

Managing Growth through Workplace Cooperation – the case of PT Laksana

Company Profile

Name: PT Laksana Teknik Makmur
Location: Cibubur, Bogor, Indonesia
Established: 1998 with 5 employees
Current size: 200 employees
Products: More than 600 types of automotive accessories (door handles, roof rails and tank covers, front grills, mufflers, roll bars, bumper corners etc.)
Distinction: One of the main suppliers of Astra and other automotive groups

Workplace Challenge

Growing from a small workshop to a medium-sized company has been a challenge for PT Laksana Teknik Makmur. Essentially, the company was not organized enough to produce more than hundred product varieties. The working areas were scattered and the machines were not well-laid out to create smooth and efficient working flows. Work-in-progress was mixed with the rejected pieces, causing higher number of rejected products at the end of the product line.

Growing to 200 employees also required PT Laksana to establish a formal structure and create a middle-management. The new structure caused problems with the communication flow between workers and management. Workers and managers rarely met.

When they met, information was only passed on to the workers - the employees had no voice in how work was organised. In addition, safety and health in the enterprise had become an issue. More workers got sick and were absent from work due to inadequate use of safety gears and unhealthy work practices. Since there was no spraying room, paint dust contaminated the working environment and affected workers' health.

Meeting the Workplace Challenge

PT Laksana heard about SCORE from its main buyer Astra. "I was looking for a training programme that would help us to address our challenges and become more competitive" explains the company's Director, H. Suwarno.

Through SCORE, PT Laksana started to apply the principles of workplace cooperation. PT Laksana established an Enterprise Improvement Team (EIT), consisting of three managers and five workers. The team meets regularly to plan projects which improve operations and working conditions to make PT Laksana a better place to work.

The company introduced daily and weekly meetings. Every day, the leader of each work unit holds a 5-minute morning briefing with their team to outline production targets, customers' needs and events that employees need to be aware of. A weekly meeting is held every Saturday for all staff of the company. The meeting starts with a morning exercise by all staff and the management. After the exercise,

«The good storage management system has helped me to locate the correct items quickly, calculate the amount of goods easily and control the inventory effectively».

- Agung Nugraha, Production Staff



Before

Cluttered and disorganized production area, surrounded by scattered parts and materials.



After

Clean and tidy production area with proper built-in racks to neatly store part and materials as well as the usage of yellow lines to divide the work sections.

management informs the workforce about the activities of the company and responds to ideas and concerns from workers on issues such as OSH and company benefits.

A notice board has been placed nearby the attendance device passed by all the staff. Relevant information from both management and workers are posted on the board, including the production growth, improvements made and records of achievements.

To better organize the work space, the company has established a 5-S team. Based on inputs from the team, the company has improved the storage system for raw materials and final goods with different colours for work-in-progress and rejected items. The machines have been rearranged to ensure a smooth production flow which avoids bottle necks in the production process.

Results

At PT Laksana the working spaces are now tidy and clean. No more paint dusts, no more auto-parts and equipments scattered around. Defect rates have decreased from five to two percent within three months.

The working environment is friendly; all colleagues greet each other by first name. Workers are

respected by management, regularly consulted and motivated to contribute their ideas. The company has now extended health benefits to the workers’ families and improved dining and changing facilities.

Health and safety has become the high priority at the company. Safety gears, such as masks, gloves and goggles are provided to minimize hazards. OSH signs are posted around the working areas. Special cubicles have been built as spraying rooms. “We are now doing the painting in the spray-booth so that it is better for the environment and safe for the workers. We are getting fewer complaints about the paint dust and our workers are less sick”, explains the Director.

Key Learnings

1. Regular dialogue between management and employees is key for effective communication
2. If workers are involved in the company’s improvement process, they will embrace and implement the changes
3. Reducing pollution benefits the environment, improves worker health and reduces absenteeism.

Benefits for Employees

- Ability to share concerns and suggestions
- Better organized workspaces
- Safer and healthier working conditions
- Higher job satisfaction

Benefits for the Company

- Dialogue between management and workers
- Better organized workspaces
- Lower defect rates
- Less absenteeism of staff

Interview with the Director of PT Laksana:



H. Suwarno

ILO: Mr. Suwarno, how did PT Laksana benefit from the SCORE training?

H. Suwarno: Our workers are an important asset and it is very important to build strong team work. With all these positive changes, our team work has strengthened and the workers’ job satisfaction and motivation has increased. We also strive to improve not only the working conditions but also the welfare of our employees.

ILO: Improvements also mean expenses. What is your view on this?

H. Suwarno: Improvements are not an expensive or burden, but a long-term investment that benefits the company by increasing productivity and profit and also improving products. PT Laksana has to continue growing to remain relevant. With SCORE we are now expanding our market and working spaces, and next year we plan to start exporting our products to ASEAN countries and the Middle East.

SCORE is an ILO training programme that supports small and medium sized enterprises to increase productivity by promoting responsible workplace practices. Short training sessions for workers and managers are followed by enterprise visits and counselling to meet the needs of individual enterprises. The programme is particularly relevant for enterprises that face problems relating to quality, productivity, pollution and waste, workplace health & safety or human resources management.

Partners:

