



Flexibility Through Active HR Policy Approaches

The active HR policy at the *Volkswagen Group* is characterised by its flexibility. The concept of the “breathing company” as well as group work are just as much examples of this, as are the continuous improvement process, creative employment concepts, a dynamic pay system (time-asset bonds/profit-sharing pension scheme) and the concept of “demographic working time”.

A milestone in the history of the active HR policy at *Volkswagen (VW)* was the introduction in 1994 of a 4-day working week of 28.8 hours – a 20 percent reduction in previous working time and at the same time a reduction in personnel costs – as a reaction to economic difficulties and the threat to 31,000 jobs.

In the following years, *Volkswagen* gradually introduced the concept of the “breathing company” in the form of a cascade of options. These included flexibility in hours (working time sovereignty), shifts (1 to 4 shifts), working days per week (4 to 6 days), working days per year (up to 300 days), holiday planning (holiday corridor), flexibility covering more than one year (time accounts) and flexibility in working life (time asset bond scheme).

At *Volkswagen*, workers can invest elements of pay and working time in a bond which bears interest. The return on the time-asset bond from the time it was invested is considerable. With this bond the working life can be shortened, part-time retirement exploited and a higher pension achieved.

Another milestone is the project “5000 x 5000”. *Auto 5000 GmbH*, which belongs to the *Volkswagen Group*, took on 5,000 unemployed people who are paid DM 5,000 (approx. € 2,300) per month on the basis of their own collective bargaining agreement, which is separate from the parent group’s. They can also participate in the profit-sharing scheme.

All employees had to be registered as unemployed and available to the labour market. A 3-month pre-qualification phase by the labour administration was followed by a 6-month basic qualification course organised by *Auto 5000 GmbH*.

Average working time is 35 hours/week with a flexible time frame. Additional flexibility is available by working up to 30 Saturdays, plus reworking operations.

Where employees are responsible for production defects, they are obliged to carry out the appropriate reworking under a programme remuneration agreement.

Half of the agreed qualification time, comprising three hours per week, has to be financed by the workers themselves. Recently, the first employees qualified as car workers by passing a Chamber of Industry and Commerce examination following the two-stage fit for industry and automobile industry worker qualifications.

The basis of the active HR policy approach at *Volkswagen* is a philosophy founded on common values, as laid down in the Group guidelines which contain seven core values and 14 principles. Moreover, the company has concluded a declaration on the social rights and industrial relations at *Volkswagen* with the *VW worldwide Group* works council and the International Metalworkers' Federation.

Guidelines on occupational health and health promotion at the *Volkswagen Group* also define minimum health-related standards, instructions for action and recommendations which are applicable throughout the Group.