

CASE STUDY

Flextronics University – qualifying line managers for leadership and HRM tasks

Founded in 1969 and headquartered in Singapore, Flextronics (www.flextronics.com) is a leading Electronic Manufacturing Services (EMS) provider operating in 30 countries on three continents with a total workforce of about 162,000 employees and revenues in 2008 of US\$ 27.6 billion. The majority of its manufacturing capacity is located in low-cost regions such as Brazil, China, Hungary, India, Malaysia, Mexico, Poland and Ukraine. It offers the broadest worldwide EMS capabilities, from design resources to end-to-end vertically integrated global supply chain services. Flextronics operates in seven distinct markets: infrastructure (e.g. networking equipment; mobile communication devices); computing (e.g. handheld computers); consumer digital devices (e.g. cameras); industrial, semiconductor and white goods (e.g. plastics injection moulding); automotive, aerospace and marine (e.g. bar code

(Continued)

(Continued)

readers); and medical devices, which includes, among others, telemedicine devices. Flextronics designs, builds and ships complete packaged products for its original equipment manufacturer (OEM) customers such as Microsoft for consumer electronics products such as the X-box, Hewlett Packard for its inkjet printers and storage devices, or Sony-Ericsson for cellular phones, and provides after-market and field services to support customer end-to-end supply chain requirements.

In early 2000, Flextronics Central and Eastern European (CEE) operations were headquartered in Vienna, Austria, and covered primarily Austria and Hungary, with plans to expand into the Ukraine. The Austrian sites consisted of an experienced workforce and had well-functioning work routines. The newly established Hungarian plants, by contrast, were characterized by typical start-up problems such as insufficiently experienced personnel, high fluctuation and, because of a highly volatile sales market, significant needs to adapt production capacity to consumer demand. As part of the response to this situation, Peter Baumgartner, then CEE Executive HR Director, lobbied internally for a Flextronics Academy in the CEE region and finally implemented it. As an effort to increase qualifications of Flextronics CEE employees, it covered both technical qualifications as well as soft skills. Together with an external consultancy, Flextronics also developed a high-potential programme for a future cadre of line managers that specifically was designed to offer the selected individuals a broad range of activities and equip them with leadership and HRM qualifications. In the mixed groups from different countries, cultural specifics soon turned out to be important elements for the long-term success of this programme. For example, Hungarian participants were much less likely to fully complete the programme or stay with Flextronics for some time after the end of the programme. Due to a greater readiness to 'jump ship' even in the light of only minimal pay increases, Flextronics often was faced with a higher rate of fluctuation compared to Austrian employees and sunk costs when individuals left the company and joined a competitor or changed industry. Likewise, learning and communication styles were quite different between Hungarian and Austrian participants. For example, in terms of directness and interpersonal distance, typical differences between Austria and Hungary occur with Austrians being more direct and more concerned with formal and distant behaviour.

At the overall Flextronics level, training of line managers was strongly influenced by the introduction of the corporate-wide Flextronics University. Originally, this pro-

tool for the US and Mexican operations. As e-learning got more and more popular, the idea to use this platform throughout the corporation took hold. The goal was to use the 'collective intelligence' of a global corporation in the most effective way. However, in practice the realization of this idea turned out to be much more time-consuming than was anticipated. It took off only after it was integrated with a second initiative within Flextronics: the Flex Factory. After a decade of rapid growth in the 1990s with a substantial number of acquisitions, factories within Flextronics varied widely in terms of production processes, quality standards and service orientation. After increasing customer complaints about Flextronics being not reliable enough, an initiative to create 'ONE Flextronics' started. It was aiming at standardizing production relevant processes to make the 'ONE Flextronics' idea effective in practice and visible to customers, suppliers and employees. Globally, various teams collected worldwide best practice ideas in the areas of SixSigma, quality and material management, production, programme management, engineering, finances and training. Soon it became obvious that a common platform was needed for sharing these ideas and for training individuals along these lines. This led to a new drive for the Flex University idea and to an integration of both Flex University and Flex Factory. Flex University offered the possibility to have immediate and global access to standardized training content, technical as well as related to leadership and HRM, which could be tailored to the needs of employees in general and line managers in particular. It offered a tailored system for training administration which included supervisors as well as users and a learning management system that allowed the definition of specific training packages.

In the context of a globally operating company with employees coming from 30 countries, a number of issues emerged due to cultural idiosyncrasies. For example, handing out certificates on the basis of a successfully accomplished training module led to quite different reactions. Whereas in Eastern European countries as well as in the US certificates are generally welcomed and regarded as a sign of one's achievement, many Western Europeans are more cautious. They see certificates not primarily as a positive feedback, but as an appraisal with the danger of being 'boxed in'. Employees from these countries prefer a sober, stripped down feedback without too many frills seen as artificial. Although Flex University worked with such certificates, the varying degree of acceptance of certification programmes across employees from different countries illustrated the emerging difficulties. In a similar vein, controlling learning progress in such a system can be interpreted as being

interested in a person's development and as a valuable source for feedback. At the same time, especially in Western Europe this was also regarded as a means of control, observation and surveillance that employees tend to see in a negative light.