

# Management vs Unions

As Siemens and DaimlerChrysler turn back the clock by asking their workers to work a 40 hour week, the debate on working hours is re-ignited in Germany.

1 How many hours are you contracted to work per week? How many hours do you actually work? Compare your figures with a partner.

2 Match the nouns with their adjectives. For example, worker – working

<del>worker</del>	manufacturing	manager	efficient
competition	flexible	flexibility	manufacturer
efficiency	managing	competitive	<del>working</del>

3 Scan the article and highlight as many of the above words as you can in just one minute.

**A 40 hour week?** Staff at Siemens, the electronics company based in Germany, have just agreed to work longer hours for less money. As a result, the company should save around 30% of their overall wage bill. Management achieved the deal with the unions by threatening to close down plants and move production to Hungary.

Germany has one of the highest wage costs in the world. What has caused the storm is the agreement to return to a 40-hour working week after the conflict in the 1980s when the unions finally won the right to a 35-hour week. The move has started a debate over working habits. Some parts of the media have taken the view that ‘the Germans need to work more’. For some economists, the real issue is flexibility – that workers should be happy to work more hours when needed.

In a similar decision, DaimlerChrysler have also asked employees to work longer hours for lower wages. The tactic? The firm threatened to cut 6,000 jobs at the Mercedes plant, and move production to cheaper sites elsewhere. It seems that managers in the company will take a 10% pay cut. The change will save DaimlerChrysler over €500million a year.

Management argue that the changes will enable better productivity to fight competition from Eastern Europe and Asia. The unions argue that it is blackmail: ‘you can work for less money, or you can lose your job’. As another German car manufacturer, Volkswagen, face a difficult year, with poor market conditions, will we see further similar deals – and will they improve productivity and efficiency?

4 Read the whole article. Summarise the problems that the management face.

5 Find words or expressions in the text from the definitions below.

- (a) telling someone that you will cause them problems, in order to make them do something (paragraph 1)
- (b) angry disagreement between people or groups (paragraph 2)
- (c) term used for channels of mass communication such as newspapers, TV etc. (paragraph 2)
- (d) a method for achieving something (paragraph 3)
- (e) the crime of forcing someone to do something for you by threatening them in some way (paragraph 4)

Definitions from or based on *Essential English Dictionary*. Text © Bloomsbury Publishing Plc 2003.

6 Discuss the following questions in small groups and then report your ideas to the class.

- (a) What would happen if the above situation happened in your own company?
- (b) Do you think it is inevitable that jobs will be moved to lower cost countries? Can worker flexibility help?
- (c) Can you propose any other ways that Siemens and DaimlerChrysler can cut costs and remain competitive?
- (d) Can you make any predictions for the future of the automotive industry in your country?