

- *People development and quality teamwork*
- *Skill recognition and flexible working*
- *Investor in People*
- *25% fewer employees*
- *43% greater productivity*
- *Rejection rate dropped from 45% to 2%*

### • **The Company**

Airedale Springs Ltd is a family company founded in 1945 by the grandfather of the current chairman, Timothy Parkinson, and employs 62 people. The company manufactures springs, wire forms and light pressings as a sub- or sub-sub-contractor to customers' specifications; there are no standard products.

Airedale Springs trades with a wide range of industries, from the computer and electronic sectors to white goods and lighting manufacturers and general engineering companies. It has become the sole supplier of springs to several well-known companies, including Flymo.

Orders involve quantities ranging from a "one-off" to millions, working to all levels of precision and to a variety of delivery scheduling systems, as dictated by the customers. This makes long- and even medium-term predictions of the company's developments difficult because the company works on an average of a maximum 3-week cycle from receipt of order to dispatch of goods.

Delivery requirements by the customer are often based on very short notice being given, and the normally quoted lead time of four weeks can sometimes need to be reduced to a matter of hours to meet the customers requirements!

Airedale Springs is highly regarded by its customers for its professionalism, knowledge and expertise in spring design and for providing a high quality personal service.

### • **Introduction**

The following case study gives a flavour of the culture changes that have occurred within Airedale Springs, as a result of new technologies, new legislation and company management reviews, but principally, as a result of the company's commitment to, and recognition as an Investor in People (IIP).

### • **Skill Recognition**

Historically, employee remuneration had been based on many different factors. Employees were grouped based on where they worked, the hours they worked, full- or part-time, combined with a bonus system based on speed, regardless of the quality of the product that was produced, or an employee's skill, experience and future aspirations.

The bonus system was abolished and a new system introduced in which all employees were placed within a number of clearly defined job responsibilities. Every 6 months merit assessment reviews were held between the employee and their team leader to agree on their merit ratings for skills, attitude, attendance, performance, etc. This assessment accounted for up to 30% of their total remuneration.

Although a step in the right direction, reviews of this replacement system indicated that these methods of assessment did not fully recognise the skills, abilities and aspirations of each employee. Flexible working was introduced in 1998, allowing each employee to specify the hours they wished to work, removing the division between full- and part-time employees. All job specifications were reviewed by groups of employees and broken down into 83 individual units, with each unit containing 7 elements, giving a clear description of the job, a method of assessment and a score based on the time it would take a person to train up to the skilled level.

Each employee developed a personal profile containing appropriate units for the skills they had, regardless of the area in which they worked, to recognise and encourage multi-skills and flexibility. The employees assessed themselves against their profile every 6 months.

The agreed assessment for each employee, when calculated, equated to the full annual remuneration for that employee, taking into account all their current skills, regardless of their primary role. The system also indicates potential development areas, and provides data for a training and development plan, which, when achieved, further enhances employee remuneration.

- **Quality**

Airedale Springs was the first spring manufacturer to be approved to BS5750, Pt 2/ISO9002, in 1984, and the effect was a gradual improvement in quality of the goods produced. However, during ongoing reviews of the process, the company discovered that the standard did not address the problem of poor quality people.

No matter what the quality approval, or how many procedures issued, if the people doing the job do not know what they are doing, then errors will occur.

In some cases, customers do not view training as valid preventive action, preferring more specific and quicker responses to quality problems. However, Airedale Springs does recognise effective and timely training as the most efficient way of improving the quality of the people.

Airedale Springs was the first spring manufacturer to become recognised as an liP in 1993, and it made the company evaluate the real reasons for its problems – poor communications, poor attitudes and poor management. Employees were told to undertake a specific job without understanding it or being given responsibility for it. They are now encouraged to be involved at all levels within the company, and have a clear vision of its primary objectives in meeting the needs of its customers.

All new, and existing, employees are given detailed induction training, and a qualified instructor is assigned to the trainee from the department in which the new employee will be working. The employee and instructor evaluate all training on completion.

Airedale Springs has concentrated on training its employees to National Vocational Qualifications (NVQ). Since mid-1994, 18 employees have obtained NVQ's and a further 10 are ongoing. The company has 2 NVQ licensed assessors.

Communication has been improved so that all employees know and understand the company's objectives, so that they can better judge what effects their actions might have on the whole. Every employee attends a company briefing every six months, at which senior management informs them of company performance, objectives and financial information.

- **The Benefits on the Bottom Line**

There are now fewer employees, 25% less than five years ago, whereas productivity has increased in that same period by 43%. Finished product quality has been improved from a 45% final inspection rejection rate in the mid 1980's to less than 2% today.

The result of these changes is that the company is in a far stronger position to deal with the continually changing requirements of its customers. During a period of extreme pressure in the manufacturing sector, the company has been able to invest in the latest equipment.

By investing in its employees, Airedale Springs has released hidden talents, and thereby raised the level of quality of its employees, the products they manufacture and the service they give to their customers.

- **The Future**

Current quality initiatives are focused on the new IIP standard that was released in April 2000, plus the revised ISO9000 standard due for release in 2000. Airedale Springs aims to ensure it continues to successfully adopt and marry these 2 standards, for the benefit of its employees and customers alike.