

Opening the Books at Tien Wah Press



Tien Wah Press (TWP) is in a competitive business and needs to continuously improve productivity. That's why the printing company keeps its 3,000 employees in Malaysia, Singapore, and Indonesia informed about production costs and rewards them for productivity improvements.

Every three months, TWP opens its books to employees. The operations manager at each plant describes the company's performance over the previous quarter. The briefing provides details about labor costs, wages, overtime, transportation, factory overheads, building maintenance, repair and replacement consumable, paper stock balance, printing materials, and sales, as well as profit and loss.

"This briefing serves to explain to the employees how well or badly we are doing and it gives areas where the company has weaknesses that can be rectified and where its strengths are," says TWP human resource manager Datuk Kalam Azad Mohd Taib.

With this financial information, employees can see how their costs affect the company's performance. This, in turn, affects their paycheck through TWP's flexible wage system (FWS). This reward system consists of a base salary plus a merit and profit-sharing scheme (MPS). The more ideas employees offer about ways to reduce costs, the higher their future paycheck. "The union committee is free to make a calculation on what probable amount of MPS the employees are likely to get based on the formula given in the collective agreement," explains Kalam Azad.

Companies can learn from this example, to include employee's in collective decision making and to enhance productivity and profits.

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