How an Organization can Work better with their Suppliers

DHL Express in Borås and their Recruitment Companies

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The Thesis comprises 30 credits and is a compulsory part in the Master of Science with a Major in Industrial Economics with specialization in Logistics
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Abstract
When a project work was performed at DHL Express in Borås in spring 2007 the time of the processes at the terminal was measured. DHL Express in Borås is working with two recruitment companies and the employees could therefore be divided into two groups; the permanent employees and the hired employees. There were a slight difference in performance between these two groups of employees and it was then questioned if DHL Express in Borås really was working in the best way with the recruitment companies.

The theories that were used in this thesis work was; complexity theories by Murray Gell-Mann, Game theory by John Forbes Nash and Lean. These three theories were used at the same time to get the best outcome.

The methods that were used was investigating the contracts between DHL Express and the recruitment companies, interviews with the employees at the tactical level that are in contact with the recruitment companies in their daily work with base from the contracts, conversations and discussions with employees, pictures was also taken to document parts of the terminal at DHL Express in Borås.

The result of the thesis work was that a “best-way-package” how DHL Express in Borås should work with the recruitment companies was set up. This “best-way-package” could be applied on any terminal at DHL Express if wanted.

Keywords: Recruitment companies, DHL Express, DHL Express in Borås, Complexity theories, Game theory, Lean, Contracts, Interviews, Prisoners’ dilemma.
Foreword

This thesis work is a part of the two-year Master in Logistics program at Högskolan in Borås. The Master thesis was performed at the company DHL Express in Borås between January 2008 and June 2008.

There is a lot of people that have helped me to make this Master thesis possible and I would like to take the opportunity to thank some of them. I would like to thank my supervisor for the thesis work at DHL Express in Borås Bo Andersson who works as Local Operations Manager. After my project work in spring 2007 at DHL Express in Borås I had a continuous contact with Bo and he gave me the chance to come back to the company and present my ideas of the thesis work. Bo has always listened, had time, discussed and encouraged me and always been very fast to help me with contacts and other practical issues during the thesis work. I would like to thank my supervisor at Högskolan in Borås Professor Håkan Torstensson. Håkan has believed in my ideas, encouraged, discussed and also visited me at DHL Express in Borås for an interesting meeting with Bo Andersson and me. I would like to thank Christina Bodin who works as Nordic Strategic Buyer at the Procurement department at the head office for DHL Express Nordic in Bergshamra in Stockholm. I visited the Procurement department at the head office in Bergshamra in Stockholm in the end of my thesis to gather more information regarding how DHL Express in Borås should work with the recruitment companies. Christina was then very helpful, encouraging, interested in my thesis work and we also had a lot of interesting and helpful discussions and conversations that helped me forward in my thesis work. I would also like to thank Senior supervisor Jörgen Persson, Senior supervisor Fredrik Skoglund, Supervisor Jonas Fredriksson and temporarily Supervisor Andreas Björklund. These four employees are the ones that are in contact with the recruitment companies in their daily work and they have been very helpful during the thesis work, especially with answering the questions in the interviews and we have had a lot of interesting and helpful discussions. I would like to thank all of the employees at DHL Express in Borås that have contributed to the progress of my thesis work through conversations and discussions.
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1. Introduction

In this chapter the following areas will be treated:

- The departments at DHL Express in Borås
- Problem discussion
- Purpose
- Demarcation
- DHL – The company
- DHL Express
- The recruitment companies at DHL Express in Borås

1.1 The Departments at DHL Express in Borås

DHL Express in Borås has 52 employees working in the terminal and 8 employees that are working with administration. There are also 4 employees working with sales.

The fleet of vehicles is 38 trucks and 7 package cars.

There are three different departments at DHL Express in Borås. They are as follows:

- The Swednet department
- The Exact department
- The Administration

These departments will be explained more in detail in the chapters below.

1.1.1 The Swednet Department

The working place is a cross-docking terminal. That means that the goods are, according to figure 1 below being sorted and transported across the terminal from the arriving gate to the destination gate1. For example goods from a company in Borås are arriving to gate D. The goods will then be picked up by forklift-drivers and transported across the terminal to the different destination-gates, illustrated by gate 1,2,3 and 4 in the figure. Before the goods can be picked up there are employees that are walking around among the arriving goods and controlling, measuring and marking it with the destination-gate in the terminal. When the goods are being controlled and the information that is in the documents attached to the pallets

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1 At the terminal at DHL Express in Borås there are more gates, but figure 1 just illustrates the approach.
regarding weight and volume does not correspond to the value of the measuring the document on the pallet will be marked with the letter K. This letter K means that the forklift driver that picks up that pallet needs to take a copy of the document and place it in a file in a small room that is placed in the middle of the terminal. This is called VOV (Weight and Volume) and DHL will charge the company that has sent the pallet with the right price to that weight and volume. This is in cause of that the information on the document attached to the pallet and the measurement did not match each other. The employees that are working with the above tasks are a part of the Swednet department. Usually the arriving goods are whole pallets and they are then just transported across the terminal to the destination gate (A1), but it can also be goods that should be handled in some way. The goods e.g. need to be sorted at the sorting square (A3 and then A2) or at the Exact package sorting system at the Exact department (A4 and then A5). The goods that are sorted at the sorting square are usually post-order goods. Goods that are sorted at the Exact department are gods that are marked with Europremium. The goods that are just transported by a forklift driver like A1 in figure 1 below are marked with Swednet.

![Diagram of DHL Express in Borås](image)

**Figure 1. The different departments at DHL Express in Borås.**

In the bottom of figure 1 above the Administration department is shown.
1.1.2 The Exact Department

Figure 2. The Exact department

At the number 1 in figure 2 above the package sorting system called the Exact starts. It is a conveyor system that assists the sorting and here the forklift-drivers from the Swednet department place the goods that should be sorted. Then employees that are working at the Exact put these packages on to the conveyor system. When the package passes the letter S in the figure there will be an employee that scans the barcode and then writes the postal code on the package. The packages are then transport further on the conveyor system and when they reach number 2 in the figure there is an employee positioned. This employee will take all of the packages that are going to Stockholm off the conveyor system and put them to the small conveyor system going against gate Y. At gate Y there is a truck standing ready for load and the employee will be responsible for loading it. At number 3 there is an employee standing with the similar tasks as for the employee standing at number 2. At number 4 and 5 there are employees standing that picks the packages from the conveyor system and places them on different pallets (marked with P in the figure) with different destinations. When the pallets are full, forklift-drivers from the Swednet department come and pick them up to drive them to their different destination gates.

1.1.3 The Administration Department

The Administration department or the office is where a lot of the paper work and the communication with the customers are being performed. The truck drivers are reporting to the Administration department.
1.2 Problem Discussion

The employee situation in Sweden today is really special.

Sweden has 15% unemployment (Realtid, 2008-03-16), but the recruitment companies are searching for people to hire out on missions to companies as never before. The recruitment company Manpower are literally walking on the streets to find employees (Employee at Manpower, 2007-05-30).

I can tell about myself as an example. Manpower sends me a lot of text messages on my mobile phone about if I can come and work at DHL Express in Borås. I have only worked some extra at DHL Express in Borås before and the tasks that the recruitment company now wanted me to do were related to everything from simpler jobs as sorting packages to more difficult jobs as forklift driving/handling. I have no skills or experience of driving/handling a forklift and it was really strange to me that the recruitment company did not consider this.

The recruitment companies at DHL Express in Borås are today more than one. This is closely related to the volatility in flow of goods at the terminal. The amount of goods flowing through the terminal varies from day to day. At this scenario, DHL Express in Borås needs to quickly set up employees that could work to meet this volatility of goods flow. DHL Express in Borås then turns themselves to the recruitment companies.

This is done on a weekly basis each Friday and also during the weeks at short notice.

Time analysis was performed during a project at DHL Express in Borås in May 2007 where all of the processes were measured and analyzed. This was done for DHL Express in Borås to be able to set the right price for the goods that are being handled. Goods from one company could for example be more complex to handle than other companies’ goods. When this time analysis was performed an understanding of the daily work at the terminal was received.

At the Swednet department, something that was really obvious when the time analysis was performed at the terminal was that the permanent employees at DHL Express in Borås were performing the forklift driving and handling much more efficient than the hired employees. The biggest factor to consume time was the time when the employees were driving with their forklifts between the gates across the terminal.

In figure 3 below the terminal is simplistic illustrated. The goods are in example coming in to the terminal from the right side and then it needs to be handled. After the goods have been handled it will be transported with a forklift to the other side of the terminal to the gate with the same destination as the goods. The figure illustrates two ways of handling two pallets by a forklift driver. The arrows that have a dashed line explain the first way. From gate B two pallets are picked at the same time that have destination gates next to each other. The pallets are then transported cross the terminal to the first gate (gate 2) and then directly without crossing the terminal to gate 1 and then back to gate B to collect more pallets.

The hired employees are more frequently not using the permanent employees’ way of transporting pallets. Instead the hired employees are following as the normal arrows in the bottom of figure 3. They are just picking up one pallet at the time and driving it to its destination gate at the other side of the terminal and then back again to getting the other...
pallet. This approach will take the double time compared to the permanent employees approach.

Figure 3. The permanent and the hired employees approach to transport two pallets across the terminal

At the Exact department there was clear that the hired employees were performing the tasks not as good as the permanent employees. In figure 4 below the sorting system the Exact is shown. There are a lot of people that are working around the Exact and at the black dot in the figure there are a person that should perform a special task. The person at the black dot should look for packages that have the destination Stockholm. This is done by looking at the number that the person with the scanner writes on the packages when they pass by on the conveyor system. When a package designated to Stockholm passes the person he or she should pull that package in and get it on to a small conveyor band that leads to gate Y. In gate Y, all of these packages are being packed on to a container. If the person that performs this task is not doing it good enough, the packages will pass through and get on to the circle shaped conveyor system in the figure. The persons that are working at this part of the Exact then gets more to do by carrying that goods back to the conveyor system that leads to gate Y. The conclusion of this is that the entire group that works around the Exact will suffer through more work i.e. when the person at the black dot is not good enough.
Figure 4. The Exact department with its conveyor system

The conclusion of this is that it could be questioned if DHL Express in Borås really is working in the best way with the recruitment companies.

If it was possible to work in a better way with the recruitment companies, DHL Express in Borås will get a more valuable service and by that reduce the cost in relation to the value of it. The recruitment companies will get a better service to offer to DHL Express in Borås and also to other companies and by that become more competitive on the market as recruitment companies.

1.3 Purpose

The purpose with this thesis is to find a best practice of how DHL Express in Borås can work better with the recruitment companies.

1.4 Demarcation

The demarcation will be made to the two biggest recruitment companies at DHL Express in Borås, Manpower and Academic work. The demarcation at DHL will be to DHL Express with special concentration to DHL Express in Borås.
1.5 DHL – The Company

In this chapter the company DHL will be described.

1.5.1 DHL Worldwide

With global expertise in express, air and ocean freight, overland transport and logistics solutions, DHL combines worldwide coverage with an in-depth understanding of local markets.

Below are the global facts and figures that shows the scale of the world’s largest express and logistics network.

- Number of Employees: around 285 000
- Number of Offices: around 6 500
- Number of Hubs, Warehouses & Terminals: more than 450
- Number of Gateways: 240
- Number of aircrafts: 420*
- Shipments per Year: more than 1,5 billion
- Destinations Covered: 120,000 own and foreign airlines

(DHL, 2008-03-20).

1.5.2 DHL in Sweden

DHL Worldwide Express merged with Danzas and Deutsche Post Euro Express on March 31, 2003. DHL now act as one company, with approximately 4000 employees and about 70 offices, terminals and stations in Sweden.

DHL is divided into three business units:

- DHL Express operates land-based traffic, national- and international transports, parcel distribution and Air Express.
- DHL Global Forwarding handles intercontinental Air- and Ocean freight.
- DHL Exel Supply Chain handles integrated third-party logistics (3PL).

DHL is to 100% owned by Deutsche Post. The Deutsche Post World Net group also includes Postbank and Deutsche Post (DHL, 2008-03-20).

1.6 DHL Express

Getting shipments delivered quickly is important to the customers and colleagues. But getting them there quickly and cost-effectively is essential to the business. That’s why DHL Express offers a wide choice of delivery times and modes of transport.

Whether a mission-critical shipment to the field service engineer or a planned replenishment service to the customer, DHL Express offers door-to-door delivery solutions to meet the needs.

The SameDay, TimeDefinite and DayDefinite services are backed by the largest international air and ground network and experienced staff in more than 220 countries and territories. And
the state-of-the-art IT systems ensure high delivery efficiency and gives complete shipment track ability.

With the best geographic coverage in the business, DHL Express can help the business break into new markets, giving the ability to meet demand quickly but with minimal investment and logistics costs. Or we can simply help to keep the customers and colleagues happy with fast, reliable delivery.

DHL Express product folio is as follows:

- Same Day Service
- Time Definite Service
- Day Definite Service

(DHL, 2008-03-20).

These services will be explained more in detail in the chapters below.

1.6.1 Same Day Service

Same Day Service is preferable when immediate collection is needed and delivery for extremely urgent or mission-critical shipments. DHL Same Day is immediate pick-up and delivery within hours by a dedicated delivery network (DHL, 2008-03-20).

1.6.2 Time Definite Service

Time Definite Service is preferable when there is a need for fast door-to-door delivery by a certain time - overnight or on the next possible business day. TimeDefinite Service consists of:

DHL StartDay Express - Express door-to-door delivery by 9:00 am to major business centers with proactive delivery notification and a money-back guarantee.*

DHL MidDay Express - Express door-to-door delivery by 12 noon to major business centers. Includes money-back guarantee.*

Worldwide Document Express - Express door-to-door delivery overnight or by the end of the next possible businessday for documents and parcels not subject to customs clearance.

Worldwide Parcel Express - International express door-to-door delivery overnight or by the end of the next possible business day for goods subject to customs clearance.

European Community Express - Overnight, door-to-door intra-EU express service for both packages and documents.

* = DHL’s Terms & Conditions apply.

Import Express - Express collection and door-to-door delivery services coupled with flexible billing solutions for the transport costs. Import Express can be used together with international SameDay and all TimeDefinite services (DHL, 2008-03-20).
1.6.3 Day Definite Service

DayDefinite Service is preferable when there is a need for reliable door-to-door delivery within a certain number of days. DayDefinite Service consists of:

Europack - Delivery of single parcels up to 31.5 kgs by a pre-specified day to more than 20 European countries.

Europremium - Reliable business-to-business transport of groups of parcels or pallets up to 1,000 kgs, ensuring day certain delivery to more than 20 European countries.

Eurapid - Express network with daily departures and delivery within Europe for shipments up to 2,500 kgs.

DHL’s delivery services are backed by a range of value-added services that address all shipping and business needs and they are as follows:

eShipping tools - On-line and desk-top tools helps from preparation of shipping documents to managing the addresses to booking a collection and tracking the shipments.

Special pick-up & delivery Service - After hours service, Saturday and holiday deliveries, remote areas or special vehicles for heavy or bulky shipments.

Information Services - On-line shipment tracking, proactive delivery notification, advanced tracking and reporting tools and Trade Automation Service – the industry’s most comprehensive trade and customs information database.

Customs Clearance Services - A range of non-standard import and export clearance and handling services.

Dangerous goods - Trained staff handle certain substances and commodities that are classified by IATA as dangerous goods.

Billing Services - Flexible options for billing of transport charges, duties & taxes amongst different parties.

Insurance - Additional financial protection based on the value of the shipment.

Packaging - From free-of-charge standard flyers and boxes to premium quality cartons and temperature- controlled packaging solutions (DHL, 2008-03-20).
1.7 The Recruitment Companies at DHL Express in Borås

The two recruitment companies that are most frequently used at DHL Express in Borås are Manpower and Academic work. These two recruitment companies are the ones that are included in the made demarcation for this report. They are below described more in detail.

1.7.1 Manpower in Borås

The company was founded in 1953 and had the name Teamwork. In 1996 Teamwork merged with Manpower. Today Manpower has around 50 offices in Sweden and is available in 55 cities.

Manpower has an office in Borås and the procurement of employees to DHL Express in Borås can be made locally in Borås.

Manpower has a contact person that has personal contact with DHL Express in Borås.

1.7.2 Academic Work in Borås

Academic work was founded in 1998 by students. The company has offices in 4 cities.

Academic work has an office in Göteborg and the procurement of employees is done from Göteborg.

Academic work has a contact person that has personal contact with DHL Express in Borås.
2. Theoretical Frame of Reference

In this chapter the following areas will be treated:

- Short about theories
- Game theory by John Forbes Nash
- Complexity theories by Murray Gell-Mann
- Lean

2.1 Short about Theories

Many people seem to have difficulties with theories the concept, in cause of that they have difficulties with the word itself, as normally is used in two totally different meanings. At one side it could mean a coherent system of rules and principles, a more or less confirmed explanation that straightens out facts and phenomena. At the other side it could mean a speculation, a guess, a probability, an un-tested hypothesis, idea or opinion. For many people it is the second explanation that is negotiated when they hear “theory” or “theoretical”.

When a special brave research project is proposed to get financial support, then one of my colleagues in the board of John D and Catherine T MacArthur’s found usually complains: “I think that we should take the chance to support it, but let us be careful and not waste the money on anything theoretical”. For a professional theorist these words should be a red curtain, but I realize that him and I are using “theoretical” in two totally different meanings (Gell-Mann, 1994).

From the quotation above it can be concluded that there can be two definitions of the word “theory”. In this work the first definition is used, a coherent system of rules and principles, a more or less confirmed explanation that straightens out facts and phenomena.

2.2 Game Theory by John Forbes Nash

From the Game theory and the Prisoners’ dilemma the context to this chapter was taken.

2.2.1 Basic Theory

In the quotation below the Prisoners’ dilemma is explained.

*Prisoner A and Prisoner B have been arrested for robbing the Hibernia Savings Bank and placed in separate isolation cells. Both care much more about their personal freedom than about the welfare of their accomplice. A clever prosecutor makes the following offer to each. “You may choose to confess or remain silent. If you confess and your accomplice remains
silent I will drop all charges against you and use your testimony to ensure that your accomplice does serious time. Likewise, if your accomplice confesses while you remain silent, they will go free while you do the time. If you both confess I get two convictions, but I'll see to it that you both get early parole. If you both remain silent, I'll have to settle for token sentences on firearms possession charges. If you wish to confess, you must leave a note with the jailer before my return tomorrow morning.” The “dilemma” faced by the prisoners here is that, whatever the other does, each is better off confessing than remaining silent. But the outcome obtained when both confess is worse for each than the outcome they would have obtained had both remained silent. A common view is that the puzzle illustrates a conflict between individual and group rationality. A group whose members pursue rational self-interest may all end up worse off than a group whose members act contrary to rational self-interest. More generally, if the payoffs are not assumed to represent self-interest, a group whose members rationally pursue any goals may all meet less success than if they had not rationally pursued their goals individually. A closely related view is that the Prisoners’ dilemma game and its multi-player generalizations model familiar situations in which it is difficult to get rational, selfish agents to cooperate for their common good (Stanford Encyclopedia of Philosophy, 2008-04-29).

In figure 5 below the Prisoners’ dilemma is illustrated (Update Center, 2008-04-29).

![Figure 5. Prisoners’ dilemma explained](image)

As can be seen in the figure 5 above the best approach is if both of the prisoners deny, but can the prisoners really trust the other prisoner to also deny? This concludes in that it is the best approach to confess.

**2.2.2 Goal**

The goal with this theory is to come up with a new way of working with the recruitment companies. This way of working should be applied to the two biggest recruitment companies at DHL Express in Borås. When this is done, the similarities to the Game theory and the Prisoners’ dilemma will force the two recruitment companies to “confess” and to cooperate with this. The recruitment companies will do this in fear that the other recruitment company will do it instead.
2.2.3 My Application of the Theory

The new way of working will be applied to the two biggest recruitment companies at DHL Express in Borås. When this will be done the cost will be reduced and this is through that DHL Express in Borås will get a more valuable product for the same amount of money.

The two recruitment companies have two options. First, they could cooperate and second, they could reject the proposal to cooperate with the new way of working. Below this will be explained with artifice values.

If the company chooses to reject they will get a contract of 1 million SEK at DHL Express in Borås, but this is just if the other company chooses to do the same. If the other company then chooses to cooperate the company will just get a contract worth 100 000 SEK and the other company will get a contract worth 1,5 million SEK. The best approach for the single company will then be to choose the strategy that is the most beneficial for the company regardless of how the other company chooses. The companies can’t afford to lose such a big contract and then both of them will be forced to choose to cooperate. This can be seen in figure 6 below where the Prisoners’ dilemma is applied to the two biggest recruitment companies at DHL Express in Borås, Manpower and Academic work.

![Figure 6. The Prisoners’ dilemma applied](image)

The diagonal in the boxes in figure 6 above are separating the outcome related to how the different companies are choosing.

2.3 Complexity Theories by Murray Gell-Mann

From the book The Quark and the Jaguar, Adventures in the Simple and the Complex by Murray Gell-Mann the context to this chapter was taken.

2.3.1 Basic Theory

*Complex adaptive systems are systems that undergo a course of events as biological evolution, adaption and learning. An example of this is a child that learns its mother tongue.*

*Quarks is element particles, the atomic nucleus’s build stones. In the title the quark symbolizes the simple fundamental physical laws that rules the universe and all the matter*
within it. To many people the modern physics maybe will not deserve the adjective “simple”, but to explain that is one of the goals with this book.

The Jaguar stands for the complexity in the world around us and especially as it give form of complex adaptive systems. Together I think that Arthur’s pictures of the Quark and the Jaguar perfectly connects the to sides of the nature that I call the simple and the complex: and on one side the fundamental physical laws for the matter and the universe and on the other side that worlds rich weave that we experience directly and that we are a part of. As the quark is a symbol for the laws of physics, as they has been discovered they are fully visible for the inner eye, is the jaguar, at least for me, a possible metaphor for the escaping complex adaptive system that escapes a clear analytical view, but its rank smell can be smelled in the bushes (Gell-Mann, 1994).

To explain the quotation above in a more clear way, let us take a look at figure 7 below, the quark itself is not so complex, when the physics has come up with how it has its structure and how it behaves it is very clear to everyone. The jaguar is in opposite to the quark really complex and you never know when it will strike. It strikes when it is hungry independent of how other living creatures behave and it can only be controlled a little bit and this is i.e. when a bait of meat is placed on the ground.

![Figure 7. The Quark and the Jaguar](image)

**Figure 7. The Quark and the Jaguar**

*The tools of the theorists are useful not just to explore the far secrets of the universe, but also for many other tasks. All around us there is facts that are related to each other. Of course they could be regarded s single isolated things and learned in that way, but what a difference it makes if we see it as a part of a pattern! Many facts are then not just things to learn by heart - their relationship gives us a possibility to use a compressed description, a sort of theory, a sort of scheme to capture and to remember them. They are beginning to be meaningful. The world is getting more understandable (Gell-Mann, 1994).*

The quotation above can be concluded in that the jaguar is a complex adaptive system and that it needs a scheme i.e. in form of meat placed out on the ground to follow and that it is just a small part of a bigger system.

**Recognition of pattern is something natural for us humans, we are after all very complex adaptive system. It is in our nature, through biological as well as cultural heritage to see pattern, to identify irregularities, to construct schemes in our minds. But these schemes are advanced or repressed, accepted or rejected, as answer on selection mechanisms that often are far away from the ones that are working in sciences, where correspondence to observations are decisive.**

If you invest on the stock market, you and the other investors are complex adaptive systems. That a part of in a collective unit that evolves of all the parts’ effort to improve its position or at least survive economically. More organized collective units can in itself be complex.
The human kind in whole is not yet well organized, but although it works in big extension as a complex adaptive system (Gell-Mann, 1994).

The quotation above could be explained as complex adaptive systems are systems that act as they want and they could be attached to other complex adaptive systems. They are independent of each other. In opposite to the complex adaptive system there is the whole system, which sees the whole view and the whole pattern.

Now, consider the example with the child in the quotation below.

The child needs to, without being fully aware about it, make a temporary set up of rules for what is grammatically right or not in a certain language. After that the child changes this, again without being fully aware of it, the rules on base of additional experiences as when it hears more correct sentences from the custodian or other people that speaks or sometimes through by itself try new sentences and get the corrected.

A child that is learning a language is really using the grammatical information that has been gathered during the years through examples on grammatically correct and not correct sentences. Instead of creating a new chart the child in some way compresses its experiences to a set up of rules, a inner grammar, that works even for new sentences that they have never ran in to.

The question is, of course, if a sentence is grammatical correct or not in big extent independent of how it is meaningful or not and if a statement is grammatical correct or not is in big extent independent of if the statement is correct or not.

The child has shown the first characteristics of a complex adaptive system. It has compressed certain regularities at a set up of experiences to a scheme that include rules that controls that experience and excludes the special circumstances under which rules that must be applied (Gell-Mann, 1994).

These ideas and the quotation above will be explained in an easier way. Imagine a child, which makes a lot of mistakes when it is growing up and the parents all the time needs to show the right way for the child.

In other words the parents needs two put a scheme in front of the child and the child just follows this and does not see the whole view system. The child is a complex adaptive system and the parents are the whole view system that already sees the whole view and the pattern.

This is concluded in that both of their needs are fulfilled. The child and the parents are satisfied with this and they are happy, but it is the parents that have the control.

2.3.2 Goal

The goal with this theory is to put a scheme for the recruitment companies to follow and then make them behave as DHL Express in Borås wants. DHL Express in Borås will have the control but both DHL Express in Borås and the recruitment companies will feel that their needs will be fulfilled.
2.3.3 A Little Story…

In figure 8 below a homeless man is shown. The reason to this is a special meeting with a homeless man that gave the insight to this report.

I was in Göteborg the winter 2007. A friend and me were shopping and by a corner of the street there was a man standing. This man looked really miserable. His clothes was very worn, his hair in every direction and he looked to freeze a lot in the cold weather. When we came closer I saw that he was holding one magazine called Faktum in his hand. I understood that he was homeless and was selling these magazines to get money to get in to a shelter during the coming night.

Some days before I have had a conversation with a friend about that he had given away his 300 SEK gloves to a man that was looking really miserable. He told that the man was sitting in a corner of a street and his hands were blue from the cold weather.

I thought about this when I approached the man and also my ideals from the way I have been raised by my parents regarding to help the weak came to my mind. The man was standing there and holding up one magazine and I thought that he just need to sell one more to be able to walk to his night-shelter and be able to get warm. I bought the last magazine from the man, he thanked me, I put the magazine in to my bag and my friend and me walked on and continued our shopping.

Figure 8. A homeless and smart man

When we have shopped for some hours, we went the same way as we had came back again. Then at the same corner where I earlier had bought the magazine, the same man are standing and still holding up just one magazine. I look behind him and see that there is lying a whole pile of more magazines hidden.

This story is amazing because the homeless man is using a scheme on me to follow, just like the parents that set a scheme for the child. I was a complex adaptive system that did not have an objective view and did not see the whole pattern. The man had more information, he had an objective view and he saw the whole system.

Both the homeless man’s needs and mine were fulfilled. He received his money for his night-shelter and I felt like I had done something good, but he was the one that had control over me.
2.3.4 My Application of the Theory

The complexity theories are below related to DHL Express in Borås and the two recruitment companies that the DHL Express in Borås works with the most, Manpower and Academic work.

In figure 9 below, DHL Express in Borås have an objective view, sees the whole system and pattern and can place a scheme for the complex adaptive systems to follow. The recruitment companies are the independent complex adaptive systems that have no objective view, see only a small part of the system and needs a scheme to follow.

Figure 9. The whole system vs. the complex adaptive systems

DHL Express in Borås will get the recruitment companies to behave as they wants and have control over them, but the recruitment companies and DHL Express in Borås will both feel that their needs will be fulfilled. This will be done through that DHL Express in Borås will place a scheme for the recruitment companies to follow.
2.4 Lean

In this chapter the following areas will be treated:

- Background of Lean
- What is Lean?
- Toyota Production System (TPS) and Lean
- The house of Lean
- SMED
- 5S
- Kaizen

2.4.1 Background of Lean

In 1988 a group of scientists from MIT started a research program. The research program was called the International Motor Vehicle Program (IMVP) and they compared 80 different car manufacturers with each other. They could then really clearly see that the car manufacturer Toyota with its Toyota Production Systems (TPS) was outstanding in performance compared to the other car manufacturers. Toyota could produce the same amount of cars with much less resources. The research program was amazed of the result and they decided to call it Lean.

In 1990 the IMVP came up with the “half-principle”. It was based on that the companies that were focusing on Lean in their production instead of the mass production principles that was famous for that time. The companies that were using Lean did a lot of things in half i.e. the working accidents were cut in half, the production costs was cut in half etc. (Revere, 2008-02-10) and (International Motor Vehicle Program, 2008-06-10).

2.4.2 What is Lean?

In figure 10 below five blind Japanese men are illustrated. The five blind Japanese men are on a trip to the jungle where they all meet an elephant. When they come back from the jungle they all have different stories of what they have met.

![Figure 10. The five blind Japanese men that met an elephant in the jungle](image-url)
The stories are as follows:

1. An elephant is a pipe (the blind man has surely came in tough with one of the elephant’s tusk).
2. An elephant is a tree branch (the blind man has surely came in tough with the elephant’s big ears).
3. An elephant is a fan (the blind man has surely came in tough with the elephant’s trunk).
4. An elephant is a rugged ceiling (the blind man has surely came in tough with the elephant’s skin).
5. An elephant is a rope with bobble (the blind man has surely came in tough with the elephant’s tail).

(Revere, 2008-02-10) and (Business Network, 2008-06-10).

There are five different stories and all of them are in some way right. This illustrates how hard it is to exactly describe what Lean is.

2.4.3 Toyota Production System (TPS) and Lean

Taichi Ohno is considered to be the father of the Toyota Production System, also known as Lean Manufacturing. He responds to the question of what is unique with Toyota as follows:

“All we do is to shorten the time line from the time we receive the order to the time we receive payment, we do this simply by removing activities that are not increasing the value of the product”

(Revere, 2008-02-10) and (Lean Advisors, 2008-06-10).

2.4.4 The House of Lean

In figure 11 below the house of Lean is shown. The house describes all of the activities that are a part of Lean (The North West Lean Network, 2008-04-29).
Lean includes, among other activities Single Minute Exchange of Die (SMED), Kaizen and it also includes 5S.

SMED is an approach to transform the inner work to outer work when the machine or the forklifts are running.

5S is a tool to make improvements of the work area and then make everyone in the organization to follow these improvements.

Kaizen or continuous improvements is an approach to make the employees to consider improvements of the daily work all of the time.

When all of these activities are performed at the same time and a relation can be seen between them a very big improvement will occur.

**2.4.5 SMED**

When working with SMED the inner set-up time and the outer set-up time are considered. The inner work is things that can be done related to the machine or forklift just when it is standing still. The outer set-up time is things that can be done related to the machine or forklift when it is running.

The steps that need to be considered are as follows:

- Separate the inner set-up time from the outer set-up time
- Convert inner set-up time to outer set-up time
- Standardize
- Invest

(The Lean game, 2008-02-10) and (World Class Manufacturing Resources, 2008-06-10)

**2.4.6 5S**

5S is a housekeeping methodology for the shop floor (Gembutsu Consulting, 2008-03-25).

Each one of the 5S has an important function for the method. They are as follows:

1. Sort: Clearing the work area
2. Set in order: Designating locations
3. Shine: Cleanliness & workplace appearance
4. Standardize: Everyone doing things the same way
5. Sustain: Ingraining the 5S’s into the culture

The 5S’s lead to improved processes and also other benefits that are stated below:

- Increased floor space
- Lower safety incident/accident rate
- Less wasted labor
- Better equipment reliability
Below there is a more detailed explanation of what each S stands for:

1. Sort: Clearing the work area
   Any work area should only have the items needed to perform the work in the area. All other items should be cleared (sorted out) from the work area.

2. Set in order: Designating locations
   Everything in the work area should have a place and everything should be in its place.

3. Shine: Cleanliness & workplace appearance
   Not only should the work area be clear, it should also be clean. Cleanliness involves housekeeping efforts, improving the appearance of the work area, and even more importantly, preventive housekeeping - keeping the work area from getting dirty, rather than just cleaning it up after it becomes dirty.

4. Standardize: Everyone doing things the same way
   Everyone in the work area and in the organization must be involved in the 5S effort, creating best practices and then getting everyone to “copy” those best practices the same way, everywhere, and every time. Work area layouts and storage techniques should be standardized wherever possible.

5. Sustain: Ingraining the 5S’s into the culture
   It is tough to keep a 5S effort, or any improvement effort for that matter, going. The 5S’s involve a culture change. To achieve a culture change, it has to be ingrained into the organization – by everyone at all levels in the organization (Quality Training Portal, Resource Engineering, Inc, 2008-03-10).

**2.4.7 Kaizen**

Kaizen is an approach to work with continuous improvements (European Quality, 2008-03-25). It is important not to be satisfied with how processes are working in the organization today and to constantly questioning the processes and to improve them.
3. The Methodological Framework

Below is some information about how the practical work in the thesis will take place. First the data gathering is described and then the measuring of the result is explained.

3.1 Quantitative and Qualitative Methods

Qualitative research seeks out the ‘why’, not the ‘how’ of its topic through the analysis of unstructured information. Things like interview transcripts and recordings, emails, notes, feedback forms, photos and videos. It doesn’t just rely on statistics or numbers, which are the domain of quantitative researchers (QSR International, 2008-06-10).

Based on the quotation above the qualitative research method was used during this thesis. Data was gathered through pictures, contracts, interviews and conversations with the employees. Then, this data were put together to get information and to set up a model for how DHL Express in Borås can work in a better way with the recruitment companies.

3.2 Data Gathering

The data gathering will be performed through pictures, contracts, interviews and conversations with the employees.

3.2.1 Pictures

Pictures were taken in the terminal at DHL Express in Borås to document the working place and to present ideas of how the work to improve the internal flow of facts will be performed. Pictures were taken of different places around in the terminal and then drawings were performed on the to illustrate the improvements.

3.2.2 Contracts

The contract between the recruitment companies and DHL Express was analyzed. The contract was received from the Local Operations Manager in the beginning of the thesis work and it was really valuable for the project. The contract was used as a base for the interviews that were performed with the employees that are in contact with the recruitment companies in their daily work.

3.2.3 Interviews

Interviews were performed with some employees at DHL Express in Borås. The employees that are in contact with the recruitment companies in their daily work were chosen. Contracts, routines and made demands from both DHL Express to the recruitment companies and vice
versa was asked questions about. The interviews gave a very true picture of how the DHL Express in Borås was working today with the recruitment companies at a local level.

The interviews were set up so that they could be performed alone with each employee one by one. It was important to get information from each one of the employees that are in contact with the recruitment companies in their daily work. The information that was received from each one of the interviewed employees built a whole view picture of how DHL Express in Borås is working with the recruitment companies. It also contributed to how the flow of information and communication were working between the employees at the tactical level.

The questions that were asked in the interviews were based on the different points in the contract that the Procurement department at the Head office in Stockholm has put together. These questions were constructed to see if the employees were aware of the points in the contract and to get their opinions about it.

When all of the interviews were finished they were summarized to see if the employees at the tactical level at DHL Express in Borås were aware of that specific point in the contract or not.

The interviews contributed to really understand the situation and attitude to the contract at DHL Express in Borås. When discussions were performed with the Procurement department at the visit at the Head office about the contracts it was really beneficial to have the whole view picture from Borås as a base.

During the rest of the thesis work a lot of information were taken from the answers in the interviews.

3.2.4 Conversations with the Employees

A lot of conversations with the employees at DHL Express in Borås were performed daily and a lot of information was received through these conversations. The conversations with the employees gave the information that was received from the other data gatherings a wider meaning of how DHL Express in Borås was like.

3.2.5 The Data Gathering at the Head Office in Stockholm

When a lot of information of how DHL Express is working locally had been received and more information was needed to continue the project a visit at the Head Office in Stockholm was performed. The visit lasted for two weeks and questions related to the contracts, routines and the way of working with the recruitment companies were asked. The visit complemented the gaps that were missing in the gathering of information for fulfilling the figure of how DHL Express in Borås can work better with the recruitment companies.

3.2.6 The Data Gathering at STARK-dagen at Högskolan in Borås

At the STARK-dagen a lot of useful information were received about the recruitment companies and their way of seeing on each other. This experience and information were used to fulfill the model that DHL Express in Borås should follow to work better with the recruitment companies.
3.3 Measuring of the Result

The result will be measured through having a presentation for the management at DHL Express in Borås where the result is presented. The opinions of the management at DHL Express in Borås will judge how good the result was.
4. Empirical Work

In this chapter the following areas will be treated:

- The organization
- The working place
- Meetings
- Interviews
- Experiences from the STARK-dagen at Högskolan in Borås
- Visit at DHL Headquarters for Sweden in Bergshamra, Stockholm
- The flow of facts between the parties in the organization at DHL Express in Borås
- Use the employees to get a better flow of facts

4.1 The Organization

The organization chart is as figure 12 below from 1st of August 2007. The organization has two senior supervisors, before the re-organization DHL Express in Borås just had one senior supervisor. The senior supervisors are responsible for the supervisors and a part of the employees working at the Administration department. The supervisors are also new for the organization, before there was one foreman at each shift.

![Organization Chart](image)

**Figure 12.** The organization chart at DHL Express in Borås
4.2 The Working Place

Below the working place is being described with some pictures.

![Figure 13. The storage for cleaning equipment](image)

The storage for cleaning equipment in form of brushes and shovels is located in the middle of the terminal. The equipments are not in good shape and broken brushes and shovels are mixed with each other as can be seen in figure 13 above. To reach the small room where the equipments are stored you need to go in to a narrow area and go behind a desk.

![Figure 14. Stored stuff in the middle of the terminal](image)

In the middle of the terminal stuff are stored against the middle pillars as can be seen in figure 14 above. The area around the pillar is reserved for goods that need to be handled again.
As can be seen in figure 15 above the place where the supervisor holds the meetings is crowded with goods. The board that can be seen in the figure is used to put information on and there is also place on it to report some factors that can be used as a tool. This tool is not being used.

As can be seen in figure 16 above the small office in the middle of the terminal where the VOV documents is stored in shown. When the forklift driver picks up a pallet where the document at it is marked with a K, the forklift driver needs to make a copy of the document. That is done in this office.
When the forklift driver have entered the small office the VOV document needs to be copied and after that the copy should be placed in the brown file in the middle of figure 17 above.

In one end of the terminal there is a place where trash can be thrown into containers. There is one container for metal, one for cardboard and one for plastic as can be seen in figure 18 above. These containers are often full of trash.
In the other end of the terminal there is also a place where trash can be thrown into containers. There is also one container for metal, one for cardboard and one for plastic as can be seen in figure 19 above. These containers are also often full of trash. These containers are located as figure 20 shows below.

Figure 20. The location of the trash cans in the terminal

There is a cleaning machine that is being used to clean the terminal. This cleaning machine is being used by the employees as soon as they do not have anything else to do. Even if this cleaning machine is used frequently there is still a lot of wooden sticks from pallets etc. that is lying left on the floor of the terminal. In figure 21 below a lot of wooden sticks can be seen around one of the pillars in the terminal.

Figure 21. A lot of wooden sticks from the pallets

As mentioned above there is some things that the cleaning machine misses to collect. In figure 22 below there is dust and dirt that are lying on the floor in the terminal.
4.3 Meetings

Today there is meetings held, or more specified, short briefs. These briefs are performed at 11 o’clock and 15 o’clock every working day. The responsible person for these briefs is the supervisor and all employees in the entire terminal then gather. At these briefs some statistics and other information is presented for the employees and there is also a chance for everyone to speak if that is wanted.

4.4 Interviews at DHL Express in Borås

Based on the document “Inhyrd personal – Information om leverantörspanelen – Nordic Procurement 2007” questions were asked to a group of people at DHL Express in Borås. The document is a compendium of the contracted requirements and routines that the recruitment companies and DHL Express have agreed upon. This compendium is the one that should be followed by the terminals at site level and then also by DHL Express in Borås. The requirements and routines are explained on an overview level and are not described in detail. The creation of the compendium will be explained in chapter 6.

There were four people that were chosen for the interviews and that is in cause of that they are all in contact in their daily work with the recruitment companies.

In Appendix 1 Interviews, the questions and the answers are displayed.

4.5 Experiences from the STARK-dagen at Högskolan in Borås

A lot of information was gathered from the STARK-dagen and below that experience is being described. The STARK-dagen is a work-market exhibition at Högskolan in Borås, where companies can have a stand and tell students about their businesses. At the exhibition there were around seven different recruitment companies that had a stand and showed their businesses. The recruitment companies were overrepresented at the exhibition.

The recruitment companies were acting really hostile against each other. The recruitment companies were struggling with each other about the students’ attention.
From conversations with many of the recruitment companies some things was really clear. The recruitment companies wanted to get the students’ attention, but they were even more eager to talk bad about the other recruitment companies.

A hostile atmosphere between the recruitment companies could close to be touched on during the exhibition.

(STARK-dagen, 2008-02-21).

4.6 The Employee Pool at DHL Express in Borås

DHL Express in Borås is trying to evolve an employee pool.

The idea is to reduce the hired employees from the recruitment companies and instead evolve an own pool of employees to use.

4.7 Visit at DHL Head Office for Sweden in Bergshamra, Stockholm

DHL is a company that has a strong centrally managed organization. Therefore it was needed to get in contact with the DHL Head office for Sweden in Bergshamra, Stockholm to proceed with the empirical studies. This was done to fill in the gap of information that was needed to reach the goal of the thesis.

The contact in Stockholm was Christina Bodin who works as Nordic Strategic Buyer for DHL at the Procurement department. The information in this chapter is received from interviews and discussion with Christina Bodin.

4.7.1 The Procurement Department

Procurement should be involved in all of the purchases of the suppliers and this includes the recruitment companies. DHL is working with preferred suppliers and approved suppliers. The preferred suppliers should be used firstly and then the approved suppliers could be used. The involvement in the purchases is done to consolidate them and then gain economic of scale-, control- and quality advantages. The Procurement department are working very much against the different terminals in Sweden and investigating and helping them so that the preferred and approved suppliers are used in the purchases. This work is done to receive the advantages above.

Compared to i.e. DHL Express in the Benelux countries DHL Express in Sweden purchases very small amount of hired employees. There is also a big difference between Sweden and the Benelux countries regarding the collaboration. The Benelux countries do not have the big distances between the different terminals as in Sweden and therefore it is easier for the Local Operations Managers to gather at the national head office. When the Local Operations Managers easier can meet then more face-to-face meetings can be performed between them and the Procurement department at the head office. This leads to that more issues can be solved in a better way and the Procurement department at the head office will have a closer contact with the terminals. This close contact will lead to that the Procurement department at the head office will have a better control of the purchases of the hired employees from the recruitment companies at a local level. In Sweden these face-to-face meetings is harder to accomplish in cause of the bigger distances between the different terminals. In figure 23 below this issue is illustrated.
Figure 23. The difference in distance between terminals in Sweden and in the Benelux countries

This issue leads to that the Procurement department at the head office in Sweden will have problems to keep up with the same good collaboration with the terminals. This affects in a bad way the work to collaborate with the terminals regarding contracts and routines with the recruitment companies at the local level.

4.7.2 The Categorization of the Recruitment Companies

At the European level a strategy to decide which recruitment companies that DHL should have as supplier was performed. When this was done the most used suppliers where categorized in relation to the lowest multiplier as can be seen in figure 24 below. What DHL gained through this was that DHL could negotiate about the price and also be able to use the suppliers that they knew had a good quality of their services and that were reliable.
Figure 24. The categorization of the recruitment companies at the European level

At the Nordic level this approach was considered and the responsibility was divided out on each country.

At national level in Sweden the same approach was performed. The most used suppliers were considered and categorized as at the European level. Agreements that DHL should be responsible for and agreements that the suppliers should be responsible for were stated. There were also GSK’s that the supplier should agree on to follow. All of these agreements were stated through discussions between all of the terminals and these agreements were then handled over to the recruitment companies. When the agreements were handled over the recruitment companies were just told to follow them. Very few of the recruitment companies complained of the agreements and they were now valid.

The agreements are composed on an overview basis, so they are not matching all of the requirements at the local level at the different terminals, but they are treating all areas.

4.7.3 The Recruitment Companies at the Strategic Level

The recruitment companies have Key Account Managers that have sort of the same position that the Nordic Strategic Buyer have at the Procurement department at the head office at DHL. These Key Account Managers for Manpower and Academic Work are positioned at the Sweden level, while the Nordic Strategic Buyer at DHL is positioned at the Sweden level and at the Nordic level.

It has happened that the Key Account Managers for the recruitment companies have made contact with DHL at the site level and signed exclusive contracts. This is not the way that DHL is working and the Procurement department became aware of the contracts long time afterwards.
5. Analysis
In this chapter the following areas will be treated:

- Benefits of choosing DHL Express in Borås
- Compilation of the theories
- Internal and external flow of information and communication
- The importance of considering the internal flow of facts at DHL Express in Borås
- The levels within the organization
- Lean
- Analysis of the interviews
- The flow of facts between the parties in the organization at DHL Express in Borås
- Use the employees to get a better flow of facts
- The employee pool at DHL Express in Borås
- Meetings
- Model for developing a service
- The flow of facts between the parties externally at DHL Express in Borås

5.1 Benefits of Choosing DHL Express in Borås
One of the benefits by doing this project at DHL Express in Borås and not at a bigger terminal is illustrated in figure 25 below.

Figure 25 below explains the Japanese lake and the Japanese sea concepts. Shortly, these concepts are telling us about when the amount of inventory is decreased (the surface of the sea are going down) in a company or in an organization. When this is done the problems and obstacles (the rocks under the surface in the sea) will be visible and could be solved quickly before they have had the chance to do severe damage.

In the Japanese river, when the surface is being lowered the speed of the flow in the river will increase to maintain the same volume of water through the river. This is done through that the equation \(\frac{X_2}{X_1} = \frac{V_2}{V_1}\) is being fulfilled (Lumsden, 1995).
Figure 25. Benefits of choosing DHL Express in Borås in relation to the Japanese lake and the Japanese river

The conclusion of these two concepts is that by choosing a terminal with lower amount of hired employees, like the terminal at DHL Express in Borås instead of a bigger terminal with bigger amount of hired employees benefits can be achieved.

Referred to the Japanese lake the obstacles regarding the hired employees and the recruitment companies will be visible earlier and easier and could then be handled in this master thesis before they will cause severe damage.

Referred to the Japanese river the flow of information and communication (facts) regarding the hired employees and the recruitment companies will be faster through the organization when the amount of hired employees are lower than other bigger terminals. This will lead to that the flow of facts could be made better functioning in this master thesis in an easier way.

5.2 Compilation of the Theories

In figure 28 below DHL Express in Borås is illustrated as the whole system and the recruitment companies Manpower and Academic Work as independent complex adaptive systems.

DHL Express in Borås sees the whole system and they can then have an objective view. The recruitment companies do not see the whole system and by that do not have an objective view.

The recruitment companies always acts as independent of each other.
Figure 26. The affect of the whole system’s knowledge related to the independent complex adaptive systems

In figure 29 below a better explanation of figure 28 is shown.

The whole system consists of many complex adaptive systems that are dependent of each other. The relation between information and communication is working within the system. This relation between the information and communication (facts) is a really powerful tool and is what defines the whole system. Person X in figure 29 can use this tool and with this tool a big advantage over the complex adaptive systems can be gained. The whole system, with the lead of person X can then set up a scheme for the independent complex adaptive systems to follow and by that control them. The complex adaptive systems in figure 29 will not become a whole system. This is because there is no relation between the important facts that each one of them have. They are acting independent of each other and cannot use the advantages that the whole system can bring. The complex adaptive systems are defined by that they are acting independent of each other and as long as they are doing that they need a scheme to follow. This scheme could be set up by the whole system.

Figure 27. Complex adaptive systems that are independent of each other

In figure 30 below the complex adaptive systems are sharing facts between them and they are then going from an independent status to a dependent. The relation of facts between the complex adaptive systems can then be used. This relation leads to that the complex adaptive systems will turn into a whole system and then becomes a powerful tool. Person X in the
figure 30 can use this tool and with the tool a big advantage over other complex adaptive systems can be gained.

The whole system

Complex adaptive systems

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure28.png}
\caption{Complex adaptive systems that is dependent of each other}
\end{figure}

In Lean there are a lot of activities that are working together in the same direction to improve i.e. the company or the organization. When all of these activities are working together a synergy effect will be received and it will lead to that the result will be much better. In this report three activities (SMED, 5S and Kaizen) where chosen in Lean. These three activities are working in the same direction and the synergy that will be received will lead to a better result with the improvement of flow of facts at DHL Express in Borås. Lean in this report is in itself three activities that are tied together so that a synergy effect will be received, but below it will also tie the three theories from the Theoretical frame of reference chapter together and also there receive a synergy effect. The theories that are put together are as follows:

- Game theory by John Forbes Nash
- Complexity theories by Murray Gell-Mann
- Lean

The three theories are integrated into each other and below this compilation will be explained. In figure 26 below, from the complexity theories by Murray Gell-Mann there can be seen that a human are trying to control a complex adaptive system in form of a jaguar. This is done by placing out meat on the ground and then the jaguar could be controlled as the human wants. This can also be explained as the human is using a scheme to control the jaguar through the process that is illustrated by the arrow.
Figure 29. A human sets a scheme for a Jaguar with meat

If this is related to DHL Express in Borås and the recruitment companies, the recruitment companies are like the jaguar. They are independent complex adaptive systems and this in cause of that they will not share facts with each other. They will not share facts in relation to that they will not cooperate with each other. This is according to the experiences at the STARK-dagen, where the recruitment companies were really hostile against each other. The recruitment companies need DHL Express in Borås to set up a scheme for them. DHL Express in Borås can in this way control the recruitment companies as they wants, but both DHL Express in Borås and the recruitment companies will get their needs fulfilled.

Another type of scheme can be the Prisoners’ dilemma matrix by John Forbes Nash as can be seen in figure 27 below. In this scheme DHL Express in Borås can control the recruitment companies Manpower and Academic Work as they want. This is done by playing out the two recruitment companies against each other like the Prisoners is in the Prisoners’ dilemma explained in the Theory chapter. In cause of that the recruitment companies will not cooperate with each other, they can be compared with the two prisoners in their separate interrogation rooms. To the first recruitment company the requirements and routines will be proposed and with a message that if they do not agree on these requirements and routines the second recruitment company will do it instead and get the majority of their employees at DHL Express in Borås. The exact same suggestion is of course proposed to the second recruitment company as well. The recruitment companies will then be afraid to lose the majority of their employees at DHL Express in Borås and chooses then to cooperate rather than to reject the suggestion.
A scheme is used by DHL Express in Borås to affect the recruitment companies to act in a certain way. Both DHL Express in Borås and the recruitment companies will have their needs fulfilled, but DHL Express in Borås will be in control. DHL Express in Borås will get a more valuable product in relation to the cost.

Lean will consider and improve the internal flow of facts while the Game theory and the Complexity theory will more consider and improve the external flow of facts. Together, these three theories will receive a synergy effect and it will lead to that the result will be much better.
5.3 Internal and External Flow of Information and Communication

How to improve the flow of information and communication through the organization?

In figure 31 below the hierarchy of BIS (Borås IdrottsStudenter) the sports club at Högskolan in Borås is illustrated.

As a chairman you want to receive the information and communication (facts) from the members. This is done through the responsible persons for each sport.

As can be seen in the figure 31 above, there are three different steps before the facts reaches to the chairman.

A chairman needs to do the following in an idealistic sports club to get the best output:

Gather all the facts from all of the persons in the sports club and use it with the help of the whole view system that will be gained

- A scheme needs to be put for the responsible persons for the sports to follow

- Make sure that everyone’s needs will be fulfilled, in other words that the effort the responsible persons are giving to the sports club should be in relation to the “fruit” that they could get back. Everyone’s needs will be fulfilled, but the chairman will have the control.

At DHL Express in Borås this could be applied to gather all of the important facts in the organization, but first it is important to separate the internal flow of facts from the external.
In figure 32 below the differences between internal- and external flow of information and communication is illustrated.

First, the internal flow of information and communication needs to be taken care of so it is working well through the organization.

Second, the external flow of information and communication can be considered. This cannot be done before the internal part is working well.

![Figure 32. The internal- and external flow of information and communication](image1)

When a good internal flow of information and communication has been received the customer could be affected in a positive way. DHL Express in Borås can be closer to the customers and suppliers. This is possible because when the internal flow of information and communication

![Figure 33. The importance of a well functioning internal flow](image2)
is working well, it is possible to give the customers and suppliers more and exact information and communication. This will lead to that the gap to the suppliers and customers, which is marked with X and Y in figure 33 above will be decreased.

The internal flow will be improved by using Lean with the three activities SMED, 5S and Kaizen and it will be explained more in the next chapter.

5.4 The Importance of Considering the Internal Flow of Facts at DHL Express in Borås

Why should the internal flow of facts at DHL Express in Borås be considered?

There is an expression called ”See America, Then design for America”. A big car manufacturer in the US used this. Mostly the Americans and the Canadians should use the car and that is why tests were performed related to situations that the driver and the car could get into. The car manufacturer tested the car driving through all 50 states of US and then 13 provinces of Canada. The car was used on the roads in Canada, over a bridge in Mississippi, through the narrow streets of Santa Fé and even eating in the car was tested (Larsson, Jonas, 2007-12-10).

This illustrates that it is really important to consider the terminal at DHL Express in Borås and the requirements and routines that is wanted at the site level where the operational work and the daily contact with the recruitment companies are performed. If there is no focus on these local routines and requirements at the terminal and instead only the requirements and routines stated at the Sweden level will be considered, then there will be problems. This why it is important to consider the internal flow of facts at DHL Express in Borås.

5.5 The Levels Within the Organization

There are three levels that are being reflected further on in the report. These are illustrated in picture 34 below and are then explained more in detail (HR Platform, 2008-06-10).

Figure 34. The different levels within the organization

Operational level; Refers to day-to-day decisions such as scheduling routings and loading trucks i.e. the Swednet department, the Exact department and the Administration department.
Tactical level; Includes decisions that are updated anywhere between once every week, month or once every quarter. This includes purchasing and production decisions, inventory policies and transportation strategies including the frequency with which customers are visited. At DHL Express in Borås these employees are the supervisors and the senior supervisors.

Strategic level; Deals with decisions that have a long-lasting effect on a company. This includes decisions regarding the number, location and capacities of warehouses and manufacturing plants, or the flow of material through the logistics network. Example of employees that are working at this level is the Local Area Manager (LOM) at DHL Express in Borås (Tinney, Timothy, 2007-10-07) and (HR Platform, 2008-06-10).

5.6 Lean

Below the working place will be analyzed with the help of Lean. The three activities that are used are:

- SMED
- 5S
- Kaizen

As mentioned before when all of these three activities are used at the same time a synergy effect with better result will be received.

5.6.1 SMED

In this report the SMED concept is focusing on how to manage the forklift driving more efficient. The driving with the forklift across the terminal is very time-consuming and it is then important to focus more on preparing the load (pallets) that the forklift driver picks up. The most important thing is that the forklift-drivers try to pick up two pallets at the time as often as possible.

As can be seen in figure 35 below the experienced worker (usually a permanent employee at DHL Express in Borås) picks up two pallets at the time more often then the less experienced forklift-drivers (usually the hired employees from the recruitment companies). The dashed arrows illustrate the permanent employees’ way with two pallets. The hired employees’ way with two pallets is illustrated with the normal arrows.

To do this, more time need to be spent on the preparation of the pallets at the different gates before the forklift-drivers pick them up rather then spend time on driving. It is here where the SMED concept comes in.

By following the points below the SMED concept can be applied:

- Separate the inner set-up time from the outer set-up time
- Convert inner set-up time to outer set-up time
- Standardize
- Invest
The inner set-up time is separated from the outer set-up time through differ when the forklift is running and when it is standing still. The inner set-up time is converted to outer set-up time through letting the person that is scanning the pallets and taking care of the VOV-task to, instead of the forklift-driver find two pallets for the forklift-driver to pick up.

This will be performed through that the person that is scanning the pallets and taking care of the VOV-task will write i.e. 350 (2) on the document at the pallet and this means that there is two pallets at that gate that will go to destination-gate 350.

This approach needs to be standardized and be informed and educated to all employees to work after and follow.

An investment will be considered as the last step in the SMED-concept.

![Diagram](image)

**Figure 35. The permanent employees’ way with the forklift with two pallets and the hired employees’ way**

When all of these steps have been performed the outcome will be that the time when the forklift is standing still will drastically be decreased.
5.6.2 5S

In this report 5S is focusing on to make the employees themselves to take responsibility of keeping their working place in order.

In relation to the pictures that describes the working place in the “Empirical work” chapter and the “Theoretical frame of reference” chapter the 5S concept at DHL Express in Borås will be described.

The S’s to consider is as follows:

1. Sort: Clearing the work area
2. Set in order: Designating locations
3. Shine: Cleanliness & workplace appearance
4. Standardize: Everyone doing things the same way
5. Sustain: Ingraining the 5S’s into the culture

1. Sort: Clearing the work area
Any work area should only have the items needed to perform the work in the area. All other items should be cleared (sorted out) from the work area. As can be seen in figure 36 below there is some goods that are stored in the middle of the terminal against the middle pillars. The area around the pillar is reserved for goods that need to be handled again and that is why this goods need to be sorted out.

![Figure 36. Stored stuff in the middle of the terminal](image)

As can be seen in figure 37 below the place where the supervisor holds the meetings is crowded with goods. The goods should be sorted out and then make it possible for the supervisor to have a good meeting and for the employees to come closer to the board and see what it written and posted on it.
2. **Set in order:** Designating locations. Everything in the work area should have a place and everything should be in its place. In figure 38 below the small room with all of the brushes and shovels is shown.

This equipment need to be set in order and made more usable for the employees. Where the cleaning equipment is stored today makes the employees not eager to go and get them when cleaning needs to be performed. The suggestion of what should be done is illustrated in figure 39 below.
In figure 39 above the brushes and the shovels are attached to the pillars in the middle of the terminal. Around the brushes and shovels there should be painted with a really clear color that makes it visible that here is the place for the brush or the shovel. This idea is taken from a tool-shop, where the tools are attached next to each other on a wall and a line is painted around them. This approach will help and make it able for the employees to do the following:

- Put the equipment back on the right place after it has been used.
- Clearly see if the equipment needs to be exchanged in cause of that it is broken.
- Clearly see if the equipment is missing.
- Locate these places where the equipment should be set in the above mentioned way at strategic places (the employees know where it is the most use for this equipment).
- Quickly be able to clean when it is needed because of the short distance to the equipment.
- Be responsible of the cleaning equipment.

As can be seen in figure 39 above there is a lot of wooden sticks on the floor that the cleaning machine has missed to pick up. Then this equipment will be used. Using the brush and the shovel to pick up the wooden sticks will take close to no time. At the pillars in the middle of the terminal is a good place to put cleaning equipment, in figure 40 below there is another pillar in the terminal shown where there is a dust around.
3. **Shine**: Cleanliness & working place appearance.
Not only should the work area be clear, it should also be clean. In this point it is really important to not just clean when it is dirty, but also to clean all the time to prevent the working place for becoming dirty. There are two places in the terminal where trash-containers are placed out. That is in the beginning of the terminal and in the end of the terminal. These places and the trash-containers are shown in figure 41 and 42 below.

![Figure 41. The first place for trash-containers in the terminal](image1)

![Figure 42. The second place for trash-containers in the terminal](image2)

The problem with these trash-containers is that they always are full of trash. That leads to that the employees will not throw the trash in them. The trash-containers are being emptied when it is needed according to the employees, but then they are standing full for a long time. During this time there is a lot of trash that are being spread through out the terminal instead of in to the trash-containers and this in cause of that there is no time for emptying them. The trash-containers should be emptied at a regular basis. An empty trashcan attracts employees to throw trash in to it.

4. **Standardize**: Everyone doing things the same way
Everyone in the work area and in the organization must be involved in the 5S effort, creating best practices and then getting everyone to “copy” those best practices the same way, everywhere, and every time. Work area layouts and storage techniques should be standardized wherever possible.
In figure 43 below the small office where the VOV document is stored are shown. The forklift-drivers need to first park their forklifts, walk in to the office, copy the VOV document, put it in a file that can be seen in figure 44 below and then (going from a warm office out back in to the cold terminal) going back to the forklift outside the office. This procedure has improvement potential.

Figure 43. The small office where the VOV documents is stored

Figure 44. The file in which the VOV documents is stored

5. Sustain: Ingraining the 5S’s into the culture
The 5S’s involve a culture change. To achieve a culture change, it has to be ingrained into the organization – by everyone at all levels in the organization. This is done by first letting the management of the organization take a decision on that they should work with 5S through out the entire organization. From the management at the strategic level to the employees at the tactical level this should be communicated out and from the employees at the tactical level to the employees at the operational level it should be done in the same way. This should be done to make sure that the entire organization gets the information and are aware of that the 5S approach should be applied.
Investment:
In relation to figure 20, the positions of the containers where trash can be thrown into are in the beginning of the terminal and in the end of it. To make the cleaning even easier an investment could be performed of extra containers to be placed more centrally in the terminal at DHL Express in Borås. This is illustrated in figure 45 below.

![Figure 45. The location of the trash cans in the terminal](image)

The investment is the last step to consider when all of the easier and cheaper improvements have been performed. In relation to figure 46 below from Lean, around half of the costs are affect-able in a company. Of this cost is 90 % waste or muda in Japanese. 70 % of this muda can be sorted out just through smart thinking, the last percent needs an investment to sort out all of the muda (Revere, 2008-02-10).

![Figure 46. Waste – muda](image)

This shows that the investment, in this case new trash-containers for throwing trash into should be purchased as the last step in the improvement work.

5.6.3 Kaizen
Kaizen is an approach to work with continuous improvements (European Quality, 2008-03-25). The practical aspect of this approach is to make all of the employees at all levels in the organization to all the time questioning their work. This is done to make all of the employees to feel and to be more responsible and engaged in the improvement work at DHL Express in Borås. To engage the employees in the improvement work different approaches can be considered and below is an example of one.
It is especially important that the supervisors at the tactical level in the organization all the time asks the employees at the operational level questions as:

- Can you/we improve a process and do it in a more efficient way?
- Can you/we improve the layout and have it in a more efficient way?
- Can you/we work smarter and by that not work harder?

When this kind of questions is asked to the employees, they will get triggered to start to think in these ways. Positive things that also can come out of this could in example be:

- The younger and also maybe newer employees will mature faster with their tasks at DHL Express in Borås and be more engaged to the work.
- The employees will feel happier to come to the work when their improvements are making their daily work to be made easier.
- The employees will enjoy the working place when it looks cleaner and works better.
- The employees will feel a stronger engagement to their departments and to the company.
- The employees will feel that they have possibilities to affect. When this possibility is not given it is the main reason for long time sickness for the employees.
- The vandalism will be decreased.

5.6.4 Summary of Lean

To illustrate with an example the Exact department is chosen. Everyone (approximate nine employees) at that department is working at their normal ability as a start. One day there are three employees that are performing their work badly, i.e. one is a new employee and can not perform the work as good as the others and needs a lot of help, the second one have hurt the arm and can not for that reason work as good as the others and needs some help, the third one is the employee that is scanning the packages when they have been put on to the conveyor system, today the scanner is malfunctioning and that employees work are made not as good as the others. When all of these three bad things happen at the same time, there will be a synergy between them that makes the situation for the whole department even worse.

Imagine now, that one day, when everyone at the Exact department is working as normal but there are three employees that are working above their normal ability. This will lead to the same synergy as above but in the other direction. This time it will lead to a much better result.

When using all of the activities mentioned in this chapter a positive synergy effect will appear and this synergy effect should be considered all through the organization. When small improvements that maybe are not considered as really big improvements are put together and done at the same time it will be a big improvement.
5.7 Analysis of the Interviews

With base from the chapter “Interviews at DHL Express in Borås” in the Empirical part of the report, each one of the questions in the interviews are below being analyzed. The answers are then further analyzed in relation to the theories in this report.

The people were interviewed one by one to really see the differences in their answers and then also be able to see how much DHL Express in Borås have a whole system view.

5.7.1 The Answers

In the contract-compendium there are three lists that categorizes the recruitment companies with the lowest multiplier first. A smaller multiplier is related to a lower price. The lists are divided in relation to the different areas of employments. There is first one list for employed under a collective wage agreement, then one for white-collar worker and the last one is a list for each-pricing. The recruitment companies in the top of the list have the cheapest price and should then be chosen firstly.

1. Why is Manpower being used so frequently when they are situated in the bottom of the lists?

The group knows about that the contract exists and that the recruitment companies are categorized, but they do not work according to it. The group is not aware of the routines and they do not have the same information.

2. Why are you not using the first (or one of the first) companies in the list as supplier for the different areas?

The group does not know about this at all.

Just the mentioned recruitment companies in the lists should be used and otherwise the Procurement department should give a confirmation before another supplier is considered.

3. How does the collaboration with Procurement work in reality?

In the group there is just one person that knows about the function of the Procurement department. That person never has contact with the Procurement department and that concludes into that there is no collaboration with the Procurement department existing.

The salary that the recruitment company should give to the recruited employee should be an average of the salary that the other employees in the same comparable working group at DHL Express in Borås have. This salary is called GFL (Average Salary). In this salary other bonuses etc. should be added.

4. How is this GFL working and what bonuses are given to the employees?

The group has the same information, but they do not talk about GFL as the Procurement department does.
A comparable working group is all of the employees that have the same tasks at DHL Express regardless of the working experience. This needs to be done at a local level.

5. How is the comparable working groups put together at DHL Express?

The group is not aware of the expression comparable working groups, but they have the same information between them.

The contracted multipliers should be applied at the current GFL. Procurement should be contacted regarding more detailed information about the current multiplier per supplier.

6. Is this considered when contacting the recruitment companies?

No one in the group considers this and there is one person that is telling that other hockey tickets and cake decides instead of multipliers.

7. The supplier (the recruitment company) should according to the contracts be responsible for:

7.1 That all personal are fulfilling the GSK (General Service Demands) along with other agreed demands. Is this working?

There is just one person in the group that is aware of the GSK. The others do not know about the GSK’s, but they trust the recruitment companies.

7.2 That the recruited employees get an appropriate introduction before coming to DHL Express. Is this working?

The group has different opinions about this question. They are not agreed on this point, but one thing that is clear is that the no one in the group knows how or if this is working.

7.3 That the recruited employees have suitable working- and protection wear. Is this working?

The group is agreed on that this is not working well, but they do not know about what routines that should be considered.

7.4 That the employees will follow the safety- and working instructions at DHL Express. Is this working?

The analysis of this question is that the group is close to agreed about this question, but they are not aware about what routines that should be considered.
7.5 That without delay, contact the recruitment company if any problem irregularities occurs with the hired employees. Is this working?

The group is not agreed about this question, some one is answering that it is working and someone else that it is not working and they are also not aware about what routines that should be considered.

7.6 That all recruited employees before an assignment at DHL have a valid ID, licenses and diplomas are checked, an extract from the register at the police, at least two references covering the last five years history of working and that all of the interruptions in this history has a good explanation. Is this working?

The entire group trusts the recruitment companies regarding this, but they do not know if these routines are working or not.

7.7 That the recruitment company should compensate DHL for losses caused by the hired employee’s carelessness or wrong performed work. This is valid for both DHL and the customers’ properties. Is this working?

The group does not know about what routines that should be considered and they have different opinions in this question. This question is a typical example of that the group are not sharing information and communication (facts) between them.

7.8 That if DHL are not satisfied with the performance or the behavior of the employee, DHL can demand that the employee leaves the work area. In this case the recruitment company is responsible to compensate with a new employee without delay. Is this working?

The group is agreed about this question, but they are not aware (in relation to the contract) what routines that should be considered.

8. DHL should according to the contracts be responsible for:

8.1 That he supplier will get a correct and detailed work description when a mission is ordered. Is this working?

The analysis of this question is that the group is agreed about that this routine works and that they have done this once. So, does it work today?

8.2 That the hired employees from the recruitment companies will get suitable instructions and directions. The hired employees will also get suitable controlled and overviewed during the mission. Is this working?

The group is agreed on that this is working, but they cannot say how it is working.
8.3 That the supplier will get the necessary information to give the hired employees a suitable introducing education before the mission at DHL starts i.e. general information about DHL, information about the mission and the specific work area. Is this working?

The half of the group thinks that it is not working and the other half of the group trusts the recruitment companies. The group is not aware of the routines that should be considered.

8.4 Give the hired employees a suitable introduction at the work area regarding the safety. Is this working?

The persons in the group have little and different information about this. The group is not aware of the routines.

8.5 Verify and sign the hired employees working reports and inform the recruitment company about any irregularities. Is this working?

The reports are usually done on the Internet, but all of the persons in the group are not clear about the routines that should be considered.

8.6 As early as possible contact the supplier about expected demand of hired employees during vacations, holidays and other peak-times. Is this working?

The persons in the group do not have the same information. Someone of the persons says that this is working and someone else says that it is not working.

9. The supplier will confirm the order from DHL with the information about the amount of ordered hours, price per hour or other pricing, multiplier, the length of the mission, the roll of the work and also if it is possible give the name of the employee that will perform the mission. Is this working?

This is working, but the group is not aware of the routines.

10. The pricing of the missions will be based on for the work area the current average profit situation, GFL. This is then multiplied with the contracted multiplier. The supplier will confirm the GFL when DHL orders a new mission. Is this working?

The group does not consider this. There is just one person that says that this should be OK, the others do not know what it is. The group does not have the right or same information.
11. All of the recruitment companies that DHL Express is working with have accepted some general service demands called GSK. These GSK’s are the recruitment companies assumed to live up to regarding the hiring of employees to DHL Express.

Below the GSK’s will be stated and a short comment from the different interviewed people will tell if the GSK’s are being followed or not.

11.1 It should be possible to adjust the invoicing period. Do the recruitment companies follow this?

The group does not have the same information and are not aware of the routines.

11.2 The reporting of the working times will be done the same week as the work was performed. It should when it is possible be done in DHL’s own time reporting system. The recruitment company is responsible to instruct the hired employee about how the time reporting system is used. Do the recruitment companies follow this?

The group does not have the same information and are not aware of the routines.

11.3 The recruitment company is responsible for the opening education of the hired employee before the mission starts. This is including information about DHL’s policies regarding alcohol and drugs. Do the recruitment companies follow this?

The group does not know if this is working. One person says that we trust the recruitment companies. This is a severe issue and it is all in the hands of the recruitment companies. The recruitment companies can control it how they want and like.

11.4 The recruitment company is responsible for that the hired employee has suitable working- and protection clothes e.g. forklift shoes. Do the recruitment companies follow this?

The group is agreed on that this is not working, but the persons in the group do not know about what routines to consider.

11.5 The recruitment company will have continuous contact with DHL. Do the recruitment companies follow this?

The group has the same opinion that this is working.

11.6 The recruitment company will be able to offer employees with forklift driving-license. Do the recruitment companies follow this?

The group does not know about this. Close to the entire group talks about what DHL will do even if this is the recruitment companies’ task.
11.7 The recruitment company will be able to offer a team/shift leader if this is requested from DHL. Do the recruitment companies follow this?

The group has the same opinion, but the routines are not clear. The group does not believe that the recruitment company can do this at all.

11.8 The recruitment company will make sure that the hired employee does not exist in the register of crime. Do the recruitment companies follow this?

The group does not know and they trust the recruitment companies. The group are not aware of what routines that should be considered.

11.9 The recruitment company will be responsible for costs that have been caused by carelessness of the hired employee. Do the recruitment companies follow this?

The group is not aware of the routines that should be considered and they are just telling about what DHL would do. The group does not have the right information.

5.7.2 Summary

The group does not have a well functioning flow of information and communication (facts) between them. They do not have the right information in relation to the contract composed by the Procurement department. This is in cause of that the group and the Procurement department at the head office in Stockholm does not have any existing flow of facts between them.

5.7.3 The Answers in Relation to the Theories

In figure 47 below the internal flow of information and communication is illustrated. The blue arrow is illustrating a bottleneck in the flow and the pink arrow is showing where it is positioned. The numbers at the operational level represents the employees at this level (fictive numbers). The letters at the tactical level (A-D) represents persons in the interviews.
In relation to the answers from the interviews, it is clear that there is one person that are still working in the old organization and therefore slowing down the internal flow of information and communication. That person is Person A in the figure and it is just that person’s facts that are passing through to the strategic level. This leads to that the employees at the tactical level all gets the same facts (fact A) as person A. The LOM at the strategic level does not get the whole system view and this is in cause of that the flow of information and communication at the tactical level are just in one direction. This one-direction of facts at the tactical level leads to that these employees become independent complex adaptive systems that do not share the facts between them.

In figure 48 below the old organization and the new organization is illustrated. In the old organization there were one manager of the warehouse and foremen in each shift. The new organization has two supervisors and two senior supervisors. In other words the tactical level is expanded along with the new organization.
The effect of not having good internal flow of facts between the employees is illustrated in figure 49 below. The complex adaptive systems are independent of each other and there is no sharing of the facts between them. Then the benefits of the whole system view will not be received.

According to the interviews the internal flow of information and communication is not functioning well.

If the flow of information and communication could get to function well it would affect the organization in the following way:
The effect of having good internal flow of facts between the employees is illustrated in figure 50 below. The complex adaptive systems are now dependent of each other and there is a well functioning sharing of facts between them. The benefits of the whole system view will be received.

![Diagram of complex adaptive systems]

Figure 50. The complex adaptive systems are dependent of each other

In the document “Inhyrd personal – Information om leverantörspanelen – Nordic Procurement 2007” there are some points that the recruitment company should be responsible for and there are also some points that DHL should be responsible for regarding the hired employees.

When the interviews were performed it was really clear that it was some points that did not work very well and some points were even unnecessary to have in the contract for DHL Express in Borås.

There was also some General Service Agreements (GSK) that the recruitment companies have accepted and are assumed to perform regarding the hired employees. These GSK’s had the same issue as the points of responsibilities, some of them did not work well and some of them were unnecessary.

The employees at the tactical level that are in contact with the recruitment companies in their daily work are being controlled by the recruitment companies. This is done as Person B explains in interview question 6, “Manpower provided hockey-tickets and cake. This gave them good contact with DHL Express and they have a good reputation”. The employees at the tactical level are not questioning the recruitment companies and one of the reasons can be the hockey-tickets and the cake.

The biggest and most important point received from the analysis of the interviews is that the interviewed people have different opinions about the routines and are unaware of some of them. In this issue the interviewed people, that also are the employees that are in contact with the recruitment companies in their daily work needs to have the same routines and information.
As mentioned in the chapter “Internal and external flow of information and communication” above the importance of first having a well functioning internal flow of facts and then the external flow of facts is crucial.

If the employees that are in contact with the recruitment companies in their daily work do not know all of the routines and do not have all of the essential information or the same information, it is close to impossible to work in a good and for DHL Express in Borås beneficial way with the recruitment companies.

5.8 The Flow of Facts Between the Parties in the Organization at DHL Express in Borås

The flow of facts (information and communication) between the parties in the organization at DHL Express in Borås is really important. It is important because if a good flow of facts exists between the parties in the organization the new routines and requirements could easier be spread out to all of the employees.

In this chapter the following topics will be treated:

- The flow of facts between the parties in the organization at DHL Express in Borås today
- The preferable flow of facts between the parties in the organization at DHL Express in Borås

5.8.1 The Flow of Facts Between the Parties in the Organization at DHL Express in Borås Today

In figure 51 below the four groups of circles with numbers from 1 to 8 within them at the operational level illustrates the employees at this level in the organization. Either a supervisor or a senior supervisor (circles with letters A-D) manages each one of these four groups. These groups could be seen as complex adaptive systems. All of them have important facts, but they do not share it. The complex adaptive systems are independent of each other. The flow of information and communication are just one way, from the supervisor or the senior supervisor to the group and not the other way around (as can be seen on the arrows in figure 51). This is in cause of that at the meetings the employees at the operational level are not sharing the important facts that they are possessing to the senior supervisors and the supervisors.

At the tactical level in the organization the important facts from the different complex adaptive systems should be shared, but it is not. There is no collaboration with facts between the supervisors and the senior supervisors. This leads to that the supervisors and the senior supervisors are acting themselves as complex adaptive systems. The complex adaptive systems are acting independent of each other and the relation of facts between them cannot be used.

At the strategic level in the organization this effect gets much more noticeable. The complex adaptive systems will not contribute to a whole system view and then the organization cannot use the advantages that the whole system view can bring.
The flow of information and communication through the organization at DHL Express in Borås will be decreased. A not so favorable flow of facts through the organization will be gained.

This will lead to that the strategic level at DHL Express in Borås will not have a good control over the complex adaptive systems and cannot affect them in a beneficial way.

![Diagram of organizational flow](image)

**Figure 51. A not so beneficial flow of facts through the organization**

### 5.8.2 The Preferable Flow of Facts Between The Parties in the Organization at DHL Express in Borås

In figure 52 below the preferable flow of facts between the parties in the organization at DHL Express in Borås is described.

In figure 52 below the four groups of circles with numbers from 1 to 8 within them at the operational level are still illustrating the employees (and complex adaptive systems) at this level as explained in figure 51 above.

The big difference is that the flow of information and communication are two-ways, from the supervisor or the senior supervisor to the group and the other way around (as can be seen on the arrows in figure 52). At the tactical level the complex adaptive systems (senior supervisors and supervisors illustrated by circles with letters from A-D) are sharing facts between them and then going from an independent status to a dependent. The relation of the facts between the complex adaptive systems can then be used.
At the strategic level the good collaboration between the complex adaptive systems and the relation of the facts leads to that the organization will have a good flow of facts and that the Local Operations Manager can gather all of the facts from the entire site at DHL Express in Borås and get the whole system view. The Local Operations Manager sees the whole system view and is also the person that can use this tool to affect and to have control over other complex adaptive systems.

This is the preferable status for the organization where all of the levels are collaborating with each other. There is a good smooth flow of information and communication (facts) through the entire organization. The relations between facts among all of the complex adaptive systems in the organization are working well both in the horizontal and the vertical way.

**Figure 52. The preferable collaboration between the parties in the organization at the local level**

### 5.9 Use the Employees to Get a Better Flow of Facts

The information and communication from the employees are really valuable. To be able to use the facts from the employees the organization also needs to see the employees at the operational level and not just the employees at the tactical level. Every employee needs to be considered as possessing facts not just the supervisors. Let the employees at the operational level forward. The management of the organization needs to understand that the facts comes from the operational level from the start, as can be seen in figure 53, the preferable collaboration between the parties in the organization above. To really be able to use the facts from the employees the organization needs to have well-organized meetings that needs to be set up and this will be explained more in the next chapter.
5.10 Meetings

To really be able to use the facts from the employees their needs need to be met. If this is not done some problems can occur. There could i.e. be frustration that is caused by lack of own responsibility, lack of making own decisions and lack of having the chance to affect. This is in relation to the quotation above.

The most important thing for a person is to know that she is needed. When a person in freedom may take responsibilities resources are released that otherwise are not available. A person that does not have information can not take responsibility. A person that has information can not avoid taking responsibility (Bergman & Klefsjö, 2001).

By implementing short meetings on a regular basis where all of the employees have the chance to be heard, the needs of the employees can be fulfilled and the frustration cured.

Today, there are meetings held, so it sounds that the flow of facts are working well through the organization, but that is not the case. First of all the employees at the operational level are not sharing facts with each other. Even if they were sharing facts the facts are not moving further to the strategic level. The senior supervisors and the supervisors are complex adaptive systems that are independent of each other. This will lead to that the LOM at the strategic level will not see a relation of facts between these complex adaptive systems. In this situation there is a bad flow of facts through the organization.

Below, the preferable flow of information and communications (facts) will be explained and is illustrated in figure 54.

At the operational level the preferable situation would have been if the four groups of employees (complex adaptive systems) would be managed so that they will act dependent of each other instead of independent and therefore a better flow of facts will appear in the organization. When an improved meeting is set up by the supervisors the important facts that the complex adaptive systems have can be shared. The complex adaptive systems turn from independent to dependent and by that they become a whole system.

At the tactical level, the complex adaptive systems (illustrated by the letters A-D) are the supervisors and the senior supervisors at DHL Express in Borås. When a meeting is set up by the LOM with the employees at the tactical level, the important facts that they have received from the employees at the operational level can be shared. When this is done the complex adaptive system turns from independent to dependent and by that they become a whole system.
The LOM will see the whole system and receive the relations between the facts from the complex adaptive systems through the entire organization.

The LOM can also state if the flow of information and communication through the organization is satisfying or not. When the meetings are being more frequently practiced and the organization more experienced to work like this, the flow of information and communication will be improved.

When having these meetings, as mentioned before the employees have the chance to be heard, the needs of the employees can be fulfilled and the frustration cured. The employees will feel more responsible over their jobs, they can be participating more in the decisions and they will have a bigger feeling of being able to affect.

DHL Express in Borås will get a better management of the organization. This is through better flow of facts internally and by that more exact facts will be available to forward to other parties externally, as suppliers and customers.

This concludes in that both DHL Express in Borås and the employees needs will be fulfilled with the help of these improved meetings.

Below the performance of the meeting will be explained in detail to get the best out of them.
5.10.1 How the Improved Meetings Should be Performed

Meetings at the operational level should be performed as follows:

At the operational level the employees should be gathered as usual for a meeting in the middle of the terminal. Then the “Newspaper game” should be played. This is to get a more open forum for the employees to speak in front of the others. The “Newspaper game” is played as follows:

A newspaper is rolled to become stick-shaped. All of the participants are gathering in a ring and a person to start the game is chosen. The person that starts the game will try to hit anyone else on the shoulder, but if that person says another person in the ring’s name quicker the person with the newspaper need to hit that person instead. Like this the game goes on until some one is not quick enough and then that person will be the hitter. It is guaranteed that there will be a more relaxed and open mood among the participants.

After the newspaper game have been played for some minutes, one or two employees will be chosen to tell something positive that someone else did yesterday. This is to make the employees to give each other compliments in front of the other employees and in that way increase the well-being and team-spirit in the group. These words will also create “Good-will” that the employees will bring back to the regular work from the meeting.

It is important that the positive feedback is talked about in front of all the employees and that the negative feedback needs to be talked about between the eyes of the involved employees.

Then a lap around the ring of employees should be performed where everyone should say something about the work. Everyone must say something and even if the employee in question does not have anything to say he or she should just say “I have nothing to say today”. Everyone must speak and this is because, if or when an employee really has something important to say he or she maybe does not dare to say it.

The goal with the meeting is to collect the information and communication from the employees. The employees could speak about what they are going to do today, if they have time during the day to assist someone else or if they need help during the day.

At the tactical level the same approach should be performed. The newspaper game is not necessary here in cause of that the employees belonging to the tactical level is not as many as at the operational level. The employees at the tactical level will then dare to talk in front of each other. Except for the game all of the other parts of the meeting should be performed.

5.11 The Employee Pool at DHL Express in Borås

In figure 55 below the process of how the employee pool at DHL Express in Borås will be evolved and more effectively used is shown. The employee pool at DHL Express in Borås should be used as much as possible. When there is a need for hiring employees when the
employee pool is i.e. not big enough DHL Express in Borås will have a much better control over the recruitment companies and the routines and requirements against them.

Figure 54. How the employee pool at DHL Express will be evolved and used more effectively

5.12 Model for Developing a Service

In figure 56 below (Bergman & Klefsjö, 2001) the developing process for a service is explained. In phase 2 the point of decision regarding culture and strategy is considered.

When the recruitment companies started their activities at DHL Express in Borås they did not follow the model.

This can be proofed as follows:

The culture and strategy for DHL can be described as good control of the organization, this according to that the company is strongly managed centrally. This is not the case with the routines and requirements with the recruitment companies where DHL Express in Borås does not have good control. The contracts are not being followed and the routines and requirements are not clear for everyone.

According to phase 2, the point of decision regarding culture and strategy, the internal communication and the understanding of the customer’s acting should be clear. Today it is not clear.

The recruitment companies are not following the strategy and culture of DHL Express in Borås and therefore the model has not been used. The way the recruitment company is working with DHL Express in Borås is not a pre-requisite for world-class services.
5.13 The Flow of Facts Between the Parties Externally at DHL Express in Borås

In this chapter the following areas will be treated:

- The flow of facts between the parties externally at DHL Express in Borås today
- The preferable flow of facts between the parties externally at DHL Express in Borås

5.13.1 The Flow of Facts Between the Parties Externally at DHL Express in Borås Today

In figure 57 below the flow of facts between the parties externally at DHL Express in Borås is illustrated.

The recruitment companies have a whole system view of their own organization. The complex adaptive systems in the organization (i.e. administration, sales etc.) are dependent of each other. There is a good flow of facts through the organization. The whole system view can be received by the contact person in figure 57 below.

DHL Express in Borås does not have a whole system view of the own organization. The complex adaptive systems (illustrated by the circles) are independent of each other. There is not a good flow of facts through the organization. The whole system view is not being received by the LOM in figure 57 below.

DHL Express in Borås is being attacked from two flanks from the recruitment companies and they do not have control of the situation.
5.13.2 The Preferable Flow of Facts Between The parties Externally at DHL Express in Borås

In figure 58 below the preferable flow of facts between the parties externally at DHL Express in Borås is illustrated.

DHL Express in Borås has a whole system view of the own organization. The complex adaptive systems (illustrated by the white circles) are dependent of each other. There is a good flow of facts through the organization. The whole system view can be received by the LOM in figure 58 below.

DHL Express in Borås can then use the powerful tool that the whole system view brings.

The two recruitment companies are now instead two complex adaptive systems that are independent of each other and could therefore be controlled by the whole system (DHL Express in Borås). There is no good flow of facts between them. The whole system view is not being received by the contact person in figure 58 below.

The two recruitment companies are now controlled through a scheme that is placed out by DHL Express in Borås and before they will reach to DHL Express in Borås they also need to compete with each other first.
Figure 57. The preferable flow of facts between the parties externally at DHL Express in Borås

The scheme is a mix between Game theory and Prisoners’ dilemma where the recruitment companies are played out against each other and the fact that the recruitment companies are enemies and independent complex adaptive systems. In relation to the chapter “Experiences from the STARK-dagen at Högskolan in Borås” the recruitment companies want the students’ (in this case DHL Express in Borås) attention, but they also want to give the other recruitment companies a hard time.

These factors together with that DHL Express in Borås have a whole system view with a well functioning flow of facts through the organization will lead to the preferable scenario as is illustrated in figure 58 above.
6. How DHL Express in Borås can Work Better with the Recruitment Companies

In this chapter the following topics will be treated:

How DHL Express in Borås can work better with the recruitment companies-
- at the site
- externally

6.1 At the Site

Today DHL Express in Borås is at the site working according to figure 59 below. The flow of facts through the organization are not well functioning. The Local Operations Manager will not have a whole system view of the entire site at DHL Express in Borås.

Figure 58. How DHL Express in Borås works at the site
In figure 60 below the way DHL Express in Borås should work at the site is illustrated. The flow through the organization are then functioning well and the Local Operations Manager will receive a whole system view of the entire site at DHL Express in Borås.

![Image of a diagram](image_url)

**Figure 59. How DHL Express in Borås can work at the site**

### 6.2 Externally

Today DHL Express in Borås is externally working according to figure 61 below. The flow of facts through the organization are not well functioning. Person A, B, C and D have no collaboration between themselves at the tactical level and they do not have the same information or follow the same routines. The routines, requirements and information regarding the recruitment companies are available but they are at an overview level, so they are not so much useful in the daily work at the site in Borås. This leads to that everyone is not following them. This is the only way that DHL Express in Borås has contact with the recruitment companies. There is no collaboration with the Procurement department at the headquarters, this is according to person A in question 3 in the interviews regarding the contact with the Procurement department, “We never have contact with each other”. The Procurement department is illustrated by the Nordic Strategic Buyer in figure 61 below and the dashed arrow symbolizes the lack of flow of facts from the terminal in Borås in cause of the bad collaboration at the tactical level. The facts stay at the tactical level and will not come to the strategic level where it is so useful. The recruitment companies can now attack DHL Express in Borås at two flanks.
The situation for DHL Express in Borås is locked. Regarding to the interviews, question 6 Person B the recruitment companies make the employees at the tactical level feel satisfied; “Manpower provided hockey-tickets and cake”.

It has happened that the Key Account Managers for the recruitment companies have made contact with DHL Express at the site level and signed exclusive contracts. This is not the way that DHL Express is working and the Procurement department became ware of the contracts long time afterwards. This shows that the recruitment companies are smart and that DHL Express is in big need for more control over them.

The flow of information and communication (facts) between the Procurement department at the headquarters and the Key Account Managers, that is the correspondence to the Nordic Strategic Buyer at DHL Express at the recruitment companies and to the recruitment companies at a local level are double directed. DHL Express has here a good channel that could be used in a more beneficial way.

In figure 62 below the way DHL Express in Borås should work externally is illustrated. The flow through the organization are then functioning well. Person A, B, C, and D are collaborating with each other at the tactical level. They are working after the same routines and having the same information. This leads to that they are only collaborating with the recruitment companies in a consolidated way as one unit. This leads to that the recruitment
companies need to struggle with each other before they can reach to DHL Express in Borås. The routines and requirements should be made more in detail so that the employees at the site at DHL Express in Borås can use and follow them. This will also help the collaboration at the tactical level so that the employees at this level will act as one unit in the daily work with the recruitment companies (N1 in figure 62 below).

When the collaboration at the tactical level are functioning well the Local Operations Manager at the strategic level will receive more information from the organization. In fact the Local Operations Manager will collect all of the facts from all of the employees within the entire site at DHL Express in Borås, no important facts will be lost. When the Local Operations Manager have these facts and a whole system view of the site, the collaboration with the Procurement department could be enhanced.

The collaboration with facts through DHL Express in Borås will be improved by filtering the facts between the different levels, which will lead to that only the important and useful facts will be passed forward to the next level.

The good channels with the recruitment companies should be used in a more beneficial way. The flow of facts between the Procurement department at DHL Express, the Key Account Managers for the recruitment companies and the recruitment companies at a local level will be made close to only in one direction. This is illustrated in figure 62 below and this is a way for DHL Express to get more control of the situation and when the internal flow of facts are functioning well this is possible. The one direction flow of facts becomes input for the recruitment companies and consists mostly of requirements from DHL Express in Borås.

The improved collaboration between DHL Express in Borås and the Procurement department at the headquarters will gain a better negotiation advantage against the recruitment companies. DHL Express in Borås will take advantage of the way the Procurement department is working with centrally placed purchases and agreements that will force the recruitment companies to collaborate on DHL Express’ conditions.

New routines and requirements against the recruitment companies will be handled through the Procurement department at the headquarters. DHL Express in Borås will then provide the Procurement department with the requirements and routines that is wanted at the site in Borås.

The Procurement department at the headquarters will then pressure the recruitment companies to accept these requirements and routines. This could be done in three ways. The first way is through going directly to the recruitment companies at the local level (N1 in figure 62 below).

The second approach is when the Procurement department is doing the same as the recruitment company did when they were trying to sign an exclusive contract with a terminal. The Procurement department at the strategic level will go to the recruitment companies at a local level.

The third way is to go through the Key Account Managers for the recruitment companies (N3 in figure 62 below). The second approach and the third are more powerful to use and
especially the third approach. When the same requirements and routines that in the future is wanted by many terminals at DHL Express, this is the best way. Then the requirements and routines that is wanted by many terminals will be consolidated and negotiated to the Key Account Managers and that is the way that the Procurement department at the headquarters want to work.

DHL Express in Borås will use they way through the Procurement department at the headquarters when it is the most beneficial in relation to the issue and use the employees at the tactical level when that is the most beneficial related to the situation.

![Figure 61. How DHL Express in Borås can work externally](image)

Regarding the flow of facts through the organization, when DHL Express in Borås is working like illustrated in figure 62 above the operational- and the tactical level can take more responsibility and meet the strategic level at the half way. Before the strategic level worked in one direction to try to reach out with the facts to all of the employees in the organization at the site in Borås.

When this approach is used by the terminals at site level the Procurement department at the headquarters do not need to have that many face-to-face meetings with the Local Operations Managers to receive the same good collaboration as i.e. the Benelux countries. This is done through letting the terminals be more responsible of the flow of facts through the organization at site level and by that meet the Procurement department with the facts at the half way.
In other words the more terminals this approach is implemented on the better control DHL Express and the Procurement department will have of the recruitment companies and the terminals at site level in Sweden.

When the employees at the tactical level are working as one unit and all of them are aware of the requirements, routines and information, the recruitment companies cannot control them through hockey-tickets and cake. Even if the recruitment companies will try this, it will not affect the employees at the tactical level to not questioning or not be in control of the recruitment companies.
7. Implementation

The implementation of the best way of how DHL Express in Borås should work with the recruitment companies can be explained as a “package”. This package consists of, firstly an improvement of the flow of facts at the terminal at site level. This will fulfill the internal collaboration between the operational- and the tactical level and give the Local Operations Manager at the strategic level a whole system view. Second, the collaboration at the strategic level will be improved and new requirements and routines will be stated with the help of the employees at the site, but then fulfilled against the recruitment companies with the help of the Procurement department at the headquarters.

DHL Express in Borås will be used to see if the “package” will work and then could the package be applied on other terminals in Sweden.

7.1 The Improvement of Flow of Facts at the Terminal in Borås at Site Level

Meetings were held with the employees at the tactical level to improve the flow of facts at the terminal at site level. Lean was introduced during these meetings and the employees liked the concept and wanted to work further with it. There were very interesting discussions and new ideas from the employees and it was really clear that there was a will to improve the flow of facts at the terminal in Borås. How DHL Express in Borås should work at the terminal was stated as can be seen in figure 60 above.

7.2 The Improvement of Flow of Facts With the Procurement Department at the Head Office

Discussions were held with the Procurement department at the head office to improve the flow of facts at the strategic level between them and the terminal in Borås. The Procurement department was interested in improving the flow of facts between them and the terminal in Borås and the, in this report proposed suggestion how it should be done was presented. The constraints and possibilities were discussed, both regarding the flow of facts between the Procurement department and the terminal in Borås and also between the Procurement department and the recruitment companies. Then the way DHL Express in Borås should work with the recruitment companies was stated as can be seen in figure 62 above.
7.3 The Next Step

The employees at the operational and the tactical level should be provided with the contracts and routines that are valid today. Then the points in the contracts and routines should be complemented with appendix files that fulfill the gap between the points stated by the Procurement department and the local requirements and routines.

When these routines and requirements have been stated they should be handled over to the Procurement department. After negotiations regarding the routines and requirements the Procurement department should contact the recruitment companies to accept the new stated routines and requirements.
8. Discussion and comments

In this chapter the following areas will be treated:

• The Theories
• The Methods
• The Result
• Comments about DHL Express in Borås
• Control
• Further Work

8.1 The Theories

The theories were important along with the thesis work. Three theories were used and it was some of them that were used more then the others, but the most important was that they complemented each other in a very beneficial way. The theories helped a lot during the thesis work to solve many of the problems that were run into during the empirical work. In the end I am very satisfied with the choice of these three theories.

8.2 The Methods

The methods that were used were four. They were all of them very useful. The photos were not so many, but they were a really good way to document the existing situation of the working place and a very trustful method. The conversations with people were continuing constantly during the entire thesis work and therefore the result from them are not as concrete as the photos, but also very useful for the thesis work. The interviews became something like the core of empirical work in the report. From the interviews a lot of useful information was received, not just regarding the interview questions, but also about other important issues that gave a perfect overview of DHL Express in Borås. The contract or the document where all of the requirements and routines were pointed down was received in the beginning of the thesis work and it was extremely useful and also what I based the interviews upon. In the end I am very satisfied about the methods and again when all of the methods were used at the same time the best result was received. The thesis work could not have been performed without any of the methods.
8.3 The Result
For myself the thesis work was a half of a year long travel through the fantastic company named DHL. All that I have learned and have been through are a very big result in itself. The motivation and the attitude were in the beginning set to be really forward and initiative-taking. When I made my abroad practice in Germany during my Mechanical Engineering education I learned that it is important to be forward and initiative-taking and that gave me a very good result. When I started my thesis work I said to myself to go up a level and be even more forward and initiative-taking. I did this and some people might have experienced me as little impatience and annoying, but there were never my meaning to offence anyone. In the end I am really satisfied about the result and that the result was appreciated at both DHL Express in Borås and at the Procurement department at the Head Office in Bergshamra in Stockholm.

8.4 Comments about DHL Express in Borås
At DHL Express in Borås there is a harmonic and friendly atmosphere. The people at the different departments are polite and forward. For myself this was thankful and my work with my master thesis could then flow smoothly. Even if I bothered the employees at the entire DHL Express in Borås with discussions, interviews and thousands of questions, there were never any problems.

8.5 Control
The recruitment companies’ advance is a current topic for our society. This topic is not so much discussed but it is common that many companies and industries are working a lot with hired employees to their businesses. The companies and industries trust the recruitment companies. This leads to that it becomes more and more important to have better control of the own company or industry in relation to the recruitment companies.

8.6 Further Work
The “best way-package” that DHL Express should use when working with the recruitment companies could be a project work for an employee to perform at all DHL Express’ terminals in Sweden. The more terminals this “best way-package” is implemented on the better control DHL Express and the Procurement department will have of the terminals at site level in Sweden.

The tasks for that employee that takes on this project will be to educate the employees at the site level in the terminals in Lean and then together with them come up with more exact requirements and routines of how the contracts with the recruitment companies for their terminal should look like.

The most important is that DHL Express will not loose this opportunity to really get more control of themselves.
9. References

In this chapter the references for the report are being presented.

9.1 Books


9.2 Theories

Complexity Theories by Murray Gell-Mann

Game Theory by John Forbes Nash

Lean

9.3 Internet


9.4 Personal
Larsson, Jonas. (2007-12-10). Teacher, Högskolan in Borås.

9.5 Other
The document “Inhyrd personal – Information om leverantörspanelen – Nordic Procurement 2007”.
The Lean game. (2008-02-10). Revere.
Appendix 1 - Interviews

There were four employees interviewed regarding the contracts and routines against the recruitment companies. These four employees are the ones that are in contact with the recruitment companies in their daily work.

In the compendium there are three lists that categorize the recruitment companies with the lowest multiplier first. A smaller multiplier is related to a lower price. The lists are divided in relation to the different areas of employments. There is first one list for employed under a collective wage agreement and then one for white-collar worker and the last one is a list for each-pricing. The recruitment companies in the top of the list have the cheapest price and should then be chosen firstly.

1. Why is Manpower being used so frequently when they are situated in the bottom of the lists?

Person A:
- The employees are hired with base of central agreements. Other recruitment companies might work well in Stockholm, but not locally here in Borås. Here in Borås Manpower are working really well. Why use a cheaper recruitment company when we have such a good relation with our supplier today?

Person B:
- We are depended of quality and to get to know the recruitment companies. I am just using Manpower as a supplier. Academic work is situated in Göteborg, they are often busy and a lot of the employers are from Göteborg and needs to travel to Borås. The employees from Academic work needs to be educated more e.g. to drive the fork lift effectively, routines etc. The price is never even considered when hiring employees from the recruitment companies.

Lyftet, a recruitment company at fourth place in the list was used once. This was because DHL Express in Göteborg has good experience from this supplier and DHL Express in Borås tried to hire an employee from this supplier. It did not work out well and this because DHL Express in Borås was really unsatisfied with the work that the employee performed. Since then Lyftet has not been used as a supplier.

Person C:
- We are not considering this. It is a central agreement. We have had a lot of recruitment companies before and now we are using Manpower a lot as supplier.
Person D:
- Information has been received from Person X that Manpower should be used as supplier.

2. Why are you not using the first (or one of the first) companies in the list as supplier for the different areas?

Person A:
- Other recruitment companies as Adecco have been used before. They had a lot of problem to deliver a high quality of their product. The invoices were often wrong and when the hired employees never showed up, neither the recruitment company nor the employee called.

Person B:
- I do not know.

Person C:
- I do not know.

Person D:
- I do not know.

Just the mentioned recruitment companies in the lists should be used and otherwise the Procurement department should give a confirmation before another supplier is considered.

3. How does the collaboration with Procurement work in reality?

Person A:
- We never have contact with each other. Sometimes the Procurement department comes with suggestions. Once there was a shift of the forklifts brand that was planned. I really disagreed with that because our forklift brand works really well. We also have a very good service of our forklifts at a local level through a service technician that knows our brand perfectly. The procurement department is making decisions that affect the local terminals in a bad way. That is because they are not considering the local situation.

Once the engines for the gates should be changed and a price of the engines was given from a central purchase (assumed with discount). Then after some phone calls at a local store the same engine was bought to a much lower price then the central purchased one.

Person B:
- I have no contact.

Person C:
- I have no contact against Stockholm.

Person D:
- I am working against Person X and then directly out to Manpower and Academic work.
The salary that the recruitment company should give to the recruited employee should be an average of the salary that the other employees in the same comparable working group at DHL Express in Borås has. This salary is called GFL (Average Salary). In this salary other bonuses etc. should be added.

4. How is this GFL working and what bonuses are given to the employees?

Person A:
- There are no bonuses at DHL Express in Borås. The recruitment companies should follow the contract from the union with the exact same salary for recruited employees as regular employees.

Person B:
- There is a negotiation once a year about the salaries. Experience compensation is given to the employees after they have worked two, four, six and eight years at DHL Express. After eight years the employee has the highest salary.

Person C:
- Everyone that works at DHL Express has the same salary except for the experience compensation. The experience compensation is after two, four, six and eight years.

Person D:
- There is forklift compensation, preemie compensation. All of the employees that are working at DHL Express in Borås have the same.

A comparable working group is all of the employees that have the same tasks at DHL Express regardless of the working experience. This needs to be done at a local level.

5. How is the comparable working groups put together at DHL Express?

Person A:
- The employees are not divided in to these groups. There should be no difference between the tasks. If I want to move an employee from the Swednet department to the Exact department it should be possible.

Person B:
- There are no different comparable working groups at DHL Express, but there is a difference between the employees that are working at the terminal at DHL Express. That different is that the employees who work at the Swednet department are often older and the employees who are working at the Exact department are often younger.

Person C:
- They do not exist.

Person D:
- At the Exact department there are no comparable working groups. The employees are shifting tasks with each other on a rolling schedule.
The contracted multipliers should be applied at the current GFL. Procurement should be contacted regarding more detailed information about the current multiplier per supplier.

6. Is this considered when contacting the recruitment companies?

Person A:
- This is not considered.
Person B:
- This is not considered. Manpower provided hockey-tickets and cake. This gave them good contact with DHL Express and they have a good reputation.

Person C:
- This is not considered.

Person D:
- This is not considered.

7. The supplier (the recruitment company) should according to the contracts be responsible for:

7.1 That all personal are fulfilling the GSK (General Service Demands) along with other agreed demands. Is this working?

Person A:
- It is working OK, but it is an agreement. If I want I forklift driver at 15 and the recruitment company can provide one at 16 it is not so good.

Person B:
- We trust the recruitment company and hopefully it is working.

Person C:
- I have never heard about the GSK.

Person D:
- I have never heard about GSK. We trust the recruitment companies.

7.2 That the recruited employees get an appropriate introduction before coming to DHL Express. Is this working?

Person A:
- This is not working well. I have had an introduction myself for the employees from Academic work on one and a half hour.

Person B:
- We trust the recruitment companies on this point.

Person C:
- It is not working.
Person D:
- The employees from the recruitment companies know that it is terminal work that should be performed.

7.3 That the recruited employees have suitable working- and protection wear. Is this working?

Person A:
- It works, but sometimes the employees do not have suitable working- and protection wear.

Person B:
- The employees have bad suitable working- and protection wear sometimes.

Person C:
- The employees use to have protected shoes the most of the times. Suitable clothes and gloves are they missing.

Person D:
- The employees from the recruitment companies have bad suitable working- and protection wear. They are careless about the protected shoes. Employees have come to DHL Express in sandals. The recruitment companies are aware of that the employees must wear protected shoes to be able to be inside the terminal.

7.4 That the employees will follow the safety- and working instructions at DHL Express. Is this working?

Person A:
- The recruitment companies were about to get orders about the rules. It is very doubtful that the recruitment companies are following all of the safety- and working instructions. Both DHL and the recruitment companies can have failed about this.

Person B:
- We trust the recruitment companies about this issue.

Person C:
- This is not working.

Person D:
- The employees know very little about these issues. They learn when they come to DHL Express.

7.5 That without delay, contact the recruitment company if any problem irregularities occurs with the hired employees. Is this working?

Person A:
- Does not work. It is DHL that usually contacts the recruitment company.

Person B:
- We trust the recruitment company.
7.6 That all recruited employees before an assignment at DHL have a valid ID, licenses and diplomas are checked, an extract from the register at the police, at least two references covering the last five years history of working and that all of the interruptions in this history has a good explanation. Is this working?

Person A: 
- We trust the recruitment company at this issue.

Person B: 
- We trust the recruitment company at this issue.

Person C: 
- I do not know. We trust the recruitment companies.

Person D: 
- We trust the recruitment company at this issue.

7.7 That the recruitment company should compensate DHL for losses caused by the hired employee’s carelessness or wrong performed work. This is valid for both DHL and the customers’ properties. Is this working?

Person A: 
- It has never happened such a situation.

Person B: 
- DHL has an insurance that covers damages.

Person C: 
- We will just tell them that they did wrong and the next day we will call the recruitment company and tell them that we do not want that employee back here at DHL Express.

Person D: 
- We will tell that employee what if that was your package and then we also tries to set a good example with the permanent employees. We want to give everyone a chance and if they do not take it they will not get any working hours.
7.8 That if DHL are not satisfied with the performance or the behavior of the employee, DHL can demand that the employee leaves the work area. In this case the recruitment company is responsible to compensate with a new employee without delay. Is this working?

Person A:
- DHL has made complaints about some employees. We let them stay the day out, but we will not let them come back again.

Person B:
- This is working. We use to give all of the employees some time.

Person C:
- We will call the recruitment company and tell them that we do not want this employee back here at DHL Express again. I use to tip the employees that are performing well to quickly log on to set up more working times, so that they will get the working times instead of some one else that maybe are not as good.

Person D:
- We keep the employee the rest of the day, but the next day we call the recruitment company and tell them that we do not want that employee back.

8. DHL should according to the contracts be responsible for:

8.1 That he supplier will get a correct and detailed work description when a mission is ordered. Is this working?

Person A:
- We have gone through the situation with the recruitment companies once.

Person B:
- This works.

Person C:
- Yes.

Person D:
- Yes, this works. The recruitment companies Manpower and Academic work have been here once and seen the work area.

8.2 That the hired employees from the recruitment companies will get suitable instructions and directions. The hired employees will also get suitable controlled and overviewed during the mission. Is this working?

Person A:
- Yes.
Person B:
- Yes.

Person C:
- Yes.

Person D:
- Yes.

8.3 That the supplier will get the necessary information to give the hired employees a suitable introducing education before the mission at DHL starts i.e. general information about DHL, information about the mission and the specific work area. Is this working?

Person A:
- That was performed for a while but we do not know if it is done.

Person B:
- We have worked for a long time with Manpower and Academic work and they know what DHL wants.

Person C:
- It is not working.

Person D:
- It is not working.

8.4 Give the hired employees a suitable introduction at the work area regarding the safety. Is this working?

Person A:
- Is doubtfully working.

Person B:
- An introduction about eye-showers, forklift shoes, first-aid-kit is given.

Person C:
- Information is given related to the forklift e.g. not drive with the arms outside the forklift.

Person D:
- Person X has given some information about the routines of safety to the new employees from the recruitment companies when they arrived to DHL Express before, but it is not considered any more. There is some information on the walls at DHL Express.
8.5 Verify and sign the hired employees working reports and inform the recruitment company about any irregularities. Is this working?

Person A:
- The employees from the recruitment companies are reporting their working times at Internet. It should be idiot-proof according to the recruitment companies, but it is not, because there is a paper version as well. This means that the employee could report double if that is wanted.

Person B:
- Is done through Internet.

Person C:
- Is done through Internet. I also have a log about the time reports in my computer.

Person D:
- Person X has control over this.

8.6 As early as possible contact the supplier about expected demand of hired employees during vacations, holidays and other peak-times. Is this working?

Person A:
- Yes, we are trying, but it is hard. Before the summer we do this.

Person B:
- We do not do this. It is hard to forecast.

Person C:
- We do not have this.

Person D:
- Manpower and Academic work knows about the big peak-times, so that synchronization can be done.

9. The supplier will confirm the order from DHL with the information about the amount of ordered hours, price per hour or other pricing, multiplier, the length of the mission, the roll of the work and also if it is possible give the name of the employee that will perform the mission. Is this working?

Person A:
- We know who will come.

Person B:
- When a new employee arrives they will be introduced with a short presentation.

Person C:
- I can log on to Manpower’s portal on the Internet and see the name of the employees and on what times they will work.
Person D:
- Not to me, but to Person X.

10. The pricing of the missions will be based on for the work area the current average profit situation, GFL. This is then multiplied with the contracted multiplier. The supplier will confirm the GFL when DHL orders a new mission. Is this working?

Person A:
- It should be OK.

Person B:
- Did not know about this.

Person C:
- I do not consider this. I just report to Person X and Person Y. It is up to them to think about GFL.

Person D:
- Is not used.

11. All of the recruitment companies that DHL Express is working with have accepted some general service demands called GSK. These GSK’s are the recruitment companies assumed to live up to regarding the hiring of employees to DHL Express. Below the GSK’s will be stated and a short comment from the different interviewed people will tell if the GSK’s are being followed or not.

11.1 It should be possible to adjust the invoicing period. Do the recruitment companies follow this?

Person A:
- Yes, but all of the hired employees are not reporting in the right time, so we had some problems.

Person B:
- Well.

Person C:
- I do not know.

Person D:
- Person X takes care of this.
11.2 The reporting of the working times will be done the same week as the work was performed. It should when it is possible be done in DHL’s own time reporting system. The recruitment company is responsible to instruct the hired employee about how the time reporting system is used. Do the recruitment companies follow this?

Person A:
- From the 1\textsuperscript{st} of March everyone will report in DHL’s time reporting system. DHL will take care of the instruction.

Person B:
- Before it worked really badly, but Person X is accurate about controlling this and we are writing in our log.

Person C:
- I do not know. Some employees are very late to report their times.

Person D:
- It works well.

11.3 The recruitment company is responsible for the opening education of the hired employee before the mission starts. This is including information about DHL’s policies regarding alcohol and drugs. Do the recruitment companies follow this?

Person A:
- I do not know.

Person B:
- I do not know.

Person C:
- I do not know.

Person D:
- They should follow this and we trust the recruitment companies.

11.4 The recruitment company is responsible for that the hired employee has suitable working- and protection clothes e.g. forklift shoes. Do the recruitment companies follow this?

Person A:
- It usually works, but sometimes the employees do not have the right clothes.

Person B:
- Sometimes they do not.

Person C:
- Forklift shoes are used the most of the time. The employees do not have suitable clothes.
Person D:
- Bad clothing and the employees are careless about the forklift shoes.

11.5 The recruitment company will have continuous contact with DHL. Do the recruitment companies follow this?

Person A:
- Yes.

Person B:
- Yes.

Person C:
- Yes.

Person D:
- Yes.

11.6 The recruitment company will be able to offer employees with forklift driving license. Do the recruitment companies follow this?

Person A:
- It works sometimes, but it is rare.

Person B:
- Temporary forklift licenses can be given from Person X after a short education.

Person C:
- Temporary forklift licenses can be given from Person X after a short education.

Person D:
- Temporary forklift licenses can be given from Person X after a short education.

11.7 The recruitment company will be able to offer a team/shift leader if this is requested from DHL. Do the recruitment companies follow this?

Person A:
- It is not possible. DHL is too complex.

Person B:
- I do not think that is possible.

Person C:
- Does not work. I do not think it is possible.

Person D:
- This should hardly work out.
11.8 The recruitment company will make sure that the hired employee does not exist in the register of crime. Do the recruitment companies follow this?

Person A:
- We think so.

Person B:
- We trust the recruitment companies.

Person C:
- I do not know.

Person D:
- We trust the recruitment companies.

11.9 The recruitment company will be responsible for costs that have been caused by carelessness of the hired employee. Do the recruitment companies follow this?

Person A:
- This has never happened.

Person B:
- DHL is insured.

Person C:
- We will make it so that employee will not get any more working times.

Person D:
- We use to tell them once and then the employees listen.