

Unanimity at technotrans: new remuneration model agreed

Board of Management and Works Council agree on own remuneration model linked to company's success / all employees vote in favour of new system

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To judge by the occasionally vociferous declarations by the various interest groups, one could be mistaken in believing there is no alternative in Germany to the conventional structure of employer's associations and trade unions. The mantra that we hear again and again is that this is the only possible way of upholding the interests of employees and employers alike, throughout the whole of Germany, from Flensburg in the north to the Alps in the south. Reality begs to differ, with tangible proof that there is indeed room for pioneering concepts. Those who are prepared to depart from the well-trodden paths of collective bargaining will find an inspiring example in Sassenberg, in the Münster region.

"We have quite a clear picture of what is in our interests and how we can defend those interests," agreed Heinz Harling, Chairman of the Board of Management of technotrans AG and Matthias Laudick, Chairman of the Works Council. Following lengthy, meticulous negotiations, they achieved what many believed was impossible: they agreed on an individual remuneration model that upholds the interests of the company and its employees in equal measure. The core aspect of the new model is a direct link between corporate success and wage and salary increases. Only if the operating profit (EBIT) reaches at least 10 percent will the negotiated pay increases be implemented. If the company achieves higher EBIT, its employees will in future be entitled to a share of it, under the contractually sealed new arrangements. "The model to some extent reflects what we have already been practising in recent years. What is new is that employees now have a guaranteed entitlement to pay increases and bonuses if the company performs well," explained Matthias Laudick. Harling added: "At the present time, when the company is doing well, we can now already make provision for potentially leaner times. The flexibility of not slavishly having to implement negotiated pay increases if our earnings are not performing so well gives us greater certainty on which to base our plans, and in the long term creates jobs."

Heinz Harling does not deny certain similarities between Sassenberg and that fictional village in ancient Gaul that was notably successful in defying the dominant system. "Companies that enjoy above-average success are often located in more remote parts of the country. They benefit from greater continuity thanks to lower fluctuation, and it is thus easier for a distinctive, positive corporate culture to develop." Matthias Laudick believes the relationship between the employees and the company is neither particularly acquiescent nor particularly aggressive. "It's simply that everyone – including the Board of Management – agrees that we are all in the same boat. That's why we are not interested in first and foremost nurturing any traditional type of power structure; it's in the interests of the company that we all pull together." These opinions are impressively substantiated by the fact that 100 percent of employees voted in favour of the new remuneration model at the end of July. It has not yet been decided whether the celebrations at this year's summer festival will draw further inspiration from the Gauls in roasting a wild boar.

The company

technotrans AG, as a systems supplier to the printing industry, has two production plants in Germany. The group has nearly 700 employees, around two-thirds of them based in Germany. The target consolidated revenue for 2005 is in the region of € 120 to 125 million.

Pictures on the Internet .- www.technotrans.de, News

"Heinz Harling, Chairman of the Board of Management of technotrans AG, and Matthias Laudick, Chairman of the Works Council, are delighted with the agreement reached on the pioneering remuneration model."

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