



# The Maltese Business Story

An ongoing initiative originated by MEA-SME Helpdesk

# Introduction

This intro can be viewed, by clicking [here](#).

“

*This project is a Malta Employers' Association initiative in the form of a characteristic Maltese family business story written in the Maltese language.*

*This story involves an array of situations with which a Maltese family business is likely to come across. It also delves into the way in which these issues are and should be tackled.*

*In just under 4000 words, this story incorporates 91 business topics, each hyperlinked to their respective "MEA" TV programme.*

*During the four years of the MEA TV series, more than 300 business experts shared their insight and knowledge to an audience of at least 20,000 people a week, or 50% of all registered SMEs in Malta. Along with our youtube channel, it is estimated that these programmes had over 2,000,000 views.*

*In total, this project includes over 2,300 minutes of visual material aimed at helping business owners tackle problems at the place of work with further tips on how and when it is best to act.*

*This idea can be easily replicated elsewhere in Europe. In fact, it is the intention of the Malta Employers' Association to translate the project to other European languages in the near future.*

*The Maltese business story is a unique way of promoting the entrepreneurial spirit through a concise and sequential rendition of a hypothetical family business with very real work place situations.*

*This project is an innovative experienced which must not to be missed !*

”

## The Maltese Business Story along with 91 TV programmes on related subjects



**Joseph Farrugia – Director General, MEA**

“The Malta Employers’ Association has been producing television programmes by the name of MEA for the past four years. The programmes were transmitted on the Maltese national TV stations TVM and TVM2. According to the latest research issued by the Broadcasting Authority, the programmes have a viewership of around 20,000 every week.”



**Anton Vella – SME Helpdesk Executive, MEA**

“Therefore, on initiative of the SME Helpdesk, an online project was created in the form of a typical Maltese business story. The business story facilitates the access to the TV programmes whilst providing a clear sequential picture of what one expects to encounter when running a business.”



**Charlotte Camilleri – Executive in EU & Legal Affairs, MEA**

“A total of 91 television programmes were incorporated in this story each pertaining to particular issues which may occur during the life of a business. Through these same programmes, the MEA is forwarding both legal advice and other information which si deemed to be necessary during the operations of any business.”



**Dorianne Azzopardi Cilia – Administrative Secretary, MEA**

“Over 300 experts participated during the 2,300 minutes of information available in the TV programmes.”



**Kristina Mifsud - Research Executive - Economic & Social Affairs, MEA**

“When reading through the story, one can find a number of hyperlinks which will take you to the relevant television programme. The TV programmes contain all the information relevant to the subject pertaining to the hyperlink selected in the story.”



**Dolores Sammut Bonnici – MEA President**

“I thank you all for for taking the time to check out this business story project and I hope that you find this experience to be beneficial in your business endeavours. Through this initiative, the Malta Employers Association is once again in the forefront of educating business owners in the aim of sustaining a stable and productive industry.”

# The business story

Ġanni, along with his daughter Katrina, decided that it was time to act upon their dream of opening a [family business](#). It was Katrina's entrepreneurial spirit and optimism that gave her father the courage he needed to start thinking seriously about becoming a business owner. Nowadays, our country boasts an excellent [entrepreneurial spirit within our youth](#), leading the way to a prosperous business sector in the future.

Katrina made sure to research about the rules and content of the new [family business act](#). She was quick to find the information she required, however, this is rarely the case with persons searching for information about how to start a business. Unfortunately, in Malta, a high level of [bureaucracy](#) still exists in the processes required to open up a new business, so much so that it may discourage many from pursuing their business aspirations further.

After a few weeks Ġanni and Katrina managed to set up their business. From very early on, the business was showing a lot of promise and it only took a few months for them to feel the need of employing persons to help them in their daily business activities. Before making the decision to engage other people, they thought about the step they were about to make and [what employing an individual entails](#), so as to be prepared for this new business scenario and issues that might arise from it.

They first employed students to their business through the [apprenticeship](#) scheme offered by both Jobsplus and also MCAST. Although these schemes helped them to find temporary help, they still felt the need of employing individuals which are ideal to the task and which would help them on a permanent basis. Katrina suggested that they should open calls for [job interviews](#) for their required posts.

Ġanni and Katrina held a number of interviews with people which were on the [ETC](#)<sup>1</sup> register. The ETC register contains the employees' qualifications and their experience,

---

<sup>1</sup> Since the airing of the TV programme in 2014, the ETC has changed its name to Jobsplus. Therefore, we are sorry if any information given during the TV programme does not apply for the situation of today.

which it then matches to the posts for which those qualities are sufficient. However, many of those interviews seemed unprepared and although Ġanni and Katrina had never been responsible for the recruiting process before, they felt that none of the candidates who applied so far were the right fit for their company. They decided to give it another shot and open another call for employees. During this second attempt, they encountered problems of a different nature. These candidates had very valuable and vast experience in the field, but they lacked adequate [accreditation for informal education](#).

This sheds light on today's employment situation, which isn't being addressed properly. There needs to be an [employability index](#) which makes sure that there are enough people pursuing careers in sectors which are developing and increasing job opportunities.

The recruitment process turned out not to be such an easy task. In fact, they did not find enough good candidates for the job from Malta which pushed them to try employing [foreign workers from EU member states](#) or even from [third world countries](#). This option was left as a last resort since the process for employing foreign workers, especially those from third world countries, is known to be an abnormally lengthy process in Malta. Our economy would benefit from making the employment of foreign workers a less burdensome task, especially in the current full employment scenario in our country.

After a scheduled meeting with their accountant, Ġanni and Katrina stopped for break in their staff kitchen. Ġanni was always baffled by the bureaucracy required in owning a business and explained how in the good old days certain processes were not required and how he did not need a formal qualification to get into his field of work. Katrina explained that [early school leaving](#) nowadays can be very damaging to a person's chances of finding a good job. It is also probable that early school leavers have lack of [financial literacy](#) leading them to make financial commitments which they aren't capable of honouring. In fact, a good number of the current social problems would have been avoided had more youngsters pursued further education or training. A lack in education and social ethics leads to social exclusion and damaged self-pride. If not acted upon, lack of education and training could end up leading to a person living in poverty or in less than ideal situations.

Ġanni was very proud of his daughter Katrina. She was always a determined individual with a very good sense of direction in her career. After completing a course at the [University of Malta](#), she managed to get some valuable work experience and was now such a fundamental part of the success of this business journey they have embarked on. However, she never stopped learning new things and acquiring new skills, since it is important to never think that you don't need further education. [Work and education](#) are linked together and one cannot go without the other.

Nowadays, the opportunities to develop educational skills and other abilities have never been so widespread and large in number. These include [ERASMUS+](#) and various courses related to the improvement of E-skills. There are also important courses dedicated to nurturing [innovation](#) such as the [Young Enterprise](#) project which is organised yearly to engage a number of young people to develop a profitable and innovative product.

Despite all efforts and available opportunities to engage people in the education process, there is still about 10% of the Maltese population which are in the [NEETS](#) (Not in Education, Employment or Training) category. Thus, more needs to be done in attracting those in this category to start an activity which will lead to stable employment in the future.

Meanwhile Ġanni and Katrina's business continued to flourish. With increased economic activity, came increased responsibility and circumstances which needed individual attention. A number of employees, some family members and others, were employed in a short time in the business. Due to the fast pace of these recruitments, there were some cases in which no [contracts of employments](#) were drawn up. There was the need, therefore, to take care of making a contract of employment to every employee to avoid any legal ramifications. Katrina suggested that they contact the [Malta Employers' Association](#), which can guide them in the drawing up of the contracts. A membership with MEA will also be invaluable during possible industrial disputes as the team helps their members with the legal proceedings and also other legal advice.

While looking through the employees' files, Katrina suggested that they consult experts in [data protection](#) so as to make sure that they are compliant with the current



legislation. It is important that a database of information is kept on all employees working with the company, yet it is not permissible to retain all types of information. For this reason, it is important to keep up to date with the changes in this particular legislation by contacting the office of the Commissioner dealing with data protection.

The premises was another important aspect of the business that the management needed to make sure that it was according to the legislation dealing with [health and safety issues at the place of work](#). Therefore, the management decided that it was time to consult with OHSa in the ways that they can transform their workplace into a more safe environment for all their employees.

During an inspection of the premises, the issue of [waste management](#) was noted. It was important for them to create a more efficient waste management procedure, which would also be more environmentally friendly.

Katrina was responsible for the payroll each month and was also in charge of keeping track of leave and sick leave days. She started noticing a substantial increase in people calling in sick, with some of the employees taking far more days of their sick leave than their colleagues. Katrina had heard that this was not occurring in their business only, as [absenteeism at the place of work](#) has been increasing all over the country at an alarming rate. More specifically, the issue is of absenteeism due to excessive [use of the sick leave](#) entitlement.

The management was also suspecting that there may have been ill use of [sick leave by parents](#). There could have been instances where employees take sick leave not when they fall ill but rather when their children fall ill so as to spend a day taking care of them. Both Katrina and Ġanni understand that parents have an obligation to their kids when they're ill, however, they do not wish that employees would be untruthful to them or abuse the entitlements that they are given. On top of that, abuse made of certain entitlements costs money and resources to the company. These resources could be otherwise used for a better cause. For example, the company has always allocated part of its profit to help charitable organisations and to engage in other [CSR](#) activities, both with its own employees and with society as a whole. CSR activities are not in any way obligatory by law, however, there are many benefits to them in the



form of greater relationships between the firm's employees as well as improving the image of your company by associating your company with good causes.

The business had been operating for some time, and in that time the management encountered an array of human resources issues. These included an employee taking [maternity leave](#), the issue of giving parents work time flexibility so they manage to take their children to [childcare centres](#) and also giving employees the possibility of [teleworking](#) if a need arises.

With the latest [development in childcare services](#), the situation is now a more practical and financially viable one for working parents, especially mothers. Nonetheless, the employer still needs to keep control of the situation and place the interest of the business as the first priority when making decisions.

Every business goes through different circumstances during the course of its operation and it is up to the person leading the operation to know how to turn every obstacle into an opportunity. Situations should be faced without confrontation and with a great level of skill.

The business which Ġanni and Katrina had built up was experiencing issues from time to time, not unlike any other firms. The larger the business had become, the more varied and the larger were the complications that emerged. The number of workers employed had increased drastically and with that certain issues were created which weren't there before. For example the issue of [multiculturalism](#) arose when foreign workers were employed along with Maltese workers. Therefore, an environment had to be created in which cultures were respected at the work place and clashes were avoided.

On one occasion, an employee of the firm complained to the management about one of his colleagues who had visible [tattoos](#). The employee even demanded that management should isolate the individual so as not to be mixed with the others. This was certainly an outrageous request which management promptly rejected. Other employees had voiced their concerns on the possible consequences of having a suspected [substance abuser in the place of work](#). This case was creating a lot of tension in the workplace.

In an work environment where there are a number of employees coming from different cultural backgrounds and sometimes also different religions, it is important for management to maintain a level of synergy and respect between the work force of the company. This is no easy task, on the contrary, this is a continuous effort in maintaining control of the situation so as to avoid conflicts as much as is possible.

The managerial staff of the business was noticing an increase in the [use of social media during working time](#). This was affecting the production of the business and therefore this needed to be tackled. It is important, however, not to make the employees feel threatened or constrained. The management needs to curb the use of social media while also keeping a good working environment for the employees. The management should make the employees feel that they trust them by for example delegating more responsibilities to them.

In the current environment of low unemployment, the HR department cannot simply let go of employees as it pleases. The task of finding good employees to join the team was proving to be more difficult than ever and the HR department had a responsibility to [manage the human resources](#) of the company in such a way that they would achieve the best output from the available resources. The [lack of workers in the labour market and the implications](#) of such a phenomenon were big concerns for the directors of the company. In fact, Ġanni was seriously considering the [sub-contracting](#) of certain work in order to meet the demand from their customers. Katrina, however, did not share the same opinion.

For the sake of balance between the genders and to carry out the important concept of equality, a strategy was implemented which would encourage [more women into the managerial roles](#) of the company. This was not a PR stunt meant to boast about the fact that they are satisfying or surpassing the quota on female participation. On the contrary, this was a move to reward a number of female employees which were showing a great deal of initiative and skill. A company should not simply engage female management staff so as to reach a quota. On the contrary, it is important that female employees earn their way into management by their own set of skills and hard work.

Due to a number of issues within the work force of the company, the unions started to intervene in the company issues. The unions were putting issues regarding pay in the top of their agenda as well as whether the business was being managed on a [making work pay](#) principle. The unions started lobbying amongst the company's employees so as to acquire [union recognition](#) and therefore to be able to deal with complaints of the company's workers directly with the board of directors of the same company.

Meanwhile, even with issues happening inside the business, the firm also needed to take a stand with regards to different national issues under discussion at a particular point in time, even though the owners of the firm do not have a direct say in how the issues are resolved nationally.

The [Brexit](#)<sup>2</sup> phenomenon is one of the issues that could already be affecting our exports. There are other national and international debates regarding the element of [deflation](#), the idea of [globalisation](#) (which is not always an advantage to the business sector), [technology and future work](#), and the cost of living (or how this price index is worked out through the [household budgetary survey](#)). These issues all have a different effect on the Maltese economy and therefore should be given adequate importance. The business owners need to react accordingly to these issues as they develop and as they need to make adequate decisions which will keep them in business.

The management have always thought that the key to retaining business success entails keeping a close eye on operations and also comparing itself to the industry average and the direct competitors. The management always made sure that their employees were duly rewarded by a good pay, even taking a progressive approach during the increase of the wages over time. However, [what determines a wage?](#) This is a question which they often asked themselves and it is good to know how wages are set and what flexibilities exist to the different wages for different work.

One of the main priorities of the management was that they would make sure the company continuously offered a service with a [value added](#), both to the economy as a whole and most importantly to their customers. Any business has an incentive to lower costs and increase its profits, however, this should not be at the expense of losing the

---

<sup>2</sup> The TV programme regarding Brexit, was recorded in 2016, immediately after the Brexit referendum took place in the UK. Therefore, we excuse ourselves if at the time you are watching the video, multiple developments would have taken place.

quality that [customers](#) have come to expect from the company and possibly losing some of the company's customer base.

After going through the bidding process for getting the tender of a government project, the management realised how important it is to keep up to date with the [blacklisting regulations](#) from time to time. The government bidding process, for example will penalise an applicant for bad behaviour which defies the blacklisting regulations.

In the event of a dispute with one or more of the company's employees, the [shop stewards](#) of the unions would often institute proceedings against the shop owners before the [Industrial Tribunal](#). The signed collective agreement of the employee would be quoted during such proceedings. If inaccuracies exist in the [collective agreement](#) or if the employer is found not to have respected the spirit of what was negotiated in the collective agreement, then this document can be used against the employer in such proceedings.

A company's employees may be members of different unions. In fact this is often the issue that comes up before an industrial dispute is discussed with management. It is important that both management and employees have the [information about the unions at the place of work](#), since unions have a profound effect on a business. At one point, the employer even considered [liquidation](#) when an agreement seemed likely not to be reached.

After rumours were circling the premises that the company was not acting legally or fairly on some issues, there were some employees that thought about making use of the [Whistleblower Act](#) to report the alleged illegatities. This law, however, doesn't apply if the company, at the time of the report, employs less than 250 persons.

On a slightly smaller scale, there was the issue of [bullying](#) between the employees. This was getting in the way of an environment in which one can express himself/herself freely and it wasn't always easy to find out the truth about the source of the bullying. This type of behaviour is both completely unacceptable and also very damaging to the relationships between the employees of the firm. It is, therefore, of extreme importance to check the workplace for any such behaviour.

In cases of discrimination between employees or between management and employees in the private sector, one cannot report this to the [ombudsman](#) since this institution is

only responsible for such cases of discrimination or other bad behaviour for public sector employees and employees of parastatal entities.

Fortunately, in some instances, industrial disputes were resolved without the need for proceedings in the Industrial Tribunal. The cases were instead referred to the office responsible for the [role of mediation](#).

Certain issues that arose during the life of the business were due to a misinterpretation of the regulations or directives. For example, when allegations of discrimination were made with respect to [equality](#) legislation, regarding doubts on whether certain factors justify a [gender pay gap](#), or issues related to the employee's health in the workplace, especially [mental health](#). It is important that steps taken with employees are explained in detail to all so as to avoid these types of circumstances.

Other issues which are routinely discussed between employees are related to [transport and work](#). Some question whether the traffic is a good excuse for an employee arriving late and others suggest that the company should provide its own transport for the employees. It is easy to understand how in an environment of major problems with public transportation and traffic congestion, one can use the situation as an excuse to arrive late frequently to work even when arriving late is the fault of the employee.

One of the applicants in a job offer that the company issued was a [person with a disability](#). The HR team was very impressed by the applicant and immediately contacted entities which specialise in [supported employment](#). These entities were of great help in providing the firm with information on the engagement of this applicant and the list of obligations that the employer needs to observe in order to be compliant with the quota set by law. Following the [reform in the law regulating the work of persons with disability](#), we are seeing a more coordinated approach in this regard and therefore a removal of any existing anomalies present before the reform.

The aim of these entities that specialise in supported employment is that the employment of persons with a disability would become a smooth process without any discouraging challenges. Employers should decide to employ persons with disability by his own initiative and not because he is forced into doing so. Persons with a disability have a lot to offer to the working world. One generally finds a strong sense

of perseverance amongst persons with a disability which would surely be an asset to any company.

Fortunately, clashes and problems in a business do not constitute a majority of the daily business activities. In a healthy business, the daily scene is usually one of harmony amongst employees. This sense of team spirit throughout the company's work force is a very good gauge of the level of success of a business.

During the months of November and December, a subject that came up the most during the lunch hours was [the effects that Christmas time had on business](#), especially theirs. They also discussed the advantages that their business would gain during the months of [sales in the retail outlets](#). In the break time, the workers often share information regarding the [opening time of shops](#) and also give advice on the different shops. The [reform in the opening and closing times of retail outlets](#) has left many unsure about how it will work. Katrina makes it a point to spend lunch time with her employees. Although the amount of work would not always allow her to do so, she tried her best to be present as she believed that this was important to maintaining a good relationship with her employees.

One of the employees of the company talked extensively about being a voluntary worker at an orphanage. Many of the employees would donate money to the orphanage and also clothing and other products. In a year's time, she managed to convince some of the employees to donate their time to [voluntary work](#) in their community because they believed that [voluntary work contributes to the country's economy](#) as well. Our country has a proud tradition of voluntary work which does invaluable work in our community. The church as well as other unaffiliated NGOs are exclusively taking care of certain aspects in our society which are not covered by the public or private sectors.

The employees of the company which are the nearest to pension age, would often start a discussion on whether the [pension payments](#) given by the government would be enough for pensioners to afford the same expenses they did during their working years. The younger people in the company would also voice their concerns on [the future of the pension system](#) and how young people are probably going to get the short end of the stick when it comes to pension payments. They believe that it's never

too early to start saving for their retirement years since the future of the pension system, to say the least unsure.

During the break time, the female employees would gather round Katrina and try to pick her brain on her start as an entrepreneur and other advise she might give them. They used to discuss the issues that led up to such a lack of [women entrepreneurs](#) and the fact that many women don't find the courage or support to make the step into self-employment.

Over the years, Ġanni u Katrina's business had transformed from a business of two people to a company that employs almost 200 people. They had a very good turnover and maintained excellent relationships with their customers. Still, they were well aware that success can turn into failure over night if they suddenly do not remain competitive or if the sector that they work in goes into the saturation stage. Therefore, management finds it to be of utmost importance that during the frequent meetings that they had, they would allocate time for an evaluation of their sector and whether they should be limited to one sector or diversify into others.

The [tourism sector](#) and the [work opportunities within the tourism sector](#) have improved consistently. Meanwhile, the opportunities of [work related to the financial services](#) have also retained a steady increase. At the moment the country's economy is dependent on these two sectors to guarantee yearly economic success.

Also, one should not underestimate the success in the [aviation industry](#) and [the digital economy](#). Over the last few years, we have witnessed how these two industries have created countless job opportunities in our shores and have also contributed greatly to our economy.

Our economy, and also those around the world, are moving into a new chapter whereby the creation of [green jobs](#) and also job related to the [blue economy](#) are proving to be the next big job creators in the following years, including in Malta.

Also important to mention is the opportunities available for building [careers within the health sector](#), which is truly increasing in demand. The demand for the services provided by the health sector will never be extinguished for obvious reasons and also because the sector keeps evolving and renewing job opportunities throughout the world.



The business of Ġanni and Katrina was always very active and always sought new opportunities for investing. Ġanni and Katrina made sure to benefit from different incentives, schemes and other available help that were put forward from time to time.

Malta, nowadays, feels that it is an integral part of the European economy and therefore it is important that a business person sets his business in line with the [European Social Model](#). This model aims to intertwine the economic goals with the social goals. Every business should keep a close eye on the way government is benefiting from the [European Social Fund](#) and on how the business can also benefit from these funds. It is also important that the business owner remains updated on the [Country Specific Recommendations](#), based on those issues most important on the European level.

The Maltese [Members of the European Parliament](#) have an important role to play. They are the Maltese ambassadors for the European Union and they are the ones responsible for getting the greatest possible deal for Malta and also for our representation in issues which affect our country both directly and indirectly. It is therefore a great honour that Malta was given the opportunity to host the presidency of the EU Council for the first half of 2017. [Malta's Presidency of the EU council](#) is an opportunity that comes only once in 14 years and therefore it was a wise to make sure we use this opportunity to our advantage.

The business journey of Ġanni u Katrina, is an example of the challenges that a business encounters during its daily activities. The circumstances they had throughout their business operations are very realistic and any person who is in or is thinking about the entrepreneurial role should be prepared beforehand for these circumstances. The entrepreneur should always keep informed about all the discussions being had in the country and all the news both in Malta and around the world. It is the only way for the entrepreneur to be proactive in dealing with every eventuality.

An informed person is one who is better equipped to dealing with every challenge. If a person is given adequate knowledge, then one would not be threatened by problems that emerge and will know how to turn every problem into a possibility. This results in

a consolidation of business success that the entrepreneurs would have worked so hard to achieve together with their employees.

# Conclusion

This was the main message that the SME Helpdesk, within the Malta Employers' Association, wanted to convey to the entrepreneurs and the owners of small businesses in our country, with this initiative.

Although this story prepares you for the realities of daily life of a business, it should encourage you more to embark on your journey to success. We are sure that this project will further convince you in your business potential and leadership skills and make you look to the future with more determination. Nothing should come in between you and your journey to becoming excellent and successful entrepreneurs.

You can watch the [promotional video](#) which will explain in more detail the whole concept of the TV programmes MEA. This concept is successful in its goal and has been escalated to a new level by the introduction of this initiative. We have found the right formula of distributing the programmes better to all those who might be interested in venturing into the business world.

Make sure to keep an eye on this project since the story will continue to evolve and will continue to be complemented with further TV programmes of the series MEA.....