' union and a new workers' council of 31 members which was established in 2011. The management board and the workers' council have an agreement on employee participation in management, which lays out how worker rights to participation in management are exercised. The management board also holds regular meetings with the trade unions.

# Nature of the innovation

The innovation discussed in this case study is a health promotion innovation in the Slovenian branch of Company X.

Absence levels in Company X rose between 2007 and 2009. Sickness absence was on average 6.46% in 2007, 6.2% in 2008 and 6.74% in 2009. The most common causes of absence from work in Company X included pain in the neck and spine, varicose veins, hypertension, eye diseases, alcohol abuse, and hyperlipidemia (HR sector, 2011).

At the same time, the average age of employees in the Slovenian operation of Company X is also increasing and is now approximately 42.5 years – the highest average age of employees in the company (Company X Group, 2010). Therefore, it is no coincidence that several health promotion strategies for ageing employees have been initiated in Slovenia. The risk of health-related absenteeism is not likely to decrease in the future as rationalisation measures (i.e. demand for enhanced efficiency and effectiveness and cuts in spending) may result in higher workloads, which may increase the probability of work-related injuries and absenteeism due to illness.

The HR department of Company X developed the idea for the health promotion project and it was approved by the management board in 2009. The main aims of the project were to reduce absence levels and neutralise the effects of an ageing workforce. The firm hoped to achieve this through raising employee awareness of the importance of healthy lifestyles; raising awareness of shared responsibility for health between individuals and the company; increasing employee job satisfaction and increasing employee productivity. The Slovenian Occupational Health and Safety Act (Ur.l. RS, št. 56/99) is also changing and the new legislation states that all companies are required to promote workforce health. Therefore, Company X is proactively anticipating the need to meet the new regulations.

The health promotion project has nine activities, of which seven are aimed at supporting employees, and two seek to reduce breaches and tighten control of sickness absence policy through monitoring patterns of absence and conducting return-to-work interviews. The health promotion project is divided into four key areas: general tasks, health and safety at work, ergonomics and health.

Project team members who are responsible for the area of general tasks have to monitor tenders for European and national funding for health promotion and to raise awareness of safety at work and health through the internal newspaper, internet, intranet and bulletin boards. The main objective is sharing awareness and information with employees on project activities and opportunities for active involvement.

Tasks of members in the area of health and safety at work are: quarterly monitoring of occupational injuries and sick leave; developing and implementing a plan to reduce injuries at work; providing a training video that will encourage employees to work safely; and conducting interviews twice a year with employees who have high absence rates. The goals are: to reduce injuries at work by 5% annually; to reduce absenteeism by 0.2 percentage points per year; and to have up to 6.5% disabled employees.

Work in the ergonomic strand is divided into five working groups: preparation of safety and risk assessments; providing adequate space for the retail outlets; providing safe working devices, providing adequate protective equipment for employees; ensuring suitable working positions, postures and physiological design of working movements. Each group has its own action plan, approved by senior managers. Key activities in this area include: preparation of IT support for the statement of safety with risk assessment; drafting proposals for replacement of work tools; preparation of regulations for the use of protective equipment; organisation of the 'School of healthy movement patterns'; and many others activities. Company X is aware that the employer controls working conditions; therefore the objective of this area is to establish a healthy and safe working environment for employees in the retail market.

The area of health is divided in four sub-themes: health and nutrition, health and movement, health and psychological factors, and 'health and health campaigns'. The 'Health and nutrition' sub-theme is responsible for: preparation of guidelines for healthy eating for Company X's employees; education of employees who work in the hospitality industry; joining with the National Action Plan to reduce salt intake; promotion of water drinking; introduction of a fruit tasting day; and continuing with Company X's 'School of healthy cooking'. The main objective of the Health and nutrition sub-theme is to provide healthy food in the workplace and to raise employee awareness about the importance of healthy eating.

The functions of the 'health and movement' sub-theme are: to motivate employees to be active in their leisure time through participation in activities at Company X's sports and climbing clubs; to prepare and implement the action called 'five minutes for health at the workplace' – taking a short break for e.g. exercise, a healthy snack, relaxing, to encourage walking and recreation in the fresh air; to introduce the traditional family hike (once a year); and to cooperate with Intersport, which has the worldwide leading position in the sporting goods retail market. The objective for this sub-theme is to provide opportunities for spending free time actively and to raise employee awareness about the importance of movement for maintaining health.

The 'health and psychological factors' group is responsible for: raising awareness of stress and stress management techniques; providing training for leaders about mental health (stress, depression, bipolar disorder) and risk factors in the working environment; informing the employees about help available in case of illness and domestic problems; introduction of rest and relaxation facilities at the workplace; implementation of the 'positive thought' tender; introduction of a campaign called 'joke of the day'. Team members who are responsible for this theme focus on the negative effects of stress and violence caused by third parties.

The last sub-theme, 'health and health campaigns', is responsible for: raising awareness of employees about proper use of medicines; involvement with the Healthy Lifestyle Club and the Society for Cardiovascular Health, promoting a national programme of bowel cancer screening, and other clubs which organise disease prevention campaigns and events; implementation of initiatives such as 'One day without cigarettes' and 'alcohol-free for 40 days'; informing staff about world health days and related events; and providing flu vaccinations. The main objective of this sub-theme is to encourage employees to participate in health campaigns and thereby to take positive steps to improving their health.

In order to test whether planned activities of health promotion project were suitable and effective, Company X set up pilot stores. The store in location A is one of these pilot stores. This store was built in 1968 and Company X renovated it in 2010. The company's ergonomic team was involved in the renovation of pilot store A and they proposed several solutions to improve the work environment for employees.

For the purposes of this case study, six in-depth, semi-structured interviews were conducted with five managers and one focus group with employees. The length of the interviews ranged from 50 to 90 minutes. The interviews were audio recorded, later transcribed and sent to interviewee for confirmation.

# Process of implementing the innovation

Company X in Slovenia currently employs 12,034 people and the company is trying to target each and every employee with different activities. There are numerous activities currently in place aimed at improving the health and well-being of employees. Some activities are for all employees and some are aimed at a specific group of employees, e.g. when Company X renovated pilot store A and built the ergonomic store, and when they offered ultrasound examination of veins in lower limbs their focus was on store-level employees.

For the health promotion project, a project team, including an ergonomic team, has been established. The project team is divided into: 1) active members who actually take care of the tasks and activities of the health promotion project and 2) advisory members, who receive all information about implemented activities and then use their knowledge and expertise to draw attention to important issues, make suggestions and give advice. Initially, the activities within the health promotion project are decided by the project team on behalf of employees and then the HR department implements and communicates this plan. HR and senior management also give support by raising awareness, facilitating communication, enabling knowledge-sharing and fund raising. At pilot store A the store manager is in charge of implementation of all activities.

The ergonomic team analysed the current state of pilot store A and together with the whole project team designed activities and solutions. The project team investigated causes of absenteeism and they found out that the most common causes of absence from work in Company X included pain in the neck and spine, varicose veins, hypertension, eye diseases and hyperlipidemia (HR sector, 2011). Based on these findings they tried to find solutions, such as ergonomic shoes, new clothes and various items such as ladders, lighting, equipment, carts, etc. According to a senior manager the purpose of the innovation is to 'raise awareness and to inform employees about the importance of healthy life style' (Senior manager, 2012). Participation in assigned activities is not obligatory for Company X's employees.

## Incremental innovation

Company X decided to improve working conditions for their employees and set this as a strategic goal. Now they are communicating through all available communication channels, especially with employees in stores, since the majority of measures are targeting them and not the back-office employees (e.g. more medical examinations, additional safety practices and improvement of overall working conditions, like taking time for lunch, healthy eating habits, how to lift loads properly, etc.). Employees are realising how beneficial these measures are for them and so they are taking part in all available medical exams and trying to live healthier lives. It would be too expensive for Company X to radically renovate all stores, therefore they are using the incremental innovation approach and trying to implement things slowly, step by step, starting with the renovation of pilot store A. Incremental innovations focus generally on modifications of already existing products and services. Usually the goal is to improve functionality, increase quality, reduce cost, or create a new design of a product (Scocco, 2006). Incremental innovation also involves new technologies or new materials; however, in incremental innovation, new technologies and materials can be used to assist improvement of existing product systems (Damanpour, 1988; Yen and Wei, 2009). According to a senior manager, 'Company X is taking this approach because they do not have the resources to do all the things at once' (Senior manager, 2012). In addition, the project intends to raise awareness and the results of certain activities will become evident only over time.

The health promotion project is quite diversified, so it is very difficult to talk about involvement and responsibility of all employees. But when a certain activity is carried out, Company X tries to target as many employees as possible. A line manager interviewed said 'the project team, which consists of about 10 individuals, cannot directly affect for example the reduction of absenteeism in a company with over 10,000 employees' (Line manager, 2012). But what they can do is to raise awareness about health among staff and provide activities that can help employees enjoy good health.

For this project the annual budget is about €65,000 (the renovation of pilot store A is not included in this amount). The work plan has been set up for two years in advance and assets have been allocated according to the plans. The work was most time-consuming for those employees who are part of the project team. For others it does not take so much time since managers, for example, need just to promote and communicate the project.

Company X received some external support but it represented a small part of the whole budget. According to a line manager, Company X received funding of approximately €6,000 for the first year and around €2,000 for the second year from the Health Insurance Institute of Slovenia.

The health promotion project is closely connected to the company's internal training and coaching network. Employees go through required training to prepare them for their tasks. The company sends coaches from headquarters to pilot store A to demonstrate and teach employees how to use the new devices and tools properly. In addition to training, the company sends employees a lot of information via e-mail and intranet. The HR manager believes that 'additional education and lectures in the context of this project try to raise awareness among employees and achieve long-term improvements in their lifestyle and improve the company's overall climate and culture' (HR manager, 2012).

# Reactions and challenges

Both management and employees have been in favour of the idea from the start. Employees believe that the biggest benefits for them include the new and improved lighting of the store, larger shelves, ventilation, warmth, etc. They believe that ‘modern technology eases their work and the new store is a much more pleasant place to work in’ (Employees, 2012). The HR manager believes that ‘employees perceive the project as a benefit and improvement of their working lives’ (HR manager, 2012). This is proven by the fact that membership of various company clubs has been rising since the project started, e.g. within less than two years Company X’s Sport and Cultural club gained more than 630 employees as members (Company X, 2011). However, one senior manager pointed out: ‘some employees believe that the allocated money would be better spent on salaries and not on such projects’ (Senior manager, 2012).

Managers initiated the project and once they had approved the plan, team and resources there were no major barriers. Some minor challenges were the limited budget and the difficulty in measuring the results, since changing employees’ attitudes is a long-term process. The HR department is trying to improve and speed up the whole process by increasing awareness through improved communication. In addition, employees reported that with store renovation, storage space was reduced and there is not enough space around fridges. These problems have not yet been resolved, but the ergonomic team has visited the store and is planning to address the problem. Employees believe that by taking part in different sports activities (from hiking to training at gyms) and taking advantage of medical exams they are living healthier lives, and they find it enjoyable to spend free time with their colleagues.

# Impact on employees

As a result of the project the working conditions in some workplaces have improved and that has certainly had a positive effect on employees. The HR manager said that the health promotion project ‘was positively accepted’ and in her opinion the project ‘is a bit more important for those employees that work in stores than for those that work in the offices’ (HR manager, 2012). Employees also said that the project had ‘a very positive effect on their health’ and that with the renovation of pilot store A Company X ‘improved their working conditions because old equipment was replaced with new equipment that is ergonomically designed’ (Employees, 2012).

One of the objectives of the health promotion project is raising awareness of the importance of a healthy lifestyle. One line manager noted that ‘if employees are willing to do something for their health and they take part in activities that the project offers, then this will certainly have an indirect effect on the physical and the psychological well-being of individuals’ (Line manager, 2012).

The interviewees believed that it was very difficult to measure the impact of innovation on the employees because ‘the goal of this project is to make the habits and lifestyle of our employee healthier and to change the overall company’s culture’ (HR manager, 2012), and this cannot easily be measured. However, the company measures the impact on employees through surveys. An employee representative said that Company X ‘received feedback through surveys and according to this data the vast majority of employees are satisfied with the changes’ and they wish the projects to continue (Employee Representative 2, 2012).

## Soft indicators

Implementation of the Health Promotion project has improved internal communication and increased the two-way information flow between HR department and employees. Employees see that some of their suggestions have already been embedded in current activities and therefore they are encouraged to make more suggestions. This collaboration then stimulates staff to cooperate with the HR department on other projects (e.g. additional training, giving suggestions for process improvements).

## Impact on behaviours

Employees reported that due to the renovation of pilot store A their workload had increased. They have to work harder and faster to complete all tasks because the number of employees remained unchanged although the volume of work increased. Employees also said that it is more comfortable and enjoyable to work in the renovated store, because all equipment is new and easier to use, and the store is brighter. Interviewees pointed out that the health promotion project is sending a clear message to employees that the company cares about them. Therefore, employees are more willing to give suggestions because they know that the company will try to take these suggestions into account.

The project has had a positive impact on work–life balance mainly through organising various social activities that are organised for employees and their families, such as: hiking, pilates, aerobics, sauna, massage, folk dance group, basketball, volleyball, bowling, etc. The company also organises cultural excursions, and if there is an interest, employees can buy the tickets for various performances. The senior manager interviewed believed that a better quality of leisure time affects people’s well-being at work. He said that if employees ‘are happy and more satisfied in their free time, then they cannot be very unhappy at work’ (Senior manager, 2012).

As a result of the project, employees are more willing to make suggestions and to challenge choices of personal equipment such as types of shoes provided for them by management.

## Impact on working conditions for employees

With this project the company is trying to increase the safety of employees with new, additional proposals and measures that are beyond those required by the Slovenian Occupational Health and Safety Act. The company believes that the number of accidents will decrease in future due to activities under the project. Interviewees told us that the data shows that work injuries fell in recent years. In 2011 a total of 670 workplace accidents were recorded, a 2.5% drop compared to 2010 (Company X, 2011). The company is aware that this could also be the result of improved technology, better understanding of procedures and more strict safety rules, and not just the result of the health promotion project. However, interviewees believe that the health promotion project contributed significantly to the reduction of injuries at work.

The innovation had a positive effect on the health, safety and working conditions of employees in pilot store A because before renovation the equipment in the store was old and in bad condition (poor illumination, ventilation, almost no heating in winter, damp, old shelves, refrigerators etc.). In addition to the renovation of the store, the project also provided the opportunity for employees to get medical checkups, additional safety practices (e.g. training in proper lifting of loads, use of ergonomically designed equipment) and improvement of overall working conditions. However, the project had no influence on opinion about the organisation because employees said that they ‘always had a very good opinion about the organisation itself’ (Employees, 2012).

## Relationships with co-workers

Employees of pilot store A said that their relationship with line manager has not significantly changed after the innovation. ‘Our communication between co-workers and with our superiors is the same as before’ (Employees, 2012). During the renovation of the store there was an increase in communication to solve certain issues, but is otherwise unchanged. Organisational climate has slightly improved after the renovation of the pilot store A because working conditions are better now and consequently the relationships between colleagues have also improved. The participants in the focus group also reported that their customers gave very positive feedback regarding the renovation.

## Impact on the way employees work

Various education and training programmes have enabled employees to learn, for example, how to recognise stress (relating to them and their colleagues) and how to cope with it; what is the impact of incorrect lifting of goods and how to do this properly. Managers hope that this will discourage employees from rushing work at the expense of safety. However, it is very hard to measure whether these activities affected the way employees perform their work although employee representative said that ‘those who have attended training courses acquired certain skills that enable employees to carry out the work more safely’ (Employee Representative 1, 2012).

The project itself had an indirect rather than direct influence on the responsibilities employees have, although no influence over the choice of work and its pace. The new delicatessen, which includes bakery and meat and cheese counters, at Store A is significantly bigger than it was before so employees bake a wider range of products. The project has also increased employee awareness about taking personal responsibility for their own health e.g. in choosing footwear. Senior managers have informed store managers that they should advise staff of the importance of proper use of equipment and lifting routines, acknowledging some shared responsibility for staff safety.

## Unanticipated consequences for employees

The renovation of pilot store A had negative consequences for employees because the warehouse was reduced in size relative to the sales area. Employees said that ‘the warehouse is really too small and this issue was better before the renovation of the store’ (Employees, 2012). A smaller warehouse means more work for employees because they have to reload and stack goods over and over again. Employees now ‘have substantially more work in warehouse and they need to continually lift heavy loads and this is hard, even if they use correct techniques’ (Employees, 2012). Most employees believed that the Health Promotion project was useful which is reflected in the increasing number of participants in all kinds of activities within the project. For example Company X Mountaineering Club held a record number of 16 hiking trips in 2011 and the trips were attended by a total of 1,033 employees; Company X Society of Sports and Culture currently has 676 members and is offering the possibility to visit different gyms, pools, to obtain cheaper tickets, participate in various courses (e.g. lectures on testicular cancer, why breakfast is important, what is a healthy breakfast, healthy ways of cooking, etc.). These activities are introduced to the whole company.

# Impact on the organisation

## Organisational culture

Managers believe the project should have a positive effect on each employee, his or her lifestyle and consequently also on organisational culture but this effect will take longer to appear. For Company X, improved corporate climate is the biggest contribution of the Health Promotion project and this should in the long term have a positive effect on company's performance. To date the company has no evidence of change of organisational culture.

## Organisational performance

Senior managers believed that it was still too early to talk about increased organisational performance. The project had no influence on staff turnover, number of employees and customers. Not all benefits have been realised. For example, employees of Store A said that they expected that after renovation of the store sales figures would rise, but they stayed the same. A senior manager emphasised that the project was focused on employee well-being rather than organisational performance: 'This innovation has nothing much to do with the overall performance of the organisation because the innovation was not intended to have such impact' (Senior manager, 2012). However, they believe that the project will have an impact on reducing the future costs through lower sickness absence rates, so improved organisational performance is likely to be a consequence. On the other hand, senior managers said that they 'already have some kind of cost savings because the rate of absenteeism is not rising' (Senior manager, 2012). In 2008, Company X's employees recorded 2,295,537 hours of sick leave. This fell to 2,282,728 hours in 2009, and in 2010 the company recorded 190,000 hours less of sick leave than in 2009. This translates to savings of almost €390,000.

Senior managers believe that the relationship between leisure and work is also very important and can have a positive impact on organisational performance because higher satisfaction outside work might improve employee resilience at work, and this should result in better organisational performance.

## Teams

The Health Promotion project had a positive impact on teams because colleagues with common interests meet together outside the workplace. The sports club offers employees a great opportunity to meet their colleague informally and this certainly has some impact on communication within teams. By learning about each other's interests and developing friendships, colleagues cooperate more easily in the business process. Managers report that employees are more open with each other and participate more easily in solving problems because they know each other better.

However, employees in pilot store A said that the renovation of the store had no impact on teamwork and communication between employees. Employees said that each of them knows exactly who is responsible for each task and then they coordinate and communicate with each other as required. This may reflect a clear division of responsibilities and little opportunity for autonomy in the nature of the retail work. The company introduced changes in work organisation of pilot store A, since the store is now equipped with ergonomic equipment (e.g. ergonomic ladders, carts, tills, shelves) Company X will measure whether this equipment has had an impact on reduction of absenteeism in 2012 and if so how much. If the changes are successful, the company will slowly introduce it into all stores.

## Well-being of employees

A senior manager said the following: 'if we inspired our employees to live a healthier life, to pay more attention to sports – this absolutely had an impact on employee's physical and mental wellbeing' (Senior manager, 2012). However, the company noticed that this awareness is growing very slowly. Interviewees said that the schemes are primarily used by

staff who already had healthy lifestyles before the project. Nevertheless, the company assesses the innovation as successful because the number of participating employees and awareness of the importance of health is increasing.

## **Lessons learnt and future plans**

### **Overall success of the innovation**

In general, interviewees evaluate the changes as very successful for both employees and the company. The Health Promotion project has raised awareness about individual health issues and improved relationships between employees. However, Company X knew from the beginning that these changes would not bring immediate results. Therefore, Company X intends to continue the project in expectation of future improvements. Line managers also stated that ‘through Health Promotion project employees noticed that Company X is socially responsible’ (Line manager, 2012) and that through raising awareness of healthcare Company X showed that it takes care of his employees. Increasing employee participation in education, training and health promotion activities organised by the project suggests a degree of success.

### **Critical success factors**

The biggest challenge of the implementation of the innovation was: ‘how to get employees to attend their activities and to adopt the Health Promotion project as company’s contribution to employee’s health and not as an additional obligation imposed on them by the employer’ (Line manager, 2012). Therefore, employee engagement is a crucial success factor for this innovation. So for Company X the biggest challenge was and still is gaining employee participation, and ensuring employees recognise the value of these activities.

The company is dealing with this issue by sharing information about this project through various communication channels – intranet, newsletter, booklets, and advertising materials and through direct communication through managers. More fundamentally, it is important to identify health promotion activities that employees need or want. The hardest part of the project was therefore to decide where to allocate resources and to build management commitment and gain time to develop and launch the projects.

In case of Company X, an important factor which stimulated the project was evidence from monitoring rates of absenteeism. Because of these results ‘the board was aware that they have to do something’ (Senior manager, 2012). Senior managers said that the other major factor was also the ability to convince the board that rewarding time spent at work is not the best long-term solution. In the short term the company might have better results from encouraging attendance, but in the long term this may mask or exacerbate underlying health problems among the workforce.

## **Lessons learnt and advice given**

Company X is still slowly learning that each employee has to take care of their own health and that the company can offer help to employees, in terms of ergonomic tools, equipment, etc. The company recognised the importance of employees’ health and they learned that ‘it could be very expensive for a company to employ employees with high propensity to absenteeism and not to have a good corporate culture’ (HR manager, 2012). Line managers believe that Company X’s Health Promotion project is a really good example of ‘how a company with minimal resources and with some innovative ideas gets employees to recognise their employer as one who cares for its employees and who would like to help’ (Line manager, 2012). Line managers also believe that the project is fully transferable in other companies. Regarding the process of implementation Company X learned that it is better to introduce each activity on a smaller scale (to offer activities for the small number of participants, e.g. for 50 participants to test the demand for activity). Furthermore, the company offers activities on a larger scale only in cases of high demand.

## Further changes in people management

Company X is considering transferring the Health Promotion project to other countries. Company X would also like to introduce ergonomic equipment in all stores but this requires more financial resources. The company will also continue to pursue further changes in people management. The HR manager said that Company X is already working on age management plans called for staff aged around 30 and those aged over 55. The HR manager said that the company is aware of some needs of older employees but they may be forgetting those of younger employees. Company X also wants to try to introduce a system of innovation – to collect, review and reward innovations proposed by employees.

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