



WHAT ABOUT THE WORKERS?

FORTY YEARS OF LABOUR CONSULTANCY IN EUROPE

**MAARTEN VAN KLAVEREN (editor),
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In memory of Edvin Grinderslev and Wim Sprenger

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INTRODUCTION

0.1 The world of work: constant change

No doubt about it: the world of work is in constant change. The struggle to survive in increasingly globalized markets contorts enterprises everywhere as they strive to fulfill the rapacious needs coming out of shareholder interests, consumer tastes and the twists and turns of governmental regulation. In the private sector, companies seem to be caught in an almost perpetual spiral of restructuring across value chains whereas in the public sector new forms of public management challenge disrupt and ultimately reshape public services. Information technology (IT) and digitalization are forceful enablers here but neither have yet proved decisive in finding widely acceptable ways to cope with the simultaneous crises posed by climate change, migration, the negative effects of trade wars, Brexit, or the ever-present threat of renewed global recession.

Labour markets in particular have come under pressure. In most European countries the share of wages (the ‘labour share’) in the national product is falling. All over Europe labour markets are increasingly polarized with high rates of youth unemployment persisting alongside precarious short-term contracts for many of those young workers fortunate enough to be in work. Even in fairly prosperous countries large parts of the middle classes are increasingly subject to both job uncertainty and decreasing real wages. A new ‘working poor’ cohort has arisen as low-paid service and manufacturing jobs have outstripped the expansion of well-paid, knowledge-based occupations.

Across Europe, the type of restructuring of workplaces that has taken place and the changes in work organisation this has wrought have contributed to societal polarization. On the one hand, especially in the tertiary sector, the intensification of work can be observed with notorious disadvantages for many administrative, sales and transport workers. On the other hand, successful efforts to create innovative, sustainable and inclusive organisations have offered a countervailing option. It is with this latter vision that the authors of this book identify. In our view competitive advantage can be generated and sustained through work organisation built on socio-technical systems design, where social dialogue and the involvement of employee representatives in decision-making are central to any change process. Achieving human organisational change along these lines is not a utopian view but one based on evidence selected from our collective experience. That this experience is grounded in the economic, technological and social realities of the present day is illustrated by the case studies we include throughout the chapters that follow hereafter. Our central message is that common sets of analytical and process tools are available that can be used to bring about sustainable work organisations and decent jobs.

0.2 The European Employee Support Network (EESUN) and the contributors

This book has been written by members of the European Employee Support Network (EESUN) which was established in 1996 as a co-operation between small, independent labour consultancy firms and labour research institutes across Europe. Currently EESUN has members in Austria, France, Germany, The Netherlands, Norway, Sweden and the United Kingdom. Their activities as external experts supporting mainly employee representatives are based on the socio-technical research and intervention tradition (sometimes called 'action research') on the one hand and on the European social dialogue agenda on the other. In the five countries we highlight in this book, the use of external experts as labour consultants developed out of labour legislation and/or collective labour agreements in the 1970s and 1980s.

The EESUN partners from France (ARETE), Germany (BIT), the Netherlands (STZ), Sweden (ATK) and the United Kingdom (TURU, Ruskin College) have decided to combine their experiences from four decades of involvement in organisational change and social dialogue to produce this book. CV's of the main contributors have been included in an Appendix. The book largely draws upon their experiences and those of their colleagues as labour consultants, in a variety of sectors advising trade unions, Works Councils and other employee representatives, and in some cases, joint management-union projects. Key issues here have been the introduction of new technologies; organisational change; job quality and occupational safety and health; redeployment; work-life development, and dealing with demographic change. All of the contributors have additionally been active in national and European research projects ranging widely over collective bargaining, employee representation, technology and work organisation, and labour market policies. The issues and debates covered in this book reflect all of this joint experience.

Reflections on these experiences together with joint EESUN research and training projects and related discussions in the Network have enabled descriptions and comparisons of intervention methods to help formulate common ideas on how to tackle new challenges. These include, in no particular order: the intensification of work and increasing risks for occupational safety and health; globalization and value chain restructuring; privatisation and liberalization of public services, and the ageing of the labour force.

0.3 Trade unions and labour consultants: four decades of change

In the last forty years, reorganisation and restructuring have become more or less permanent features of workplaces throughout Europe -- not only in private enterprise but in public services as well. In a consequence, the concerns and priorities of trade unions in Europe have changed. Traditional themes have not disappeared but new ones have emerged and gained in importance and priority. These pressures and the trade union responses they have generated, have impacted strongly on labour consultancy practices when it comes to shaping the consequences of change. To illustrate how these

relationships evolved over time, we have divided four decades in a rather schematic way to enable a brief description of each period's characteristics.

In the 1980s, the introduction of computer technology shocked the tertiary sector. In all the five countries covered in this book the computerization of banking, insurance, commerce (retail and wholesale) and transportation became subject to intense public debate. Trade union and government reports predicted major changes in employment levels, job quality, occupational safety and health, career prospects, working time, and pay and grading. Data protection and privacy issues also entered the debate. The union movement invested substantially in raising awareness among its own membership, politicians and the general public as to the likely societal effects of this early wave of informatics. In most cases they assessed the effects as likely to be fairly dramatic. In consequence, the European trade unions put 'negotiating technological change' and entering with employers into technology agreements at the core of their bargaining priorities (Evans 1982, 1985).

Both national and international union bodies developed collaborative approaches to influence the adoption of new technologies at company and workplace levels. Such approaches provided unions with some leverage to strengthen the position of employee representatives and thus to shift 'the control of frontiers' (Levie and Moore 1984). Following the pioneering work of their Scandinavian colleagues, unionists across Europe became acutely aware of the importance of the early disclosure of substantive information concerning the consequences that change processes would have on the organisation and quality of work. The Scandinavian practice of calling on external experts to support this new approach stimulated the establishment of advisory units within individual unions (as in Germany, the Netherlands, and the UK) and prompted the growth of independent labour consultancies. Indeed, as regards the 'homes' of four of the current book contributors, the late 1970s and the mid-1980s marked the start of their labour consultancies, ARETE, ATK, BIT, and STZ. The fifth, the Trade Union Research Unit (TURU) in the UK had begun earlier, in 1971, when the UK's biggest union at the time (the Transport and General Workers Union, TGWU) had commissioned two academics at Ruskin College to provide economic analysis for wage negotiations at Ford UK.

It is worthwhile noting here that the 1970s and early 1980s saw new or revised co-determination legislation being implemented in France, Germany, the Netherlands and Sweden. The UK, by contrast, only had in the 1970s what turned out to be a brief flirtation with a version of co-determination (see more detailed Chapter 8). This new legislation enlarged and underpinned the options for employee representatives to influence technology and work organization. For example, ARETE (1983), while taking stock of practices in France and elsewhere of informing, consulting and involving employees as regards the introduction of IT, connected that with perspectives the new legislation might offer and also with ideas about workplace democracy that became prevalent in trade unions across Europe. If such democracy was to gain substance that would require greater influence of employees on their quality of work.

During the 1990s, a number of labour consultancies took on a more definite professionalized shape. Their assignments now included large and lengthy change projects while they also began to serve employee representatives in groups of companies. Two trends coincided here. First of all, trade unions made efforts to scale up their 'influencing early' approaches moving from single companies and public services to sectors and sub-sectors. In the second place, technologies became more standardized and were introduced simultaneously across sectors connecting companies, for example with logistic information systems. The advance of the Internet, in the course of the 1990s, gave a further boost to this technological integration and triggered the need for specialized resources to advise employee representatives. Also since across Europe only a few technology agreements were negotiated, labour consultants became heavily involved in efforts to secure labour's input into change trajectories. Sometimes this was only a brief assignment, but in other instances their involvement was lengthy and spread out over several years.

As the 1990s progressed, technological and organisational change, already logically connected, got further intertwined -- often in complex ways. Alongside intensified international competition a dominant neo-liberal political 'wave' increased the pressure in liberalized economies to realize immediate shareholder value. This saw enterprises deploying Anglo-Saxon governance and profit models that prioritized short-term gains and cost reductions. The strategic knock-on effects included the formation of business units and the outsourcing of 'non-core' activities that soon became known as 'offshoring' when it involved the crossing of national borders. Jointly with the strive for a single European market these forces pushed a raft of mergers and acquisitions across Europe from 1995 onwards. At the same time they triggered spin-offs and franchising practices. At workplace level, the pressure mounted towards process optimization with reorganisations aiming at 'lean production' very much the order of the day.

The need to manage these complexities and their accompanying uncertainties generated a market for books (and management consultants) that offered structured approaches and, in some instances, glib promises to managers in the frontline of change. The Business Process Re-engineering (BPR) approach, for instance, devised by Michael Hammer developed into a bestseller (cf. Hammer and Champy 1993) and was well received by many such managers. At the same time though, books and journal articles appeared that integrated the drive for 'competitive advantage' with a more 'people-centred' approach. They included the upgrading of training and skills development while emphasizing job security (cf. Pfeffer 1994) – laying the foundations for a major stream in human resources management (HRM). Most labour consultants aligned with this latter approach.

The 2000s witnessed a range of spectacular events in the economy linked to developments in technology, market deregulation and the growing power of financial institutions. Most notably in the US between 2000 and 2002 quite some Internet-based companies who had speculatively capitalized on the growth of the world wide web (the

‘dot-com bubble’), went bankrupt. It would not be the last bubble to burst in this decade. In Europe, between 1999 and 2002 the creation of a single ‘regulatory space’, governed by the European Central Bank (ECB), and the launch of the Euro prompted institutional change. These particular pressures were overtaken and supplanted by the serious financial crisis of 2007-08 that spilled over from the US to the rest of the world. A chain reaction engulfed the American financial system as the bursting of the ‘housing bubble’ brought down the banks and financial institutions who had fuelled speculative mortgage lending in the US. Swiftly the financial systems of Europe and the other developed regions were drawn into the mess. As we now know, a total collapse of the global banking and financial system was only narrowly avoided (cf. Tooze 2018). Part of the price for bailing out and shoring up the financial sector was soon seen all over Europe as unemployment increased massively while income inequality grew. In Chapters 1 and 2 we elaborate further on these developments.

The economic crisis inevitably also left marks at the work organisation level where work-related stress and psychosocial risks came to the fore. Assignments for labour consultants to help tackle these risks grew in importance. In the course of the 2000s trade unions in all five countries raised the fight against psychosocial risks at work to higher positions on their priority lists. Across countries, these actions showed some commonality in particular targeting the need for multinational enterprises (MNEs) to revise top-level decision-making where investment plans were apt to generate high pressure for change and consequently high stress levels. To date though MNEs have generally shielded strategic decision-making from the counter-ideas that employee representatives and labour consultants have developed at operational levels.

In the 2010s Europe slowly recovered from the worldwide crisis. In sharp contrast, major MNEs flourished and increasingly took the role as coordinators of international trade away from the control of nation states. They emerged as the drivers of global value chains. This domination together with the existence of the EU and the Eurozone prompted a surge in foreign investment, with offshoring to Eastern Europe being particularly prominent. Slightly later, a few US- and China-based operators of digital platforms rose up to become ‘technology superstars’ -- pushing through a major transformation of competition, work organisation and employment relations. Notwithstanding their superstar or ‘digital innovator’ status, the likes of Google, Amazon, Microsoft, Facebook, Uber, Alibaba and Tencent soon reminded the world that sweated labour practices had not gone away. As we will argue in Chapter 6, the related rise of the so-called ‘gig economy’ may herald further negative impacts on the world of work in the not-too-distant future.

Moreover, further digitalization, the arrival of 5G mobile networks, the Internet of Things, Big Data analytics, artificial intelligence (AI), and advanced energy technologies are sure to affect the ways in which work is both carried out and organized. If anything, such developments suggest that reorganisation and restructuring at the workplace will remain the order of the day. Their consequences may become even more pronounced when projected against the constraints of an ageing population and

above all the need for radical moves towards a green and sustainable economy. Seen in this light, the challenges for trade unions, employee representatives and labour consultants are likely to involve tackling several connected issues, namely: skills and competence development; redeployment; physical working conditions; the prevention of psychosocial risks, and data protection. Undoubtedly the largest challenge remains how to facilitate, in different economic and political contexts, sustainable work with decent conditions for the workforce as a whole.

0.4 Organisation of the book

The book is organized as follows.

Chapter 1, *Change and industrial relations in Europe; A societal background*, covers the vicissitudes of one of the sources of inspiration of EESUN: the European social dialogue. The chapter reports on the difficult conditions arising for trade unions in the economic crisis in particular when austerity policies throughout Europe became dominant. It charts developments in trade union density, collective bargaining coverage, unemployment, income inequality, and the size of investment from abroad. Finally the chapter introduces the industrial relations settings in the five countries we are most concerned with in this book.

Chapter 2, *Restructuring going global*, focuses on the background of restructuring processes in and between companies. The chapter distinguishes five forms of restructuring against the backdrop of ‘going global’ and suggests options for trade unions and other employee representatives as to how to organize countervailing power and develop strategies mitigating the consequences of restructuring. In doing so we pay in particular attention to the functioning of the European Works Councils (EWC’s).

Chapter 3, *Public sector restructuring under new management*, goes into the somewhat neglected subject of restructuring in the public sector. Implications of New Public Management (NPM) as an important part of the neo-liberal project, as well as related deregulation and privatisation processes, for the employed in this sector are discussed. The chapter specifies the various shapes NPM has taken on in the five countries before considering their effects on the functioning of organisations and the quality of the services rendered to citizens. We argue that the return of social dialogue in the public sector is long overdue.

Chapter 4, *A changing labour market; New competence demands and the management of change*, exposes the wave of structural changes resulting in a newly shaped labour market. Notable factors such as employability, competence development and redeployment management are discussed as important assets in changing labour markets. Cases show good practice when these issues have been put at the centre of the social dialogue at company level, and emphasize the practical importance of timing and adequate time horizons.

Chapter 5, *Managing the demographic challenge*, charts the challenges and dilemmas of policies aiming to keep older workers in employment. Demographic statistics and case

studies indicate the need for ‘age-proof’ organisations with age management at organisational and individual levels. We discuss the evidence that improving both working conditions and social environment will benefit older workers.

Chapter 6, *Work organisation and the intensification of work in the service sector*, details a multifactorial explanation for the ongoing intensification of work in this sector. It depicts the search for new ways to organize work, contrasting management philosophies (BPR, lean management, agile organisation) with new forms of organisation (call centres, ‘open space’ or ‘flex’ offices, telework, gig economy). Case studies here illustrate the continuous tension between participation and control.

Chapter 7, *New challenges for healthy work: work-related stress and risk assessment*, sets out the methodological bases upon which the assessment of work-related stress and related interventions can be built. The chapter shows statistical evidence on the practice of psychosocial risk management in the five countries scrutinized and presents assessment and intervention practices of EESUN colleagues.

Chapter 8, *Labour consultancy: A country overview*, presents brief economic profiles of the five countries; overviews of the national legal contexts relevant for labour consultancy assignments, in particular concerning employee representation and concerning working conditions, and overviews of the national markets for labour consultancy. In doing so, this chapter prepares the ground for the final Chapter 9.

Chapter 9, *Towards good practice in shaping future change*, emphasizes the importance of social dialogue within change management processes. Based on the experience of the authors of this book and the case studies described in the various chapters, a synthesis of good practices is put forward to assist in reconciling management and labour interests in change processes.

The Chapters 2 to 7 all conclude with sections presenting good practice suggestions. These suggestions focus largely on the level of the work organisations at issue, either private companies or public services, before widening out to focus on connected institutions and policies. This fits in with the centre of gravity of the assignments of labour consultants. Our good practice suggestions are mainly based on the respective book chapters but we also considered ‘external’ cases, checklists and handbooks (European Commission 2009; Tengblad *et al.* 2009; De Bruyne and Ramioul 2006; Huzzard *et al.* 2004; Van Klaveren 1991). Chapter 2, on Restructuring going global, starts with basic good practice recommendations. In the following five chapters we add suggestions specifically linked to their respective contents. Section 9.3 of our final Chapter 9 connects the headlines of Chapters 2 to 7 to the briefly presented good practice recommendations.

We finished this manuscript by December 29, 2019. In early January 2020, when we started the final editing we were unaware of even the existence of the Coronavirus or COVID-19. At this point, three months later, the Coronavirus outbreak has caused thousands of deaths and has brought large parts of the economy and social life in Asia, Europe, North America and Australasia to a standstill. Moreover, on a global scale the

worst may be still to come. In these circumstances we wrote a *Postscript* as to conclude our work with some considerations regarding effects of the Coronavirus pandemic that connect with the themes we cover.

Appendix 1 contains five case studies that are more detailed elaborations of cases that appeared earlier in the book. CV's of the main book contributors can be found in Appendix 2.

All links to websites have been checked by 29-12-2019.

0.5 Acknowledgements

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This book is dedicated to Edvin Grinderslev (-2013) and Wim Sprenger (-2015), two stimulating colleagues who are no longer with us.

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CHAPTER 1. CHANGE AND INDUSTRIAL RELATIONS IN EUROPE: A SOCIETAL BACKGROUND

1.1 Introduction

This chapter provides an overview of economic and social change in the European Union to provide context for the developments at the organisational level we discuss in subsequent chapters. We devote special attention to the social partnership perspectives elaborated in both EU-wide agreement between the social partners and in successive European Treaties. Such moves indicated that EU institutions, seemingly at least, recognized that developing comprehensive social partnerships would be crucial to achieve their ambition of combining economic efficiency and competitiveness with a better quality of work and work-life balance. Although this objective has latterly become rather diluted in European policy-making, it remains a prime mover insofar as much of the practice of labour consultancy throughout Europe has been concerned.

Thereafter, we focus on industrial relations both in the EU as a whole and more particularly in the five countries that most concern us in this book. To this end, we examine the development of crucial indicators such as trade union density; collective bargaining coverage, and the share of employees covered by multi-employer agreements. In order to understand the pressures that have driven the changes taking place at industry, firm and workplace levels we also review: the constraints placed by European governance on national policies; increases in unemployment; falling real wages; growing income inequality; imbalances across countries and, of particular relevance here, the expansion of multinational enterprises (MNEs) at a time of weakened trade union influence. Finally, we detail some features of national industrial relations in the five countries.

1.2 The social partnership perspective and European initiatives

At the time of writing, France, Germany, the Netherlands, Sweden and the United Kingdom were all members of the European Union, although the 'Brexit' process to enable the UK to leave the EU, was in its final phase. In 1958, France, Germany and the Netherlands were among the six 'founding fathers' of what was then known as the European Economic Community (EEC). In 1973, the UK joined the EEC, and with the EU's 1995 enlargement, Sweden also entered the club. The European Union has typically been engaged in a machine for generating the convergence of living and working standards across many policy fields. From very early on until the beginning of the 2000s, the Union has generally been a supportive force for social dialogue and the co-ordination of collective bargaining whether at national or industry levels, the latter commonly labelled as multi-employer bargaining (MEB). Based on an EU social partners' agreement of 1991, the Treaties of Maastricht (1992) and Amsterdam (1997) adopted specific 'social dialogue' provisions. The European Social Dialogue (ESD) en-

visaged constructive dialogues taking place between management and employee representatives at multiple levels, including the firm, establishment and workplace. To this end, EU Directives have helped to shape a wide variety of work-related issues throughout Europe, such as working time and parental leave, collective redundancies, and the transfer of undertakings (Van Klaveren and Tjeldens 2008; see also Chapter 2).

Evidence that the European institutions recognised the importance of social partnership had seemingly arrived in the unequivocal endorsement given by the European Commission's Green Paper *Partnership for a New Organisation of Work* in April 1997. In the wake of this publication, several EESUN members organised national events bringing together labour, business and government representatives to discuss the implications arising from this Green Paper. However, the Commission did not follow up this path-breaking document with any substantial decision-making. Indeed, apart from the Directive 2002/14/EC that established a framework for informing and consulting employees in the EU, the Commission remained silent for quite a while on how social dialogue at organisation level could be advanced. It was not until November 2017 when the European institutions (Commission, Council and Parliament) jointly proclaimed that the European Pillar of Social Rights (EPSR) would include "Support for increased capacity of social partners to promote social dialogue" that the importance of social dialogue was reaffirmed. It still remains to be seen how this high-level pledge and 'new start' will work out.

1.3 Deteriorating conditions for collective interest representation

1.3.1 Job quality in broad perspective

Although not binding on national governments, the EPSR may be seen as a renewed effort at strengthening the social dimension of the EU. The available data indicate that such an initiative is much needed. The outcomes of the Job Quality Index (JQI), for instance, calculated using the five-yearly European Working Conditions Surveys (EWCSs) by the European Foundation for the Improvement of Living and Working Conditions (hereafter: Eurofound or 'Dublin Foundation') are informative here. Leaving wage issues out (see below, section 1.4.3), the JQI includes five dimensions of work: forms of employment (the share of workers in temporary jobs and of part-time workers who could not find full-time jobs); working time and work-life balance; working conditions; skills and career development, and collective interest representation which includes trade union density (TUD) and collective bargaining coverage (CBC). The impact of the crisis on the average scores for these five dimensions is reflected in a decrease for the EU28 as a whole in 2010 compared to the position posted in 2005. Although there was some recovery between 2010-15 the 2015 average was still lower than the 2005 average. For the UK a considerable decrease in both periods has to be noted, whereas the overall 2015 outcomes for the other four countries we scrutinize returned to the 2005 level (Piasna 2017). We now focus on collective interest representation -- a factor of particular relevance for the activities of labour consultants.

1.3.2 Trade union density and collective bargaining coverage

Well before the outbreak of the 2007-08 crisis, declining trends in trade union density and the erosion of collective bargaining were evident across Europe. Between 2001 and 2007, average trade union density for 23 of the 28 current EU member states subject to the WIBAR3 research project –including all larger countries 1-- fell from 33 to 28.5%. Although this decline has slowed somewhat more recently, overall union density decreased to 23.5% in 2016. Business also became less organised but the density of employers' organisation fell more slowly, and with an average of 49% in 2016 remained at more than double the level of union density. The figures on the spread of collective bargaining reflect the sustained pressure exerted by employers and their organisations to advance the decentralization of industrial relations practices throughout Europe. The coverage of collective bargaining fell slightly between 2001 and 2007 but from then on dropped steeply, on average covering only 48% of all employees in the 23 EU countries by 2016. Two years earlier, in 2013/14, only 39% of all employees were covered by multi-employer agreements (MEB) (for WIBAR3 outcomes, see Van Klaveren and Gregory 2019).

Table 1.1 and Figure 1.1 (both next page) detail developments in trade union density and collective bargaining coverage between 2001 and 2016 for the five countries under scrutiny here together with averages for the 10 CEE (Central and Eastern Europe) countries and the 23 EU countries as a whole. The table for the five countries only also adds data on the share of wage-earners covered by MEB. Clearly, after 2001, union density fell across the board except in France where it was already at a very low level. By contrast, bargaining coverage remained high in France due to the prevailing system of mandatory extension that extends collective labour agreements (CLAs) to all employees in the industry concerned. The existence of a mandatory extension system, although subject to thresholds, also explains the continuously high Dutch coverage. Conversely, the more limited German extension system did not prevent the erosion of collective bargaining coverage over the period. Sweden and the UK, countries without extension mechanism, showed a decline albeit at different levels and rates of change. Between 2007 and 2016, union density fell by 8% overall for the five countries we are most interested in, 17% in the 23 EU countries, and by as much as 30% for the 10 CEE countries. The corresponding decreases in collective bargaining coverage were respectively 4%, 23% and 42%.

As regards multi-employer bargaining, France, the Netherlands and Sweden all maintained fairly high coverage levels, but in Germany multi-employer agreements covered only a small majority of wage-earners by 2016. The UK, as can be seen, is an outlier here with multi-employer bargaining having virtually disappeared. In part this reflects the trend towards single employer or company-level bargaining (SEB) which began in the late 1960s in the UK's private sector, and more recently the breakup of

1 Excluded were Cyprus, Croatia, Greece, Luxembourg and Malta.

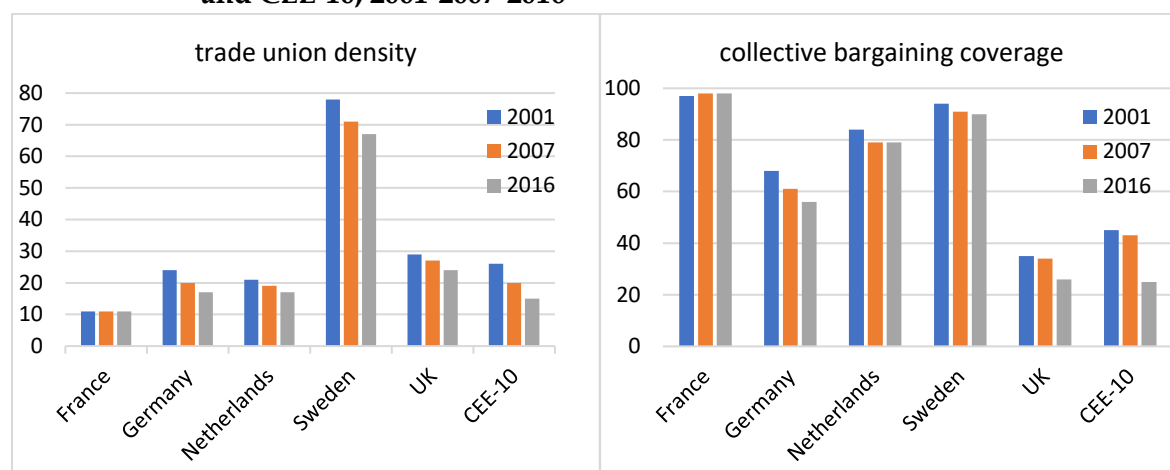
MEB that followed on from the major privatisations carried out in the UK in the 1980s and 1990s.

Table 1.1 Trade union density, collective bargaining and multi-employer coverage in five countries, CEE-10 and 23 EU countries, 2001-2007-2016

	Trade union density			Collective bargaining coverage			Covered by multi-employer agreement		
	2001	2007	2016	2001	2007	2016	2001	2007	2016
France	11	11	11	97	98	98	93	96	85
Germany	24	20	17	68	61	56	61	53	51
Netherlands	21	19	17	84	79	79	71	74	70
Sweden	78	71	67	94	91	90	75	79	80
United Kingdom	29	27	24	35	34	26	7	5	1
CEE-10	26	20	14	45	43	25	x	x	x
Average 23 EU c.	32.9	28.5	23.5	65.4	62.7	48.2	x	x	x

Sources: 2001 and 2007: Van Klaveren and Gregory 2019, and sources detailed therein; 2016: TUD and CBC: website OECD.stat; MEB: own calculations based on sources for Van Klaveren and Gregory 2019
x insufficient data

Figure 1.1 Trade union density and collective bargaining coverage in five countries and CEE-10, 2001-2007-2016



Sources: 2001 and 2007: Van Klaveren and Gregory 2019; 2016: OECD.stat

In some EU member states decreasing trade union density and collective bargaining coverage was plainly linked to political interventions aimed at scaling back employees' negotiating rights. Indeed, in the UK under successive Thatcher administrations such deliberate 'institutional destruction' took place. In most EU countries, however, the decentralisation of industrial relations and the weakening of organised labour happened without such overt political interference. Moreover, the relationship between 'Europe' and developments in national industrial relations was mostly rather indirect albeit that there were growing pressures on the European social model. The low level of integration between the national and European organisations of workers and employers alike also had an influence here. For example, mutual policy inputs and feedback between national union (con)federations and single unions on the one hand and their European 'peak' organisations (ETUC, and at industry level the European Trade Union Federations, ETUFs) on the other hand, have remained rather weak. Such links

are even weaker on the employers' side. BUSINESSEUROPE, the employers' European peak organisation, has no sectoral dimension to its structure. Also, national representation structures, industrial relations traditions and wage-setting systems across the EU have remained highly diverse, and continue to complicate and frustrate the coordination of collective bargaining at European level.

At the individual level, consecutive years of membership losses have generated vicious downward spirals that trade unions have found difficult to counteract. In many instances less membership means less paid officials, invariably causing already under-resourced union constituencies to suffer losses in strategic and professional support. Small unions are particularly susceptible to such negative spirals and union mergers rarely seem to bring any long-lasting relief. Indeed, it has been argued that the increase in membership and policy heterogeneity that commonly follows on from a union merger together with the 'regular' hardships organisational integration often entails, may be linked with concurrent membership decline (Undy 2008). Experience with the after effects of major union mergers in Germany and the Netherlands coming through at the turn of the century by and large confirms this thesis. Moreover, two of the current authors found, with the exception of the transport and telecoms industry, that a smaller number of unions per industry conferred no clear advantages throughout Europe insofar as enhancing TUD, CBC and MEB were concerned (Van Klaveren and Gregory 2019: 50). Finally, the mergers of major unions may also have a knock-on effect on the services, bargaining power and political influence of related union (con)federations (cf. Ebbinghaus 2003). For example, in the Netherlands a straight line can be drawn between the merger of four major unions of the FNV confederation in 1998 and the subsequent restructuring of the FNV in 2013-15 into a federation with a hybrid structure, composed of sectors of the three large founding unions and the direct representation of a larger number of smaller unions.

1.4 Crisis and recovery

1.4.1 Political and economic choices: Keynes versus austerity

Within a few years of its outbreak in 2007, the financial crisis developed into the Great Depression. The dominant policy response in the EU was to replace Keynesian demand-side economics --intended to maintain purchasing power-- with a supply-side macroeconomic policy. This completed the shift in the political economy away from the Keynesian frameworks that had been predominant for much of the post-war period. Under the influence of supply-side protagonists, national governments turned to policies of austerity and 'structural reforms' with a view to increase their country's competitiveness. This policy move was promoted throughout the EU with new forms of economic governance allowing much stronger supranational influence on national policies. The groundwork for 'restoring competitiveness' through interventions in wage-setting had been carried out a decade earlier, in 1998-2002. By then a single 'regulatory space' was created to embrace the Economic and Monetary Union (EMU) and the European Central Bank (ECB). Progressive researchers and trade unionists alike

have subsequently argued that since the ECB's only target is price stability, it invariably ignores the need to maintain purchasing power and employment levels. This contrasts sharply with the Federal Reserve (Fed) in the US, which has a dual mandate for price stability and maintaining employment (Tooze 2018: 99). Similarly, the design of the EMU built in the assumption that in the event of economic shocks, industries and companies would carry out reductions in labour costs in order to generate the conditions needed to improve national competitiveness.

The assumption that a single currency would make the balance of payments irrelevant between the eurozone countries, was soon seen to be false. Once a eurozone country became dependent on large capital inflows and in the absence of a fiscal union, any sudden contraction of such inflows would rapidly cause (or aggravate) an economic crisis. This happened in Greece, Portugal and Spain (Wolf 2014). Added to this it was also evident that the new forms of European governance and the increasingly neo-liberal orientation of the European Commission combined to tighten the constraints on progressive national expenditure options such as on sectoral or regional policies. Against the backcloth of such developments, the ability of the trade union movement to exercise meaningful influence on the processes of change was always going to be problematic (already envisaged by Booth *et al.* 2001). It was further undermined by the persistent pressures applied by dominant European policy makers and the New Public Management movement, for further privatisation or liberalisation of public services (utilities, transport) and greater flexibilization of labour markets. There was ample testimony of their belief that the removal of 'institutional obstacles' would yield benefits even though that belief was weakly underpinned with hard evidence. For example, the supply-side prescriptions to remove employment protection legislation these policy makers imposed on member states did not stimulate employers' hiring efforts. In fact, the reverse was the case in the indebted countries of southern Europe where less employment protection contributed to the growth of more non-standard and precarious employment (cf. Heyes and Lewis 2014).

The actions taken in 2012 by the European Commission under pressure from the 'Troika' (European Commission, ECB and International Monetary Fund [IMF]), on wage-setting primarily in Greece, Portugal and Ireland but also in Spain and Italy have been described as a "frontal assault on multi-employer bargaining" by industrial relations experts (Keune 2015). These five countries had to carry through significant cuts in public sector wages as the condition for receiving financial support from the Troika. In other EU countries too, the wages of public sector employees were 'easy targets' for authorities trying to bring down their spending. In addition, many European governments reduced the level or duration of social benefits. Taken together, decreasing social spending, falling income taxes and wage moderation in the private sector translated into falling domestic demand. In most EU countries this contributed to a 'second dip' in their Gross Domestic Product (GDP) per capita in 2012-13 -- after the major fall in GDP's that shocked all of Europe in 2009.

1.4.2 Crisis recovery and unemployment

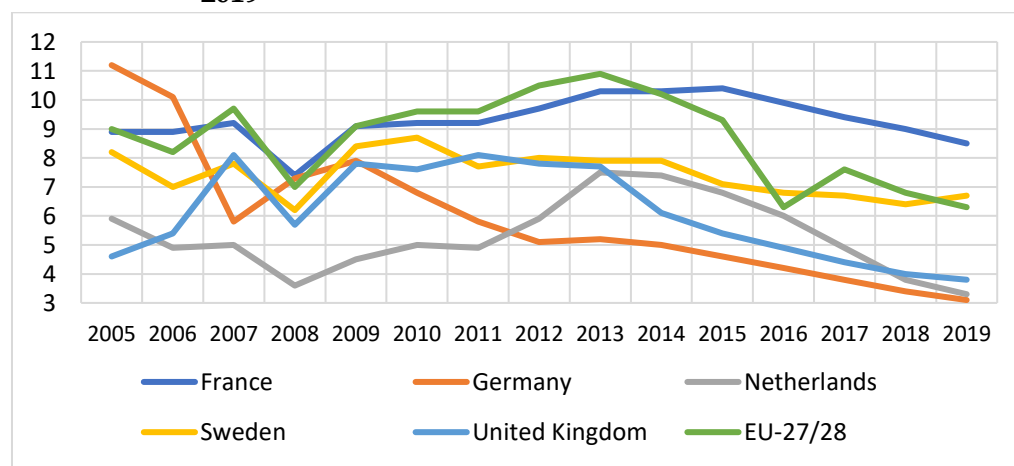
It is no surprise that the EU-wide decline in demand also resulted in massive increases in unemployment. Between mid-2008 and mid-2014 the average EU unemployment rate increased from 7.6% to 10.2%. In these six years, the number of officially registered unemployed in the EU rose from 17 million to over 26 million. Only from 2014 onwards, could an across the board decrease in unemployment be seen. However, three caveats are appropriate here. First, as Table 1.2 and Figure 1.2 show, large differences in the development of unemployment could be discernible across the five countries under scrutiny. Germany is clearly an exceptional case since its unemployment rate, high before the crisis, shows a continuous fall right through to 2019. Similarly, but less spectacularly, unemployment rates in the Netherlands and the UK had by 2019 fallen below pre-crisis levels. By contrast, in France and to a lesser extent also in Sweden unemployment has remained relatively high.

Table 1.2 Development of unemployment rates (%) in five countries and EU, 2005-2019

	2005	2008	2011	2014	2017	2018	2019
France	8.9	7.4	9.2	10.3	9.4	9.1	8.5
Germany	11.2	7.3	5.8	5.0	3.8	3.4	3.1
Netherlands	5.9	3.7	5.0	7.4	4.9	3.8	3.3
Sweden	8.2	6.2	7.8	7.9	6.7	6.3	6.7
United Kingdom	4.6	5.6	8.1	6.1	4.4	4.0	3.8
EU-27/28	9.7	7.0	9.7	10.2	7.6	6.8	6.3

Source: Eurostat une_rt_m

Figure 1.2 Development of unemployment rates (%) in five countries and EU, 2005-2019

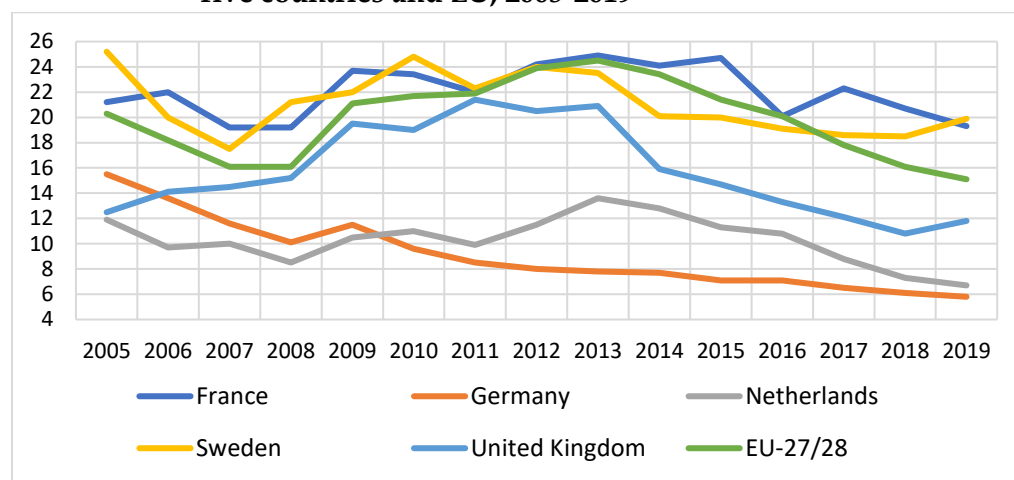


Source: Eurostat une_rt_m

Second, high levels of youth unemployment have continued to persist. Academic experts and community practitioners have pointed to the mounting evidence of such high levels contributing directly to the spread of poverty and the sense of deprivation, exclusion and boredom amongst the young unemployed. This can only have negative

implications for social cohesion. Figure 1.3 shows the youth (below 25 of age) unemployment rates for the five countries featured in this book.

Figure 1.3 Development of youth unemployment rates (younger than 25 of age, %) in five countries and EU, 2005-2019



Source: Eurostat une_rt_m

We can see that youth unemployment rates have followed trends broadly similar to overall unemployment and that some welcome improvements can be observed dating from 2013-14. However, youth unemployment rates have remained much higher than those for the aggregate unemployed. In France and Sweden these rates have recently stuck at about 20%, or 2.4 and 3 times the respective overall rates in these countries, whereas the youth rates in the other three countries were consistently double the overall rates.

A third point we should note here concerns the significant increases in flexible and highly vulnerable employment that have been posted in France, Germany, the Netherlands and the UK over this time period. There is overwhelming evidence that these forms of employment are largely taken up by new entrants to the labour market – many of whom are young persons taking their first steps into paid employment. In Chapter 4 we elaborate on these developments; suffice it to say here, the poor quality of many of these jobs, typified as they are by low pay and contractual insecurity, is hardly compensation for young people who have already been hit by the failures of successive governments to deal with persistently high levels of unemployment.

1.4.3 Crisis recovery and wage pressure

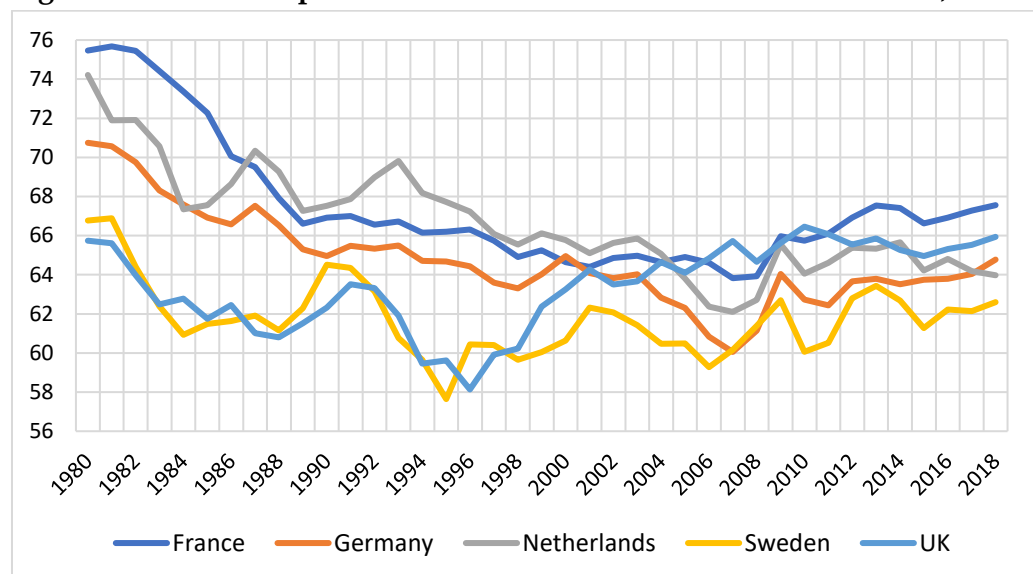
Under the conditions described above, progress to reverse the decrease in wage levels was sluggish in western and southern Europe between 2008 and 2012 and wages have remained under pressure. For instance, as recently as 2018, the level of average real wages for eight EU countries could still be seen to be below the level achieved in 2009. The UK, for example, posted a fall in real wages of minus 1% for the period 2009-2018. However, the Netherlands over this same period showed some real wage growth (3%), as did France (7%), Germany (11%) and Sweden (13%) although when calculated on a

yearly basis these were still quite low figures of just over 1% or less (ETUC/ETUI 2019: 50). In the main and in sharp contrast, top income earners in most European countries have rapidly found ways to buck these trends and boost their earnings. With the sluggish recovery in middle and lower wages this has inevitably led to a widening of income inequality.

The development of labour productivity as a base for sustainable real wage growth, has been problematic for many EU states and has been a clear contributory factor to their slow recovery from the crisis. Over the period 2008-2017, the average growth in labour productivity in the EU slowed substantially. In these years real wage growth lagged behind this already stagnating productivity trend in 15 out of 28 EU countries. The five countries we are concerned with in this book, however, partly diverged from this general trend. Over the period 2008-2017, Germany and Sweden posted real wage growth of 8 and 6% points respectively above productivity growth, and in France wage and productivity increases were at the same level. However, in the Netherlands and the UK real wages lagged by 3 and 5% points respectively behind productivity growth (ETUC/ETUI 2019: 51).

Over a longer time period, from 1980 onwards, wage growth in the five countries we have highlighted in this book, has consistently tended to lag behind productivity growth leading to a decrease in the overall share taken by wages (the 'labour share') in the gross national product (GNP): see Figure 1.4 (next page). The labour share averaged for the five countries decreased from 70.4% in 1980 to 64.8% in 2018. The exception was the UK, where the share has remained fairly constant from an already low 66% posted in 1980. An extensive body of research attempting to explain this phenomenon has pointed first and foremost to the weakening of labour's bargaining power. Amongst other things, this has been attributed to the shrinkage of employment in the traditionally rather well-unionized manufacturing industries. The corresponding employment growth in the services sector with its large physical dispersion and units of much smaller size has not provided much by way of compensation either in terms of union recruitment or collective bargaining opportunities (cf. Milanovic 2016: 104-105; see for the shift in employment section 2.2). More recently the declining labour share has been analysed as one characteristic of the emergence of a 'finance-dominated capitalism' (Stockhammer 2013, Judzik and Sala 2013). Some researchers have added further refinement for the EU28 countries emphasizing that the declining share has resulted from the effects of weakened trade unions and 'financialisation' coinciding with neoliberal government policies and retrenchment of the welfare state (cf. Barradas 2019). Others have for advanced economies focused on the implications of offshoring for the lowering of labour's bargaining power and the consequent reduction of the labour share (Dao *et al.* 2017; see section 2.3.2).

Figure 1.4 Development of labour shares in GDP in five countries, 1980-2018



Source: EC, AMECO - ECFIN Database. Note: Germany 1980-1990 = West-Germany

For the five countries under scrutiny, Table 1.3 (next page) displays figures on the *personal* income inequality for 2005-2015, while below that table Figure 1.5 shows the division over the three main categories for 2015. We can see that the recovery from the crisis of 2007-08 has made very little impact on income inequality. Indeed, during and after the crisis Germany, the Netherlands and Sweden, often labeled as exemplary welfare states, all saw income inequality on the rise, with the top-10% income earners taking larger shares whilst those in the bottom half of the income distribution lost out. In the Netherlands, for example, the share of the top 10% on balance increased by a full 2%points while that of the bottom 50% fell by the same percentage. The pictures for Germany and Sweden were quite similar although in 2015 the Swedish distribution remained less unequal than the other four. Also, *wage* inequality continued to be low in Sweden (see Chapter 8). According to these figures, Germany had by 2015 arrived at a remarkably unequal personal income distribution that matched the level of inequality in the UK.

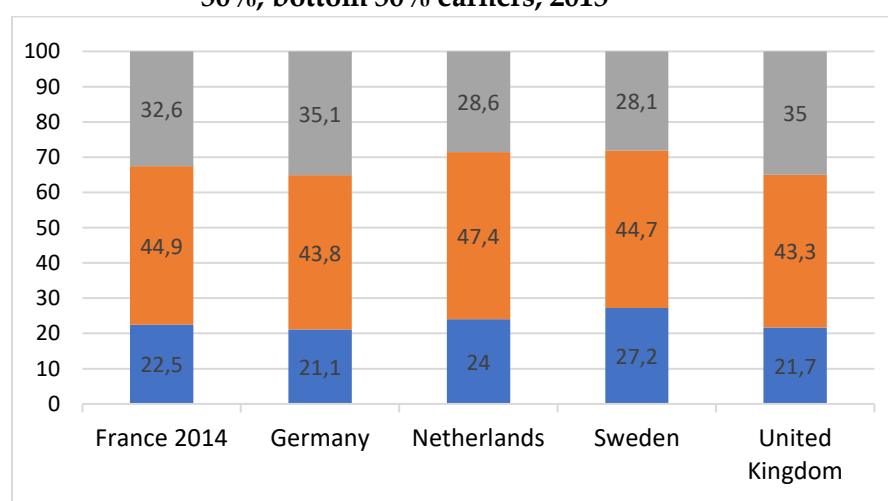
Table 1.3 Income inequality in five countries and EU: pre-tax shares of top 10% and bottom 50% earners, 2005, 2010, 2015

	Share of top 10%			Share of bottom 50%		
	2005	2010	2015	2005	2010	2015
France	33.5	32.6	32.6*)	21.9	22.3	22.5*)
Germany	34.1	35.0	35.1	22.5	21.6	21.1
Netherlands	26.6	26.2	28.6	26.1	26.4	24.0
Sweden	26.9	27.1	28.1	30.0	27.7	27.2
United Kingdom	35.1	31.6	35.0	20.7	22.5	21.7
European Union	33.1	32.6	33.6	21.6	22.1	21.8

Source: World Inequality Database

*) 2014

Figure 1.5 Income inequality in five countries: pre-tax shares of top 10%, middle 10-50%, bottom 50% earners, 2015



Source: World Inequality Database

XX = top 10%

XX = bottom 50%

Eurofound researchers have added that for Germany and Sweden in particular but also to some extent for the other three countries, real incomes at the very bottom of the distribution (the lowest 20% incomes) stagnated the most. Unemployment was an important driver here (Fernández-Macías and Vacas-Soriano 2017). In France, the income distribution became slightly more equal: the top 10% lost share and the bottom 50% gained slightly. The UK's position was somewhat similar except that the top-10% share in the end remained virtually unchanged whereas in the 2010s the position of the bottom half showed some improvement.

All these figures show the income distribution before taxes and income transfers have been taken into account. Such factors of course can have some redistributive effects. However, since the mid-1990s these effects have declined in the majority of OECD countries² and particularly in Sweden and Germany. Although conversely in France,

2 The Organisation for Economic Co-operation and Development (OECD) is an organisation of 36 countries headquartered in Paris. Members outside the current EU are Australia, Canada, Chile, Iceland, Israel, Japan, New Zealand, Mexico, Norway, South Korea, Switzerland, Turkey, and the United States.

the Netherlands and the UK we can see small positive effects. Overall, lower personal income taxes combined with less progressive tax rates were the influences at play here (Causa *et al.* 2018). Moreover, the concentration of *wealth*, that is, the ownership of economic capital, as shown by among others Thomas Piketty (2014) and Anthony Atkinson (2015) is high in OECD countries and has been growing in the last two decades. Currently wealth inequality is about twice the level of income inequality. According to various databases the shares of the top 10% most wealthy persons in the net household distribution of wealth were 50-55% for France; 60-65% for Germany; 55-70% for the Netherlands, and 50-60% for the UK (Balestra and Tonkin 2018; no data available for Sweden).

1.4.4 Persistent imbalances

In Europe, the economic crisis cannot be decoupled from the persistent economic imbalances that were manifest across EU countries in the 2000s. In that decade, the gap increased between those countries posting a current-account surplus and those recording a deficit. The governments of the first group, led by Germany along with the Netherlands and the Nordic countries, had followed an export-led growth strategy. According to mainstream views shared by the European Commission, the deficit nations lacked competitiveness in the first years of the crisis because their labour costs were 'too high'. However, most deficit countries saw hardly any improvement in their current-account situations after following Commission and IMF policy prescriptions to cut wages and reduce other social costs.

Furthermore, after the crisis the respective country positions did not change. For example, for 2019 *The Economist* (December 21, 2019) forecasted current-account surpluses of 9.4% for the Netherlands, 6.6% for Germany and 3.5% for Sweden, against deficits of 0.9% for France and 4.3% for the UK. The persistent nature of this situation has strengthened the credibility of alternative explanations for these unchanging imbalances. Such explanations emphasize that non-price factors have influenced competitiveness, notably, the quality and innovative content of products and services. They also underline the importance of maintaining domestic purchasing power (cf. Van Klaveren and Schulten 2015: 179). It seems likely that these imbalances, along with stagnating real incomes, have fueled the feelings of discontent with European policies that have been evident among growing layers of the EU's population with Southern European 'debt countries' to the fore. The Brexit vote in the UK and the '*Gilet Jaunes*' demonstrations in France can also be seen as manifestations of this societal discomfort.

1.5 Multinational expansion and declining union influence

The formation of EMU and ECB and the creation of the Euro(zone) also accelerated developments in the business world. To some extent, in the 1980s and 1990s managerial anticipation of the EU's single regulatory space had already made room for many cross-border mergers, joint ventures and acquisitions. Large multinational enterprises (MNEs) split their European structures away from their global governance systems.

The launch of the Euro and subsequent steps towards EU corporate governance, including the European Works Council (EWC) Directive (1994, revised in 2009), the European Company Statute Directive and the 13th Takeover Directive, further promoted an EU-wide level playing field for multinationals.

Although case studies showed that EWC's had, by the early 2000s, provided workers with some countervailing power (cf. Weiler *et al.* 2004), employee representatives throughout the EU soon recognised that MNEs were using their European structures to refine benchmarking and ramp up productivity comparisons. This inevitably pitted plant against plant and worker against worker, most notably in the manufacturing sectors. At the same time MNEs, when considering their investment strategies, increasingly deployed their enhanced ability to play national and regional authorities off against each other as they indulged in what was dubbed 'regime shopping'. Neither increasing international trade union cooperation, nor the activities of a growing number of EWCs have been effective in counteracting these practices (see section 2.4.3 for more on EWC's).

Within the EU, collective bargaining was most strongly constrained where the coordination of bargaining levels was already weak, namely, in the CEE country group and in the UK. The dominance of MNEs and foreign investment (FDI) on the one hand and the weakness of trade unionism on the other were the crucial contributory factors in the CEE countries. After the Fall of the Berlin Wall (November 1989) and the systemic changes of 1989-90, FDI grew quickly in the four Visegrád countries: Poland, the Czech Republic, Slovakia and Hungary. These countries offered foreign investors relatively cheap but skilled labour combined with legal stability, privatisation and attractive incentives. In particular, Germany-based MNEs capitalised on these opportunities. The accession to the EU of eight CEE countries in 2004 (followed by Romania and Bulgaria in 2007 and Croatia in 2013) can be seen as institutional acts that completed the economic integration process of the 1990s. In that decade the trade unions in the CEE countries, who had formerly acted as 'transmission belts' for the policy of the communist parties, had to re-invent themselves as independent bodies. Whilst the 1989-90 changes created a basis for autonomous collective bargaining, the steps towards such bargaining were often prescribed in a top-down manner with little regard for the local rank-and-file workers and their interests. Also, officials in the rebranded unions naturally had very little experience of collective bargaining in a market economy (cf. Galgóczi 2017).

Recent figures illustrate the resulting imbalances in power relations between business and labour in particular in the 10 central and eastern EU countries (CEE-10). Currently, in this country group foreign MNEs dominate employment in major parts of the labour market, both in manufacturing and in services. Table 1.4 and Figure 1.5 (both next page) show the percentages of employment by foreign-owned MNE affiliates in four industries for the five countries under scrutiny and the CEE-10 country group, in 2008 and 2016. Clearly, in 2016 for the CEE-10 country group foreign-owned companies

employed more than half of all workers in metal and electronics manufacturing (M & E), three in every ten working in retail and over four in every ten in the ICT industry.

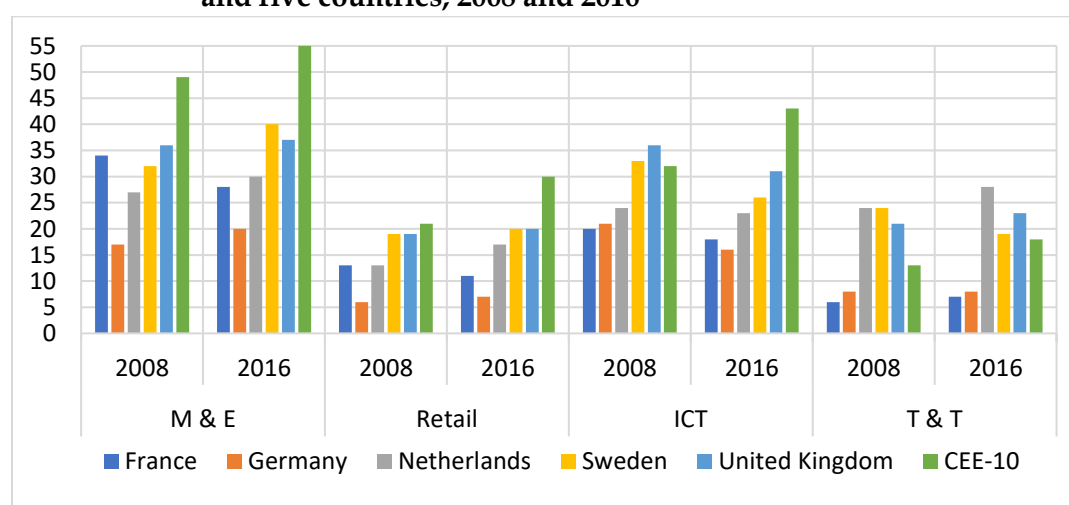
Foreign MNEs also had considerable employment shares in the Netherlands, Sweden and the UK, in metal and electronics manufacturing, retail and ICT. These shares were even larger in transport & telecoms (T & T). than those posted in the CEE-10 countries. In France and Germany, home to large MNEs in all four sectors, the FDI shares were lower, both in 2008 and in 2016, though were still considerable in metal and electronics and ICT. Between 2008 and 2016, foreign employment shares increased notably in Dutch and Swedish metal and electronics, and also in Dutch transport & telecoms. Remarkably, in these eight years the employment shares of foreign MNEs in ICT decreased in all five countries scrutinized while showing strong growth in the CEE countries. The relocation of IT services from Northwestern European countries to the Baltic region or elsewhere in Eastern Europe ('near-shoring', see section 2.3.1) likely has been a major contributory factor here.

Table 1.4 Shares of employment (%) by foreign-owned MNE affiliates in four sectors and five countries, CEE-10 and EU, 2008 and 2016

	Metal and electronics manufacturing		Retail		ICT		Transport & telecoms	
	2008	2016	2008	2016	2008	2016	2008	2016
France	34	28	13	11	20	18	6	7
Germany	17	20	6	7	21	16	8	8
Netherlands	27	30	13	17	24	23	24	28
Sweden	32	40	19	20	33	26	24	19
United Kingdom	36	37	19	20	36	31	21	23
CEE-10	49	55	21	30	32	43	13	18
EU-28	29	32	15	17	26	29	12	15

Sources: 2008: Van Klaveren and Gregory 2019; 2016: Eurostat, SBS and Inward FATS data

Figure 1.6 Shares of employment (%) by foreign-owned MNE affiliates in four sectors and five countries, 2008 and 2016



Sources: 2008: Van Klaveren and Gregory 2019; 2016: Eurostat, SBS and Inward FATS data

For organised labour, the expansion of MNEs has naturally called for the deployment of effective oppositional power. However, basic data show that such a deployment was mostly hard to achieve. For example, by 2016 trade union density in the 10 CEE countries had fallen to an average level of 14% while collective bargaining coverage had decreased on average to 25%. Trade unionists here have been confronted with declining practical means and diminishing legal opportunities to counteract these negative trends. In retail and wholesale and in parts of the transport sector in particular, wages and conditions in MNEs have showed no clear positive effects (so-called spillovers) on wages and conditions in smaller firms. This situation was by no means restricted to the CEE country group but could also be found in Western Europe. In food retail in Germany and the Netherlands in particular the continuation of the wage pressure trend that already had become visible in the early 2000s was ever present (Carré *et al.* 2010; Van Klaveren *et al.* 2015; Van Klaveren and Gregory 2019).

1.6 Industrial relations in the five countries: varying conditions for social dialogue

In spite of the way EU Directives have tried to shape European frameworks, substantial differences across countries remain in industrial relations at all levels – and this is certainly true in the five countries in the Northwestern ‘corner’ of Europe we focus on here. The conditions for creating and maintaining the social dialogue at the different levels of industrial relations have therefore varied considerably. That said, employee representation throughout these countries has, in the main, been assured by two channels: either through elected Works Councils or through union representatives. Some industrial relations systems have combined both types; France being an obvious example. At company level, trade unions in Germany and the Netherlands have not enjoyed an official status; instead Works Councils have played important roles. In both countries, however, trade unionists have mostly been dominant in the councils, and majorities of council members to date have been unionized. The position in Sweden is even clearer in that trade unions have held a monopoly on the representation of employees.

In the UK, statutory rights were given to employee representatives under health and safety laws introduced in the 1970s although in practice most health and safety representatives have been union members and activists. However, for other workplace representation and collective bargaining purposes the UK relies upon voluntary arrangements. Thus, the roles of local representatives (frequently called ‘shop stewards’) are specified according to a voluntary recognition agreement. Collective bargaining arises where a recognized union agrees the procedure for pay negotiations with an employer. The voluntary nature at the heart of the British industrial relations practice stands in sharp distinction to the practice elsewhere in the EU (except for Ireland which follows a path similar to the UK).

Many cases presented throughout this book illuminate the ways in which labour consultants have operated in (and sometimes across) their respective countries. Chapter 8

provides an overview of the legal context, industrial relations and market conditions that confront labour consultants in the five countries studied. Taken together, the cases and this overview confirm that, in spite of European legal frameworks, the formal context for their assignments differed widely across countries -- and continues to differ. Moreover, beyond formal rules and structures, the 'quality' of industrial relations at company and workplace level is also of major importance. That quality also varies considerably. Sweden and France represent two extremes: on the one hand a co-operative climate and on the other an industrial relations environment characterized by opposition and mistrust. The lack of mutual recognition between the social partners in France explains, to quite an extent, the strong interventionist role taken by the French government in industrial and social matters as well as the dominance of very formal procedures in French industrial relations. In contrast, the experience of ATK in Sweden suggests that in general the social partners have a consensual view on how to deal with organisational and structural change. As a result, organisational change has mostly been a rather smooth process -- although with variations, depending on the sector and on whether or not national or foreign ownership prevails.

Regarding 'quality', German and Dutch industrial relations at company level tend to resemble those in Sweden, though in both Germany and the Netherlands considerable differences across sectors can be seen. In both countries at the lower end of the labour market, in industries like retail, catering/hospitality and cleaning, the development of industrial relations has been far from harmonious. In recent years a growing number of strikes could be noted here (*AIAS-ETUI Collective Bargaining Newsletter*, 2015-2019). At company level in the UK the purely voluntary basis of collective bargaining means collective agreements are binding in honour rather than law. On the face of it, this gives the social partners some room for manoeuvre in terms of bargaining agendas with the potential for qualitatively enriched negotiations. However, with some notable exceptions, bargained agreements in the UK have tended to be narrowly focused on pay and working time with scant attention paid to any wider work organizational issues. Furthermore, sectoral collective agreements in the British private sector were phased out from the 1960s onwards as the UK led the rest of Europe in decentralizing collective bargaining in the private sector. Industrial relations in the British public sector by contrast were until recently dominated by national or sectoral bargaining arrangements. However, the raft of privatisations from the late 1970s and early 1980s (covered in Chapter 3) paved the way for a significant weakening of such agreements. It may be added that, although trade unions have agreed partnership agreements with a number of UK companies (which in many ways echo the social dialogue approach long practised in many EU countries), such relationships between union and management have remained relatively rare.

A recent research project on which two of the current authors reported, rated the relationship between management and trade union at company level in 23 EU member states. This analysis focused on the largest five companies (as regards employment) in five key industries namely: metal and electronics manufacturing; wholesale; retail;

ICT; and transport and telecoms. The resulting average ratings for 25 companies per country give a flavour of industrial relations at company level in these countries. They also indicate the potential for negotiated or co-operative change as advocated in this book. Among the five countries under scrutiny, Sweden scored the highest average rating (3.22) followed by the Netherlands (3.10), France (2.98) and the UK (2.96). Germany's rating ended up much lower (2.84), but in that country the individual company outcomes showed a much larger spread (standard deviation) than the more coherent picture of Sweden and the Netherlands. In large French, German and British companies cooperative relationships could be traced as well but these were less common (Van Klaveren and Gregory 2019: 127).

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CHAPTER 2. RESTRUCTURING GOING GLOBAL

2.1 Introduction

In this chapter we briefly analyse how the restructuring processes in Northwestern European countries have become part of, or influenced by, the larger process of globalisation. To this end, we examine a number of crucial developments namely:

- structural shifts in western economies characterized by de-industrialization and ‘industrial restructuring’;
- globalisation through foreign investment and contracting out by multinational enterprises (MNEs) characterized as offshoring;
- the shaping of global value chains (GVCs) and the ‘race to the bottom’ in wages and conditions which confront workers all over the world, and
- the current rapid shifts in business strategies, that seem likely to be further fuelled by global trade wars.

We consider the extent to which European Directives alongside European Works Councils and Transnational Company Agreements could be instrumental in mitigating the negative consequences of restructuring and whether they might promote the ‘backshoring’ of manufacturing or services earlier put offshore. Thereafter, we describe the various shapes restructuring can take and their varying consequences for employees. We identify five forms: internal restructuring; outsourcing; mergers and acquisitions, offshoring, as well as backshoring. In each case we have drawn on our experience as labour consultants and on our own and others’ studies, to indicate the alternative strategies that trade union and other employee representatives might deploy to replace the negative consequences of restructuring with more socially acceptable outcomes.

2.2 Structural shifts and restructuring

In the 1970s the terms ‘industrial restructuring’ or ‘economic restructuring’ began to crop up in Northwestern European countries. The terms articulated policy aspects of the structural shift away from manufacturing towards the service sector. This de-industrialization process proved to be a common phenomenon in all five countries though it could be seen most markedly in the United Kingdom and the Netherlands. In the UK in 1975 one-third of total employment could be found in manufacturing and mining but by 2016 that share had dwindled to less than 11%. At the same time, the country’s employment in services grew from 57% to 80%. This decline in manufacturing industry was only slightly less spectacular in the Netherlands, where its share in employment fell from 26% in 1975 to below 12% in 2016 (see Table 2.1 and Figure 2.1, next page). From the late 1960s onwards, the implementation of such change processes went far from smooth. Nevertheless, in both countries the mass production of garments and textiles as well as shipbuilding largely disappeared. The areas in which

these industries were concentrated were inevitably heavily hit, and in some regions over a quarter of formerly employed individuals suffered from long-term unemployment. These declines, concentrated in old industrial regions, could also be seen in France, Germany and Sweden. Against this backcloth, ‘industrial restructuring’ was also the term frequently applied to the policies local authorities used in their attempts to rebuild the economic and social infrastructures of their regions and offer their population new perspectives.

Table 2.1 Employment shares of manufacturing & mining and services (in persons employed) in five countries, 1975 and 2016

	manufacturing & mining		services	
	1975	2016	1975	2016
France	14.9	13.8	72.1	75.1
Germany *)	30.0	19.4	61.4	71.9
Netherlands	25.9	11.6	67.7	80.2
Sweden	13.9	10.8	77.9	79.3
United Kingdom	33.6	10.6	56.8	80.1

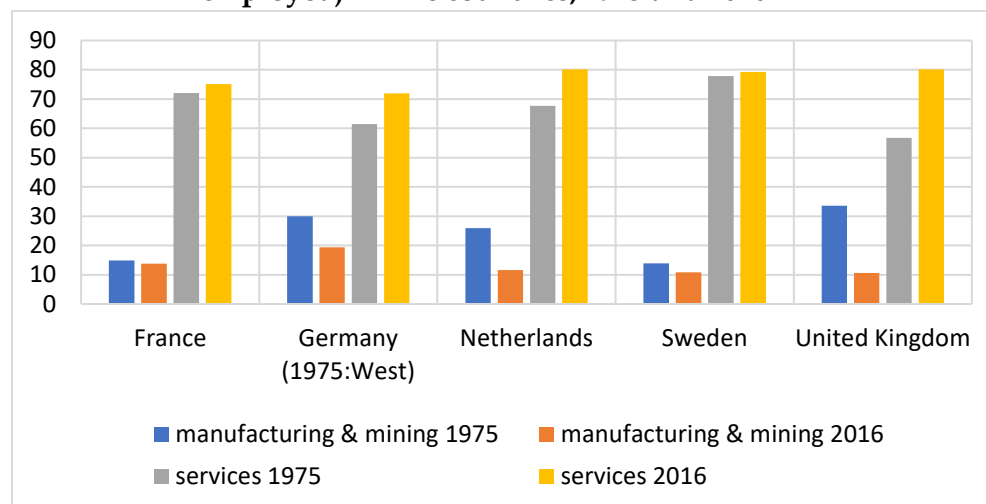
*) 1975: West-Germany

Sources:

1975: website OECD, Employment by activity, except Netherlands: CBS (Statistics Netherlands, Statline), and UK: ONS, Censuses UK (England/Wales, Scotland, North Ireland);

2016: Eurostat

Figure 2.1 Employment shares of manufacturing & mining and services (in persons employed) in five countries, 1975 and 2016



Sources: see Table 2.1

We should not overlook the major boost rapid advances in Information Technology (IT) have latterly given to the longer-term shift away from manufacturing and mining. Although, as we will elaborate in later chapters, the adoption of IT has in turn emerged as a powerful instrument in rationalizing employment in a range of service industries, not least in the IT industry itself. The combination of reducing development and production costs through implementing IT while adopting management techniques from manufacturing (such as ‘lean production’) and practices such as offshoring have

played important roles here. The earlier experience of workers and their representatives in manufacturing may, therefore, have some relevance for their colleagues in service industries, for better or for worse.

2.3 Globalisation: a brief history

2.3.1 *Nearby relocation: 'near-shoring'*

It was no accident that the industries who suffered the biggest employment decreases in Northwestern Europe were also the first to experience offshoring. Already shortly after the end of World War II, the most labour-intensive industries had shown themselves to be vulnerable to relocation. Next to the classical search for natural resources and new markets, the exploration of spatial cost differences, particularly differences in wages, emerged as a major motive in investment decisions. For example, in the 1950s the Netherlands a first round of relocation of garment manufacture took place that saw factories moved from Amsterdam to the periphery of the country. However, once the larger clothing manufacturers and purchasing retail chains had discovered the advantages of 'footloose' low-cost production in countries where they could exploit the dexterity and low wages of girls and young women, they soon mastered the logistics of relocation, and internationalization inevitably gathered pace. In the 1960s and 1970s, Dutch and other garment and textile producers opened factories in Southern Europe and North Africa as offshoring reached its first stage. Since they remained near their European markets this was initially dubbed 'near-shoring'. Much later, examples of near-shoring could be found in the expansion of German car manufacturers to the Czech Republic, notably Volkswagen's take-over of Škoda in 1994, and, after 2000, the relocation of administrative and IT services by Scandinavian banks and insurance companies to the Baltic states: see the case study below. Both moves were driven, in the first instance, by the fact that wage levels in Central and Eastern Europe (CEE) at the time were some two-fifths of those in the home countries.

Case 2.1. Near-shoring by an insurance company (Sweden)

For a Swedish insurance company the possibility, at a certain point, of outsourcing to the Baltic States –in other words, near-shoring – became an attractive option. Competition in the sector had intensified. Cost efficiency was an important issue: a program targeting savings of 30% had been launched. Savings through more effective IT systems at the current location were calculated and judged to be insufficient. Pure downsizing was not seen as an option and other forms of savings were not in evidence. Offshoring thus became a compelling option. The areas targeted were administration, customer support and claims settlement, and after these came IT. Investigations were undertaken into which operations and what locations in the Baltic region or elsewhere in eastern Europe would be suitable. Risks, consequences and mitigation measures were listed and valued in a thorough risk analysis. The critical points that emerged concerned:

- the transfer of operations and knowledge;

- hiring and training of new staff;
- hiccups in internal and external communication due to language problems and cultural differences, and
- uncertainties concerning long-term effects.

To deal with a specific problem that had emerged, part of the company's front and back office tasks had to be separated. The aim was to offshore the simpler tasks that had no customer contacts. This was considered to be a strategic issue since both the operations and the customer contacts needed to continue to run smoothly. Failure here might have had a negative impact on the brand, not just in terms of dissatisfaction with the service but also on job losses.

The process was led by a project team, although the strategic decisions remained with the board of directors. A labour consultant delivered a second opinion pointing out the long-term cost savings would not be as big as anticipated. This was significant, since some of the risks involved, notably the possibility of damaging customer relations especially in case handling, were a prominent concern. Ultimately, the outsourcing process played out over four years, beginning with the easier, non-customer-intensive back-office tasks. In this first stage 250 FTE jobs (out of a total of 2,500 globally) were to be shifted offshore and substituted for employees onshore. After two years the process reduced to about 100 employees offshore and was finally closed down some two years later when resources were rebuilt onshore. The decision to 'backshore' was taken because of problems in reaching the planned critical mass since in practice, it turned out that a number of tasks could not be moved. Similarly, the personnel cost savings were not as great as expected due to unforeseen high levels of employee turnover and rising wages offshore.

This offshoring and backshoring experience was, on the surface at least, a costly adventure that involved building up, training and then closing down the offshore operation. It was though still considered worthwhile as the changes offshoring had brought about had improved processes and ultimately required less staff in the processes concerned. Further process improvements were subsequently planned although the strategy for effectiveness was switched away from offshoring to a strategy that favoured digitalization and robotization.

2.3.2 *'A race to the bottom': the rise of Global Value Chains*

From the mid-1960s onwards, MNEs based in the United States could be seen to be the first truly global 'efficiency seekers'. They undertook a rash of foreign direct investment (FDI) in Asia and Latin America -- first in electronics manufacturing, then in the production of automobile parts, garment, footwear, textiles and toys. Japanese, British, German and other Europe-based MNEs soon followed their example. A combination of developments boosted this expansion abroad, namely:

- the growing reservoir of cheap labour as substantial amounts of girls and young women in developing countries felt forced to move away from agriculture;

- the liberalisation of world trade through negotiation rounds at the World Trade Organisation (WTO), resulting in a worldwide decrease of tariff barriers between countries;
- advances in computerisation and IT, easing contacts in and between companies;
- advances in transport: bigger airplanes and bigger cargo vessels, underpinned by a rapid increase in the use of containers that gave rise to large-scale and heavily automated container terminals, all of which significantly reduced transport costs;
- the liberalisation of the economic policies of China (from 1979 onwards, becoming a WTO member in 2001), India and the former Soviet Union (CIS) countries (both from 1991 on);
- the creation of Export Processing Zones (EPZs, known by various names) in many developing countries, designed to attract foreign investors by offering infrastructure for free as well as tax freedom, exemptions from labour legislation and, in some cases, bans on trade unions.

The two latter changes were notable in opening up profitable options for offshoring. MNEs eagerly took up the opportunities offered by the huge pools of low-paid but productive assembly workers that came within their reach. They were quick to relocate labour-intensive manufacturing processes into China, India and elsewhere in Asia with similar moves into Mexico and other countries in Latin America. In 2005 Richard Freeman, a widely respected labour economist, saw the (re)integration of 'Chindia' into the world economy as being equivalent to 'the doubling of the global workforce'. This relative abundance of cheap labour carried with it profoundly unfavourable consequences for workers in developed countries. Vertical production networks rapidly evolved on a world scale and became known as global value chains (GVCs).

In its first iteration, the growth of GVCs was driven by western and Japanese *manufacturers*. The process was very much a 'race to the bottom', putting wages everywhere under pressure and at the same time jeopardizing occupational safety and health standards. For the 1990s researchers found evidence that the greater the (re)location options, the lower were workers' wages and the higher were firms' levels of profit. This effect of foreign investment could be seen in both developing and in developed countries. For the US and Western Europe they also showed that offshoring lowered the relative wages of low- and medium-skilled workers. It should be added that later on in the 2000s these negative wage effects of FDI appeared to be less marked. By then, foreign investment had shifted towards activities with more value added, requiring higher competence from the workforce and the use of advanced technology. This finding corroborated what other country data had already begun to indicate, namely that the gaps between the minimum and average wage levels of ten Asian countries and the EU diminished after 2000 (Van Klaveren *et al.* 2013: xxvi, 9-13). Dao *et al.* (2017: 20) showed that the implications of offshoring for the labour share in advanced economies were rather straightforward. Since the offshored tasks were relatively labour-intensive, the composition of home-produced goods and services inevitably became more

capital-intensive and a decline in labour income shares ensued. In addition, offshoring – or the threat of it – has tended to lower the bargaining power of trade unions in these countries, thus putting further downward pressure on the labour share.

In the 1990s global *buyers* took over and buyer-driven chains became the dominant global economic force. Walmart is often singled out as the company which fuelled this change as it was the first to organize its supply of all kinds of goods on a worldwide scale. All other major supermarket and department store chains (Carrefour, Tesco, Metro Group, et cetera) followed this model, as did the large brands selling clothing and footwear (Inditex, H&M, Nike, Adidas, et cetera). In the 2000s, worldwide subcontracting expanded to reach formerly independent producers who in turn contracted out to lower tiers. Currently the garments and footwear on sale in western high streets are mainly supplied through long GVCs, with production contracted out along three or even four tiers. In these sectors what initially were ‘make or buy’ decisions have almost exclusively turned into ‘buy’. Most large garment, footwear and textiles brands no longer have factories of their own but operate through thousands of suppliers who remain dependent on their purchasing decisions. In 2015-16 the garment and related GVCs in the 25 Asian and Latin American countries most engaged in these sectors employed some 54 million workers, of whom (except in India and Pakistan) around 80% were female (Van Klaveren and Tijdens 2018).

In technology-intensive industries complex GVCs also developed and it was significant that this enabled national companies from developing countries to become MNEs in their own right. The best-known example is the Taiwanese-owned company Foxconn, employing between 700,000 and 800,000 workers worldwide. With most of its production facilities in China, Foxconn currently manufactures most of Apple’s iPhones and iPads as well as electronic parts for at least ten other major firms. In the services sector western banks, insurance companies and consultancy firms have also jumped on the bandwagon, relocating labour-intensive call centre and IT-related activities – under the guise of ‘Business Process Outsourcing’ (BPO)/ notably to India and the Philippines. Indian entrepreneurs in turn have seized their chances taking on BPO orders while also offering their own services. In 2018 Tata Consultancy Services (TCS), Infosys and Wipro, the three largest BPO firms in Indian hands, together had over 800,000 employees (Van Klaveren *et al.* 2013; wikipedia lemmas).

2.3.3 *Boundaries renewed: trade wars*

In the last two decades, globalization reached a new peak. In so doing, production, servicing and trade conditions came close to resembling a global ‘free for all’, which have exposed the majority of workers in private industry to frequent and complex changes. Furthermore, this internationalisation of production has also been closely related to the polarization and flexibilization of labour markets that have carried with them a range of adverse consequences for work organization. At the same time, professional, organisational and national boundaries have become more and more obsolete as companies have become more intertwined and mutually interdependent. Three

decades after the emergence of globalisation and offshoring, yet another breakthrough, that of digitalization, has latterly been revolutionizing competitive and occupational structures – and it is safe to assume that applications of related technologies will continue to do so.

The battles for higher profitability and stronger market positions are now fought largely on a global scale. They are driven, as ever, by technological and organisational innovations and changes in consumer demand but latterly have also had to contend with a rising awareness of environmental constraints. In this struggle, the time horizons of many top managers have increasingly been focused on the short term. Driven by the need to maximise short-run shareholder value, the prominent management options have prioritized cost-reduction measures, outsourcing and downsizing. The dominance of stock markets together with the increase of ‘financialisation’ and speculation has further prompted rapid shifts in business strategies affecting industries as diverse as retailing, food production, electronics and car manufacturing. Leading firms here have attempted to increase their competitive advantage by combining large-scale production and marketing efforts with GVCs that feature low-cost and flexible delivery. This has led to a characteristic concentration on their ‘core business’ with all other activities outsourced to external production or service providers. Such developments have been major forces behind the waves of mergers and acquisitions that flushed through major economies in the 1990s and 2000s. It is important to note that within such developments national interests were increasingly difficult to uphold.

The above picture may change drastically if the threat of global trade wars becomes a reality. National boundaries might again become highly relevant. At the time of writing (December 2019), this is far from a fictitious perspective. Indeed, the current skirmishes between the US and China are an ominous portent of what might transpire, especially since the US president has left the multilateral dispute settlement framework of the WTO to focus on bilateral trade deals. At the moment of writing it seems likely that the existing US-EU trade arrangements that president Trump apparently considers to be “highly dishonest” will become his next target.

In these uncertain conditions, it seems reasonable to assume that the attainment of competitive advantage in business is likely to depend increasingly on political expediency. Trade wars and new bilateral agreements are also likely to give an impetus to renewed structural change. Proximity to markets, a location factor that has lost significance in the last three decades, may well regain importance. Furthermore, certain complex GVCs are currently under serious pressure, for example, in car and electronics, where manufacturing is still considerably dependent on facilities in China. If trade warfare is aggravated, some of these GVCs may fall apart. The resulting restructuring could create opportunities for entrepreneurs operating at national or even local level. Yet, whether these would be sufficient to offset the wider economic shocks trade wars will undoubtedly generate remains to be seen.

2.4 Mitigating the consequences of restructuring

2.4.1 Introduction

Restructuring in and between workplaces and companies, regions and countries can take on many faces and lead to varying consequences for employees and other stakeholders. Managerial strategies tend to be based on combinations of factors that optimize economies of scale with flexibility in production and delivery. Alongside this are the trade-offs being made between high quality and low costs, and the decisions on proximity to markets. The consequences of restructuring though ought to be seen from a company, labour and societal perspective. From a labour perspective, 'shaping the consequences of change' ideally means the meaningful involvement of trade unions and other employee representatives (potentially supported by labour consultants), in negotiating the consequences of restructuring and mitigating its negative effects. Whilst there are examples, as we show in this book, where employee representatives and labour consultants have succeeded in influencing the shape of the change itself, in only a limited number of instances have such interventions involved an alternative pathway to the intended change. A major obstacle here, despite the existence of EU Directives on information disclosure, is the lack of information about the consequences of the change processes and their likely impact on the organisation and quality of work in particular.

In the large majority of restructuring or reorganization cases, we can assume competent management have thought about, discussed and agreed clear strategies and trajectories with time tables, measures and means to attain pre-conceived goals. It is precisely this information that should be (but in our experience rarely is) shared in an early stage with the other social partners. There might be exceptions particularly where non-standardized technologies have to be introduced. In these situations even the most competent managers may exhibit limitations in their knowledge and foresight. The uncertainties caused by such knowledge deficits have been further refined by what has come to be known as the 'Collingridge dilemma'. This contrasts the freedom managers often have in the early stages of shaping the specification and implementation of technology (in other words, when considerable 'design space' exists) with their highly uncertain knowledge about the consequences of the changes they are about to implement. As the implementation stages unfold the consequences generally become clearer but by then the design space may mostly have been exhausted (cf. Collingridge 1980). In a number of case studies presented in this book examples of this dilemma have appeared. As far as the authors here are concerned, this is yet another indication that building relations of trust and creating social dialogue at firm and work organisation levels is absolutely essential to deal with the uncertainties captured in the Collingridge dilemma.

Similarly, we believe that building trust relations ultimately has to be based on the development of workers' competence. Such competence has been found to comprise four elements (cf. Batstone *et al.* 1987; Deery 1989; Levie and Sandberg 1991), namely:

- statutory regulations, notably labour and co-determination legislation, and collective agreements at firm and workplace level, at least partly based on company information disclosure (see Case 2.2, below);
- the availability of knowledge resources easily accessible for trade unionists and other employee representatives, including training programmes and education facilities;
- the development of in-depth competence, including tested strategies to be used in various kinds of change processes, enabling trade unionists and other employee representatives to organize their own information retrieval at firm and workplace level;
- mutual relations of trust, solidarity and knowledge sharing between union members, their rank-and-file colleagues, trade union officers and other employee representatives such as works councillors, and labour consultants.

Below we discuss European Directives, the European Works Council, and Transnational Company Agreements as policy conduits that might help address these elements and be instrumental in mitigating the negative consequences of restructuring by improving the disclosure of company information.

2.4.2 *European Directives*

Although the scope of restructuring and the actions to be taken remain within the prerogative of management, EU corporate governance frameworks have established that restructuring should also respect the basic rules of the European social dialogue. As a first step, informing and consulting employee representatives is crucial. Indeed, the EU's Framework Directive on information and consultation (2002/14/EC) states: "Timely information and consultation is a prerequisite for the success of the restructuring and adaptation of undertakings to the new conditions created by globalisation of the economy, particularly through the development of new forms of organisation of work". In the case of restructuring in more than one country and where MNEs have installed a European Works Council (EWC), the EWC Directive (94/45/EC, recast as 2009/38/EC) applies and requires that the EWC be informed and consulted while compliance procedures in the countries in question have to be followed according to national labour law. Similarly, in the case of transfers of undertakings, the EU Directive of the same name (2001/23/EC) has to be considered. It stipulates that the new employer cannot reduce the employees' terms and conditions unless the Directive's exception criteria are met. This Directive also covers outsourcing to new providers. Previously, in 1998, the Collective Redundancies Directive (98/59/EC) had laid down that employers should inform and consult the workforce on plans for collective redundancies.

Despite the existence of these Directives, policy at the European level has had a weak impact on efforts to regulate the consequences of structural changes in a globalised world market. They have failed to establish a uniform level of labour protection

throughout the EU as labour legislation is stricter in countries like France and Germany than it is in Sweden and the United Kingdom. Moreover, in everyday practice, the extent to which these regulations are respected has proven to depend largely on a company's culture and its orientation towards internal industrial and employment relations. Whether or not management deals more or less co-operatively with trade unions and other employee representatives has proved to be decisive here as is the willingness to disclose meaningful company information. The British case shown below offers an interesting illustration in this respect.

Case 2.2. Development of collective bargaining at the Ford Motor Co. (UK)

The automotive industry has for many years been a leading player in collective bargaining in the UK's private manufacturing sector. Particularly prominent here though have been the interactions of the trade unions and management at Ford Motor Co. both in extending the reach of traditional bargaining agendas and in pioneering innovations in the bargaining process. For more than two decades consultants from the Trade Union Research Unit (TURU) at Ruskin College played an important role supporting the unions at Ford in these developments.

The relationship with the consultants began in 1971 when union negotiators at Ford commissioned TURU to carry out a detailed analysis of Ford's profitability for their annual pay claim. The resulting analysis of Ford's financial performance alongside an assessment of the impact inflation had had on their members' real earnings, enabled union negotiators to justify a level of pay increase that rested upon a lot more than mere aspiration. The fact that the workforce also equipped with a summary of TURU's analysis, felt sufficiently emboldened to embark on a nine-week strike after an initial failure to agree a pay deal, indicated this more analytical approach was something of a 'game changer'. Thereafter, this more evidence-based approach to the formulation of pay claims became commonplace in the automobile sector and frequently involved consultants from TURU.

It was clear though that the breakthrough analysis TURU had initially produced was constrained by a dependence primarily on Ford UK's annual report. That such reports were of limited value in providing a true picture of Ford UK's profitability was soon recognised. First, there was the problem of timescale as the accounts covered a period ending some 18 months before the negotiations began. In second place and perhaps more importantly, the annual reports were heavily infected by the opaque accounting practices inevitably deployed by multi-national companies to avoid corporate taxation. To counter these difficulties the unions requested that Ford provide them with a range of specific financial and employment data to ensure pay claims could be evidence based. The code of practice on information disclosure for bargaining purposes UK's Advisory Conciliation and Arbitration Service (ACAS) recently produced was helpful here, as was OECD guidance aimed at making MNEs more transparent in their financial reporting.

Working closely with the unions' own staff, TURU consultants had an important hand in drawing up the specifics of these information requests. The exchanges of information that followed and the information agreement that was later built into the overall company agreement enabled union negotiators to draw upon a more accurate and comprehensive picture of Ford's performance in the UK. Naturally, not all of the unions' information requests were successful. For instance, their regular demand to see the disaggregated management accounts were equally regularly rejected by the company as being too commercially sensitive to be shared. That said, the data that were disclosed gave the union negotiators unusual leverage for reaching agreement on some of their long-term goals. The data disclosed on working time were particularly noteworthy in this respect since they revealed rather starkly that Ford employees in the UK in the 1970s and 1980s were, by some distance, working the longest hours in Ford's European operations. Ford though were not a 'soft touch' and their negotiators' reputation for tough professionalism was well deserved.

In reality the disclosure strategy adopted by Ford's UK management was an exercise in damage limitation with quite limited downside risks. True, union negotiators were able to table well-grounded claims using non contestable information from the company itself but at the same time, the increasing flows of information helped build much needed mutual trust. This culminated at the end of the 1980s in two remarkably successful joint initiatives (both of which involved TURU staff as consultants and facilitators) that stemmed from the pay negotiation process. The first established a path-breaking Employee Development and Assistance Programme (EDAP; see Chapter 4, Case 4.2) and the second set up a joint working party which helped restructure and reduce the 500-odd job titles in the manual workforce to a more appropriate 50 job titles. This became an important facilitating element in the company's later moves to introduce multi-skilling and more flexible work organisation among the manual workforce.

(See for an extensive case description Appendix 1, Case A1)

2.4.3 *European Works Councils*

At the end of Chapter 1 we indicated differences in industrial relations at company level that could be identified across 'our' five countries. Such differences point to national variations in the potential for negotiated change, though some blockages seem near-universal. For example, the current authors have all found that the ways in which top management in MNEs have tried (and mostly succeeded) to shield strategic decision-making from being influenced by organised labour has posed a recurrent problem for employee representatives. Indeed, in many MNEs the effective hollowing out of Human Resources (HR) resources at subsidiary level has promoted the effective participation of employee representatives to become a strategic priority for the trade union movement (Drahokoupil 2014: 205). However, the setting up of European Works Councils (EWC's) has, with a limited number of exceptions, made little impact on such 'shielding' practices. Management from the outset have carefully preserved

their decision-making prerogative by limiting EWC's to being not much more than occasional forums for information exchange. A study of Eurofound underlined the shortcomings of EWC's as they were typically afforded the possibility of consultation far too late in the decision processes – in other words, well after the strategic decisions had been taken (Carley and Hall 2006).

More than a decade later, there has been hardly any improvement in this regard, at least according to the perceptions of trade unionists with experience of EWC's. A publication from the ETUI (European Trade Union Institute, the research institute of the European trade union movement) in 2017 noted rather optimistically that "The EWC can be instrumental in coordinating the employees' responses to the restructuring and be the catalyst for the creation of a genuinely European strategy or action. The EWC can be used to obtain more information and buy some time, which could prove useful at the local level at which social plans may be negotiated." Reference was also made to the potential support of labour consultants: "The EWC can bring in the necessary experts to help in evaluating the company's plans and suggest alternatives." Notwithstanding these positives, the ETUI concluded that "(...) while EWC's have a clear competence and a genuine interest in addressing European transnational restructuring plans, they clearly lack the instruments and rights to have a significant impact on the restructuring measures in the interests of the European workforce" (De Spiegelaere 2017).

Another major obstacle already identified in the 2006 Carley and Hall report concerned the relative ease with which union solidarity could be ruptured. When restructuring proposals contained winners and losers in terms of job losses, the sites and workplaces involved were almost inevitably pitted against each other. According to that Eurofound report experience across a range of industries and services suggested the union structures involved were rarely strong enough to hold onto a unilateral strategy that could successfully co-ordinate the activity of employee representatives at the national or particularly the international level.

National industrial relations systems could make a difference here but only to a limited extent as the management prerogative defence crops up even where co-operative relations prevail. For the Netherlands and the UK there is evidence that shielding crucial decisions has frequently sealed the fate of counter-proposals that employee representatives have developed with labour consultants and other experts. In such situations calling on European Directives tends to fall short of providing any sort of remedy. These blockages though seem to occur less in Germany, which may be a tribute to the German system in which employee representatives have a right to seats on the supervisory board of larger companies. The same goes for Sweden where the unions have a seat (by law) on the board of directors. However, even here information requirements are repeatedly circumvented by an appeal to commercial secrecy through NDAs (non-disclosure agreements), especially when the company in question is listed on the stock market.

Finally, it is also important to consider the kind of multinationals in which EWC's have to operate. For example, when two companies with clear national histories merged to form a consumer electric MNE, a fight arose between the management of the former companies that spilled over and influenced the unions' ways of working across the countries concerned. In contrast, if firms have developed from a national company to an MNE where their headquarters remain situated in the country of origin, the 'headquarters' union(s)' or Works Council will most likely have had a head start in building institutional or relational ways to exert influence. Even here though, the subsidiaries in other countries may tend to regard themselves 'victims' of headquarters' pressure whether from the management or the unions involved – or from both. This puts strong pressure on the latter unions to remain objective, and on the head office to look beyond a narrow set of national interests. The defence of national or even regional interests by an EWC may be even more difficult to mount in cases where the smaller part of the operations of the MNE in question lie within the EU while the majority of employees and activities are located outside the EU.

The geographical coverage of EWC's is by definition restricted to Europe although a good many MNEs with EWC agreements also operate on a global scale. Indeed, only a rather small number of the largest MNEs employ more than half of their total workforce in Europe. In an earlier book one of the current authors calculated that in 2010 39% of the 230 largest MNEs (by sales) in metals and electronics manufacturing, retail, finance, IT, and transport and telecom maintained more than half of their total employment in the EU (Van Klaveren *et al.* 2013). This finding has been challenged by our more recent (November 2019) analysis of the same five sectors using the ETUI EWC database (website). This showed that around 65% of the 601 companies listed had a majority of their workforce in Europe (though the bigger share of smaller MNEs in the ETUI database may at least partly explain the difference in outcomes). The latter outcome suggests that around a third of MNEs in these sectors could be evading or at least minimizing the reach of the EWC Directive on their operations. The case below presents an example where geographical limits undermined the potential of an EWC.

Case 2.3. Developing transnational Human Resources operations (Sweden)

A multinational firm with headquarters in Sweden employing a globally distributed workforce undertook the development of global Human Resources (HR) strategies and processes with a view to reaping scale economies and gaining the benefits of streamlined processes. By ensuring minimal compliance with national legislation, the objective was to make it easier for managers and employees worldwide to deal with the variety of national regulations influencing HR practices. The processes in question included remuneration, recruiting, result auditing, talent management, training, management development, and occupational safety and health. The plan was to create regional service centres for each HR process in Sweden, the US, India, and the Philippines.

The trade unions linked to the firm's headquarters hired an ATK labour consultant to examine the pros and cons of this global HR development. At an early stage the unions concluded that both national unions and the EWC which covered only a rather small part of the firm's employment, were 'lame ducks' insofar as influencing the larger process was concerned. Even if the EWC were to be informed and consulted at an early stage, they recognised it would take a Global Works Council (GWC) or at least global union co-operation to influence the process in a meaningful way. Against this backdrop, the unions decided not to press the issue arguing that they could exert more influence through their individual contacts with the company's CEO and the top HR manager. Similarly, the HR side was not much interested in involving the EWC since they wanted to avoid too many committees. Thus, both parties having become aware of the limited potential of the EWC, ensured, somewhat perversely, that their subsequent actions reinforced this weakness and further reduced the standing of the EWC.

Concentrating on occupational safety and health (OSH) issues can though provide EWC's with a legitimate way to strengthen their worldwide outreach. Such issues, including the avoidance of work-related diseases and dealing with sexual harassment and violence at the workplace, can provide an 'international bottom line' when connected with the labour standards of the ILO. They can serve as a creative and solid underpinning for workers' demands and may be particularly effective where top management has become sensitive to the reputational damage that could accrue if they are seen to be failing in their Corporate Social Responsibility (CSR, see section 2.5.4 below). It is significant that the ETUC has proclaimed workers' safety and health to be an area where action is crucial and urgent and has called for a strong OSH strategy for Europe -- a call extending to union representatives in EWC's. The case below is interesting in this regard.

Case 2.4. Engaging in the development of cash register desks in a retail company (Sweden)

An EWC was established at an early stage by a Swedish furnishing retail company with operations in over 50 countries worldwide. The company grew organically over the years while the retail part of the business was not much exposed to transnational restructuring. Expansion was more a matter of establishing new stores in a range of countries and successfully adjusting to the growth of e-commerce.

At the time of writing, the EWC covered employee representatives from over 20 European countries, accounting for about 60% of the firm's total employment. Nevertheless, the functioning of the MNE required only a limited amount of the EWC members' time and attention. Against this background and stimulated by the ETUC's push for interventions to improve occupational safety and health (OSH), the EWC concentrated on long standing OSH issues in both the firm's retail stores and its wood factories and sawmills. When retail management launched a project to develop and design a new checkout system with a novel lay-out for cash register desks, the

EWC got involved and formed a committee. This committee succeeded in an early stage of the project to ensure that lay-out demands from both an employee and OSH perspective were included in the specifications.

2.4.4 Transnational Company Agreements

In the last couple of decades, both global and European trade union federations have been active in promoting Transnational Company Agreements (TCAs, or European Framework Agreements [EFAs] where their scope is limited to Europe) as means to cope with MNEs and cross-border restructuring. These efforts have gained special prominence in view of the limitations on EWC's cited above. By 2015, 260 TCAs had been concluded between the top management of 161 MNE and one or more union bodies drawn from either the Global Union Federations, European trade union federations and/or EWC's (By May 2019, 294 TCAs were included in the ILO/EC database from which we derived these figures). We found that 133 of 260 agreements covered 76 MNEs operating only in Europe. Four topics relevant to mitigating the effects of restructuring showed up in these agreements, namely: fundamental rights/trade union rights (mentioned 239 times); equal opportunities, diversity and antidiscrimination (124); career and skills development (112), and transfers, subcontracting and outsourcing (91).

Whilst the negotiation of TCAs is a significant step forward, two caveats have to be acknowledged. First of all, in the European Union TCAs and EFAs have to date operated in a legal vacuum -- in other words, they are non-legally binding instruments and hence their real force remains limited. In the second place, conflicts with national regulations may easily arise, and employers have repeatedly used such conflicts to neutralize worker influence (Van Klaveren and Gregory 2019: 117-120, 134-135).

2.5 Restructuring in five

Below, we examine five forms of restructuring against the backdrop of 'going global', namely: internal restructuring; outsourcing; mergers and acquisitions; offshoring, and backshoring.

2.5.1 Internal restructuring

Under the umbrella term 'internal restructuring', a huge variety of reorganisation can be observed in practice. Significant numbers of employees have experienced reorganisations at their workplace and many can expect to have similar experiences in the near future. The continuous *WageIndicator* web-survey on wages and working conditions provides an estimate of the proportion of employees with such experiences over the past 12 months and similarly for those expecting such change in the coming year. Although this survey does not claim to be representative, Table 2.2 (next page) shows that between 2014 and 2016 in four of five countries of primary interest to us (no data available for Sweden) between 30 and 55% of the *WageIndicator* respondents had experienced reorganisation in the past 12 months and an even higher percentage expected to

be confronted with reorganisation in the next 12 months. In 2014 and 2015, the percentages of those expecting reorganisations were all above the percentages for those who had past experience of such change. It seems 2016 was something of a turning point here though as more reorganization was experienced than expected in all four countries -- suggesting that the effects of the crisis were finally beginning to be left behind.

Table 2.2 Percentages of respondents experiencing reorganisation in past 12 months and expecting reorganisation in next 12 months, employees, 2014-2015-2016, four countries

year		FR	GE	NL	UK
2014	Experiencing reorganisation	50	25	24	51
	Expecting reorganisation	58	62	42	70
2015	Experiencing reorganisation	33	23	32	50
	Expecting reorganisation	59	57	45	57
2016	Experiencing reorganisation	57	69	46	70
	Expecting reorganisation	31	62	44	68

Source: *WageIndicator* survey 2014-2016 (reorganisation experienced: n = 15,149; reorganisation expected: n = 7,030)

In most reorganisations the number of jobs as well as job content, skill and competence demands will be at issue. Motives matter here, for instance, where cost reduction is the major driver and increasing production or exploring new products and markets are not options, then downsizing is likely to be the only outcome. However, when internal restructuring involves the relocation of jobs and where the company's prospects are good, then identifying and planning mitigation can be top of the agenda followed by measures to safeguard competence and keep workloads within limits for the remaining staff. Our experience as labour consultants suggests that firms should basically follow two steps in order to make restructuring socially sustainable. First, by implementing a well-planned change process, including checks on the value of alternatives raised either by management or by employee representatives. Second, once the numbers, locations and competence of redundant workers have been clarified, by bringing redeployment plans into play containing jointly agreed economic and social support measures.

Throughout Europe it is commonplace to find local or regional economic clusters linked to specific industrial traditions that have given rise to concentrations of particular skills and competence. Occasionally company restructuring can be used as a lever to modernize these traditions and strengthen such clusters. Here, cooperation with universities or polytechnics have repeatedly opened up new perspectives. Because of their professional background, labour consultants may be qualified to play significant roles in such efforts. The case below of the Swedish life science company shows how an innovative approach by the local authority overcame a company restructuring action that would otherwise have been damaging to local employment and destructive of the prevailing skills and competences of the local workforce.

Case 2.5. Mitigating the impact of closures in a global life science company (Sweden / UK)

A global biomedical company with sites in Sweden and the UK decided to change its business strategy. The company left some less profitable medical areas in order to focus on a smaller number of more promising options, moving from chemistry-based R&D to biomedical. Instead of performing early-stage R&D, the firm focused on buying products in their early stages but with proven potential, in order to take them further in the product development process. Also, they outsourced not just traditional support functions but also the administration of the development process. ATK was hired as labour consultants to focus on both the site restructuring and the outsourcing.

The site restructuring of R&D, involved the closure of one site in the UK and one in Sweden. Two other major sites in Sweden were to be retained thus keeping R&D focused in Sweden. The announcement of the closures provoked a high level of concern among regional and local authorities at the Swedish site. Soon enough, the local actors, including the unions, realized that fighting the closures was not a viable strategy. Thereafter, their main ambition turned to keeping biomedical competence in the region. In Sweden, the regional authorities appointed a coordinator for developing the biotech industry along these lines. The role of the ATK consultants was to support the union in making the change process as smooth as possible. The local unions quite naturally prioritized redeployment for their members including finding new jobs, providing support for startups and implementing appropriate training.

One problem arising at an early stage was the management's unwillingness to let go of both employees and projects or project ideas. They were plainly interested in keeping and developing the 'right' people and ideas but only on the other two sites. To get around this constraint, the local municipality bought some of the company's facilities, including laboratories, and ensured that employees got support and training to give them the chance to start their own firms. Indeed, later reports from the Swedish sites showed that the number of life science employees on the premises of the old company had, after five years, remained at the same level as before the company closure.

The case shows the importance of the need for cooperation between local societal actors, unions and the labour consultant in setting up a strategy for keeping and developing local and regional competence when faced with global company restructuring strategy.

2.5.2 Outsourcing

Throughout Western Europe in the 1980s, outsourcing parts of a company's operations to external production or service providers became a familiar business strategy. Initially such transfers involved relatively simple and low-waged business functions like

catering, maintenance, security, and physical distribution. However, as the 1990s unfolded major companies frequently redefined and restricted what they considered to be their 'core' businesses activity. Consequently, outsourcing was often extended to include functions with higher levels of competences and wages such as IT services, customer services and Human Resources. This development was to an extent supply-driven, as companies began to offer specialized services in this regard.

Many of these new service providers expanded massively and have gone on to operate on a global scale, for example in IT services, security and catering. In the first phase of outsourcing, lowering (wage) costs was the dominant motive. As a result, outsourced workers all too often found themselves to be employed in companies and even industries where employee representation was absent or underdeveloped and industrial relations were of the low trust kind. In the second phase, from the 1990s onwards, cost issues appear to have been less prominent. The outsourcers' offer increasingly included specialized skills and competences; more efficient work methods, and higher flexibility in staffing while taking over some employer responsibilities and risks. Because of their distinctive skills, these outsourced workers possibly felt less individually vulnerable. However, forms of collective interest representation, if and when they existed, were often poorly placed to provide much protection for even these skilled workers. For example, outsource firms in the UK were frequently found to be reviewing the contracts of outsourced workers within a few months of their transfers. Generally this was done with a view to secure savings by changing some of the terms and conditions that transferred workers had hitherto thought were protected. It turned out that the time period during which terms and conditions were protected was a legal 'grey area' and in practice was fairly easily minimised. Consequently, labour consultants involved in outsourcing operations repeatedly felt the need to assist in improving or at least consolidating collective interest representation and the agreements that provided some support for workers caught in this difficult position.

It is clear, though, that not all outsourcing has been successful. In the professional literature failures range between 20 and 40% of all outsourced activity. It has been reported that management frequently underestimated the need for additional internal resources to select, manage and control providers. On top of this, the risks of miscommunication and problems with the providers' production and servicing quality were also often underestimated. Losses of efficiency and skills meant that companies pulled out of outsourcing and examples of services being brought back in-house ('backshoring' or 'reshoring') over the last decade can be seen across many industries and services. Last but not least, and highly relevant at the time of writing, backshoring may be prompted by trade wars. Clearly, the grass is not always greener on the other side of the world: see section 2.5.5. Nevertheless, MNEs could regard not-fully-successful outsourcing operations as a learning process to draw upon when considering any offshoring plans. For example, outsourcing experience could clarify options and problems regarding the splitting up of production processes and the relocation of parts of activities abroad. Interesting in this regard are reports from the European Monitoring

Centre on Change (EMCC, website) within the European Foundation that show a large majority of outsourcing cases continue to take place *within countries*, and to a considerable extent even within close proximity to the principal company.

2.5.3 *Mergers and acquisitions*

Mergers and acquisitions (take-overs) have also been an obvious driving force in the restructuring of manufacturing and servicing processes. The expansionist tendencies of companies can be put down to many factors including: the acquisition of new products and/or new markets; attaining economies of scale and synergy effects in production and/or Research and Development (R&D) and, a factor that weighs heavily with many company directors, the realization of an ambition to be a large player. This 'large player' motive frequently turns out to be problematic. The fate of the Royal Bank of Scotland (RBS) throughout the 2010s is perhaps the most salutary recent example of how toxic boardroom ambition can become. Research by the Dutch economist Hans Schenk has shown that over a long period of time between 65 and 85% of all mergers and acquisitions failed to "add to the social process of value creation" (Schenk 2009).

Depending on the (mix of) motives, various kinds of restructuring might be implemented by the firms involved in mergers. New management structures with rationalized IT, planning, administration and reporting systems will commonly be introduced in an early phase, normally with rather marginal employment effects. Simultaneously or soon afterwards, HR systems will be integrated -- first, if needed, at national level, next, in cases of a cross-border merger or acquisition, across national borders. These already often intricate processes are made more complex when the more intangible aspects of company culture are tackled, for example through exchange programs for middle management. Where scale economies and synergies are regarded as important, a relatively high degree of cultural integration will be needed. Again though, the employment effects may still be limited. In the last phase, physical integration aiming at merging production and R&D facilities becomes the central focus. It is commonly during this phase that sites or departments become redundant, triggering negative employment effects -- effects that are often unevenly distributed across countries, as in the case described below. It illustrates that all too often workers' interests diverge when the defense of employment is at stake, thus complicating international trade union cooperation and the role of EWC's.

Case 2.6. Production restructuring in the steel industry (Sweden/France)

A French-owned company in the steel industry had problems on the market and in managing production at its three sites in Sweden and the one in France. An EWC was established to consider economic and strategic matters on a contingency basis. To come to terms with internal mismanagement and perceived structural problems, the company set out to create a more efficient production structure looking, among other measures, into the possibilities to redistribute activities between the sites. An investigation was initiated to review the efficiency of the different sites and their strategic position in the company. The unions in Sweden as well as the Works Council in

France were informed. In both countries labour consultants were attached to the project in order to support the process. The firm's EWC was informed as well but did not play an important role.

At an early stage, the Swedish unions at the different sites developed a common strategy for the Swedish sites including demands for better capacity usage in the rolling mill and to bring down logistics costs (important as a substantial amount of transport took place between France and Sweden). Based on this input, the Swedish labour consultant investigated alternative options, while a similar process was conducted in France. The Swedish consultant came to the conclusion that the main problem was not the production site per se but the management and control of flows and processes within the company and between the sites. The logistical organisation was far from optimal. Moreover, different measures were used between the different sites which made comparisons difficult. Management control and auditing were also found to be insufficient.

Three alternatives were presented: (1) building a new structure, flows and processes 'from zero'; (2) optimizing the management and production flows; (3) optimizing each site. This was presented to the management and unions together with an analysis of the strategic market situation and economic and social consequences. After considering these options alongside input from the French labour consultant and also from an external management consultancy, management decided on a strategy based on the second alternative -- thus focusing on making flows and processes more efficient. This meant that the basic site structures were kept but some operations relocated from France to Sweden.

Trade unions and other employee representatives caught up in the merger process, from the earliest possible moment are naturally compelled to try and develop countervailing power strategies and mitigating options. As with management, they need to cope with different national and company cultures, and maybe even with culture clashes as they work to build up trust relations. While negotiating with management, the representatives of labour such as the (European) Works Councils have to find new representation structures that can cope with country differences in labour and governance legislation that persist in spite of the existence of the EU. If the merger or acquisitions in question run into difficulties and employment levels are put at risk, the tasks of the employee representatives intensify and become even more complicated.

In these circumstances, labour consultants may need to bring in expertise from various appropriate fields, for instance, legal, economic/financial and organisational. In the first phases of a merger or acquisition management tends to want to settle legal aspects as soon as possible, but employees' interests may be best served by ensuring economic and organisational aspects alongside any upfront legal issues. Thus, mergers or acquisitions in particular may require labour consultants to take on different roles. It is not unusual for consultants to simultaneously act as an analyst and 'interpreter' of man-

agement plans, as well as being a trainer and coach of the employees or their representatives concerned. In these situations, labour consultants have to be critically aware of their own limitations and, where needed, should ensure that together with their client(s), they have recourse to other specialists. Also, with regard to mergers or acquisitions, it is generally important to have labour consultants on board who are connected to the representative bodies of all the companies involved in order to establish cooperation between them from the outset. In cases of cross-country mergers and acquisitions this suggestion may extend to labour consultants based in the relevant countries. The two cases below show some mechanisms in this respect coming into play in national contexts.

Case 2.7. Representation problems related to a merger in banking (Netherlands)

The management of two middle-sized banks in the Netherlands decided to merge. In accordance with the Dutch Works Council Act, in which “transfer of control of the enterprise or of any part thereof” is the first of 14 reasons why the employer is obliged to consult, the two Central Works Councils (CWCs) involved were consulted. The CWC of the strongest partner, supported by their labour consultant from STZ, judged the management plans to be minimal and overly optimistic. Staffing plans for the top levels to be integrated were almost completely absent, as were IT migration plans.

Thus, the CWC of the strongest bank indicated they could not support the merger proposal since the management plans did not even meet legal information requirements. In the obligatory consultation meeting management provided both CWCs with some more, although still limited, information. Two months later and under pressure from growing unrest and fears for job security, both CWCs accepted they had to deliver positive advice to management while stipulating a number of conditions to be met in the coming months. The CWCs thereafter delegated the tasks of advising on controlling the day-to-day outcomes of the merger to the lower-level Works Councils in the two companies. This outcome caused anxiety amongst a number of councillors at this level who felt unhappy that the basic consent given by the CWCs in effect left them with little power.

Now that the banks had decided to merge, the two CWCs integrated as well and formed one provisional CWC before new elections took place. For about a year the provisional council, in close cooperation with representatives of the lower-level Works Councils, was able to control the outcomes of the integration process. Things went wrong when work organisation, wage structures and locations of the mortgage departments had to be integrated while management only wanted to deal with a newly-elected CWC. At this point, representation problems mushroomed, and the earlier fear of some councillors seemed to be justified. At the same time the mortgage reorganisation process went on surreptitiously and in a rather chaotic way. The new CWC, elected after the lower-level Works Councils were dissolved, prioritized solving the mortgage integration issue. Supported by the same labour consultant

who had earlier advised one of the councils, the CWC threatened to revise the positive overall advice given earlier by its legal predecessors and to turn it into a negative message that could ultimately lead to a lawsuit. Under this pressure, management gave in and agreed to slow down the mortgage integration process. The CWC formed a subcommittee in order to control that process, including some members of the former two Works Councils who were not elected in the CWC but were employed in the mortgage branch. From then on, in a more structured way, the mortgage integration process was carried on satisfactorily.

Case 2.8. Failure of a merger in online clothing sales (France)

An online clothing retail company, well established on the French market, ran into economic difficulties. Its company culture was characterised by a 'start-up' mindset, with rather young and quite involved employees. The company was selling medium-high range clothing and distinguished itself by the quality of product and aftersales. The internal communication was well organised, both top-down and bottom-up.

Eventually the company was bought by a group that included a subsidiary also involved in the online sales of clothing but with a much less favourable market presence. A chain of events explains why this merger eventually failed. First, though a degree of operational synergy was sought since from an operational viewpoint the merger was incomplete. The two subsidiaries shared the same web interface, but continued to manage their products separately. Second, a redundancy plan to cut costs was put in place affecting the acquired company. This was justified by the overlapping of positions but it left the other subsidiary out of the picture. Third, the arrival of a new management team led to the departure of a number of key senior managers from the original company. The new management team reversed communication and decision-sharing practices and meetings for sharing information with employees were aborted.

Overall, the subsidiary imposed its products and its mode of operation on the purchased company, with dramatic negative consequences. Product quality deteriorated and started to generate more and more customer returns and complaints. As the customer service department was no longer properly resourced, response times related to complaints were no longer respected. This situation led to rapidly deteriorating working conditions and employees became increasingly worried about the future of their jobs. As a result, the company's Health, Security and Working Conditions Committee (CHSCT, *Comité d'hygiène, de sécurité et des conditions de travail*, see Chapter 8) decided to call on ARETE in order to gain more insight into the causes of this malfunctioning. ARETE's diagnosis was discussed between employee representatives and management; on this basis a long process of recovery ensued.

2.5.4 *Offshoring and Corporate Social Responsibility*

Finally, we return to offshoring and the variety of consequences that arise for labour in both the home and the host countries of MNEs. For some Asian and Latin American countries investment from Western Europe-based MNEs may partially at least be seen as a good thing insofar as they involve both the transfer of technology and a stimulus to 'jump' into the next phase of development. However, for CEE countries in particular, such positive effects have been shown to be (for example in Galgóczi *et al.* 2015) fragile and temporary. Moreover, the 'race to the bottom' still provides the most powerful competitive undercurrent for most forms of offshoring. The impact of this insidious motivation is felt everywhere, from outright exploitation in the GVCs of garment, textile and footwear production to the restraining of wage increases and employees' ability to resist the threat of relocation apparent in even the most developed countries. Those mechanisms can be latent, at sectoral or macro-economic levels and can effectively be hidden from view. However, there is little doubt that they are central to many employers' practices. For example, a European Foundation publication provided evidence of the impact managerial comparisons of labour costs and their threats to relocate had on employees across a number of countries (Marginson and Meardi 2009).

In view not just of the different shapes and stages of offshoring but also of the differing national systems of labour relations, the response of labour is compelled to vary. For instance, in many Asian countries state oppression continues to hamper the development of the independent trade union action needed to deal with MNEs who have contracted electronics, garment, textile and footwear production into long GVCs. Thousands of suppliers, stretching down for three or even four tiers of the chain, have become dependent on their purchasing decisions. While these MNEs exercise strict controls over price, quantity and quality of supplies, they have largely evaded their responsibilities for attaining decent levels of pay and conditions. In many of these GVCs and the countries who host them, a lack of compliance with the international labour standards of the ILO and with national labour legislation remains a widespread characteristic. Similarly, flanking policies for occupational safety and health and, of wider interest, public health are frequently lacking (Van Klaveren 2016, and literature references therein). Only where disasters causing hundreds of deaths such as a garment factory fire (Ali Enterprises, Karachi, Pakistan 2012) or a garment building collapse (Rana Plaza, Dhaka, Bangladesh 2013) gain international media coverage, does the general public get a glimpse of such violations and of the horrendous working conditions involved.

In these circumstances, European trade unionists and labour consultants have a moral duty to support the broad coalitions that emerged in the 2010s to press for Corporate Social Responsibility (CSR) and sustainable production, in line with the United Nation's Sustainable Development Goals (SDGs). Recently a number of joint initiatives of trade unions and non-governmental organisations (NGOs) have been taken in this respect. For example, the solidarity support organisations of the two main trade union federations in the Netherlands, FNV and CNV, have published extensive guidance for

companies to assess where and why they might face heightened risks of violating trade union rights, in particular while operating in GVCs (Shift / FNV Mondiaal 2019; website CNV Internationaal). Related union organisations in the other four countries we have highlighted in this book are similarly involved in international solidarity activities. The WageIndicator Foundation is also quite active in this field. For instance, together with local trade unions WageIndicator is currently undertaking a major project on compliance with labour law and minimum wages in the garment industry in Indonesia (Tijdens *et al.* 2018). It hardly needs saying that such activities will need to be rolled out in many developing countries in order to provide a counterweight to the ‘race to the bottom’ in wages and conditions in GVCs.

Trade union pressure has latterly ensured that a meaningful commitment to CSR has increasingly engaged the boardrooms of major MNEs as has the realization that ‘reputation management’ is urgently required to be a fully-fledged part of their management strategies (cf. Van Tulder and Van der Zwart 2006). The movement towards sustainability has further resonated with the pursuit of labour regulation to give material effect to the ILO’s campaign for equitable and job-rich growth (Fenwick and Van Goethem 2017). It is worth noting that the main union (con)federations in the five countries studied in this book have all become engaged with this latter campaign and the pressure for CSR. In parts of GVCs where state oppression is not evident and conditions allow for independent union activities, employee representatives, other trade unionists and labour consultants alike may search for opportunities to similarly support these activities.

2.5.5 *‘Backshoring’: the grass is not always greener*

At this point it may be timely to have a look at the practice of ‘backshoring’, or ‘reshoring’, that is, taking back manufacturing or service activities that were earlier put offshore. The main case for ‘backshoring’ arises when gaps between the wage levels of the home and host countries have diminished to the extent that the ‘offshoring business case’ is no longer valid. In offshore locations wages may well go up faster than expected, particularly through the pressure of trade union action. Changing market conditions, including (the threat of) trade wars, can constitute another set of reasons for backshoring. A third set often concerns the emergence of organisational problems, rather like those we discussed for outsourcing.

Studies of backshoring and cases like the French one presented below (Case 2.9), help catalogue the organisational problems at stake. In our experience, such analysis can be quite useful for employee representatives in discussing and debugging offshoring plans. Combining this experience with our own and others’ studies reveals common problems. For example, transition and information costs attached to offshoring processes tend to be widely underestimated as do the risks of miscommunication, frequently connected to language problems. The same holds for the persistence of difficulties maintaining production and servicing quality. These problems all give rise to frustration among employees in the home countries of offshoring firms and can lead

to under-performance. Furthermore, for companies relying on contacts with end customers the risks of losing market share may become acute. In such situations, backshoring lurks around the corner (Kinkel 2012; Dachs *et al.* 2017; Di Mauro *et al.* 2018; see also website Eurofound/European Reshoring Monitor).

Case 2.9. Organisational malfunctioning after offshoring in banking (France)

A large international bank established in Paris centralised the administrative activities hitherto carried out in the branch offices, into a single department reporting to headquarters. This centralisation was just a preliminary phase before these tasks, once properly mastered, were offshored. The relocation took place in successive waves. The remains of the Parisian department gradually turned into a control and completion service because nearly 30% of the activities relocated to Egypt and India were returned -- either due to instructions not being understood, or because of a poor mastery of the procedures and the like. Instructions had to be explained in English before being returned to the off-shore platforms but were never completed by the managers themselves.

The employees experienced this situation even more negatively because they were not informed beforehand. One employee expressed their feelings as follows: *"The announcement of the relocation of operations came as a shock, we didn't expect it at all. We went into great deal of trouble putting in place new procedures. Once well established, some of the operations were relocated. We felt betrayed somewhere"*. The company's CHSCT repeatedly alerted management to the deteriorating working conditions in the department but failed to achieve results. They ended up voting on the use of a labour consultant in order to analyse working conditions and come up with improvement measures. ARETE took on the assignment.

The expert's analysis showed that offshoring generated a number of malfunctions:

- employees sensed a loss of control over their work, as they had to intervene to complete instructions processed offshore;
- staff were concerned that the information they provided on behalf of the process was not well understood or taken into account by the various interlocutors;
- the multiplication of contacts and poor mastery of the English language increased the risk of misunderstandings and errors and the dilution of responsibilities as well as provoking discouragement and frustration among employees;
- the loss of contact with end customers hampered the proper ownership of tasks and led to a lack of responsibility among the staff members involved;
- the decline in quality of service led to increased delays.

In order to improve the prevention of psychosocial risks within the department, the labour consultant detailed a series of remedial measures. One of the main recommendations regarded restoring the meaning of the work done through an overhaul of processes, work organisation and management using a participatory approach.

2.6 Good practice

We are now able to present some first thoughts on basic good practice drawing upon the contents of this chapter. The suggestions hereafter are aimed at helping employee representatives and trade unions achieve a more effective social dialogue to cope with restructuring processes.

In our view it is vital

where work organisation is an issue, that:

- GP1 employee representatives, union officers and labour consultants consider, in cases of restructuring, whether the relevant EU Directives (2002/14/EC, 2001/23/EC, 98/59/EC, and the EWC Directive 2009/38/EC) and related national legislation have been applied and if not, should immediately initiate appropriate remedial action; use these Directives and appropriate national legislation to gather detailed management information on economic, financial and technical aspects (see also GP3);
- GP2 employee representatives, union officers and labour consultants, in cases of restructuring, should ensure management have a well-planned change process that clearly recognizes the value of alternatives raised either by management or by employee representatives before finalizing any redeployment plans;
- GP3 where restructuring with substantial impact on employment and job quality is concerned, employee representatives, union officers and labour consultants, at the earliest possible time, must receive from management basic economic, financial and technical information covering: (dis)investment, locations, employment prospects (including options for the organisation of work) for the workers whose employment will be endangered. Data should also be supplied on the prospects for job quality and on any demands implying occupational and/or geographical mobility;
- GP6 in developing these information disclosure and consultation processes as well as the formulation of alternatives, employee representatives, union officers and labour consultants should strive for a balance that supports vulnerable workers whilst contributing to a viable new organisation. Management and HR staff would also be expected to implement a similar balance, in particular ensuring a good fit between staffing levels and workload during organisational change;
- GP7 employee representatives should consider and take action to ensure the adequacy of their representation channels in the restructuring process, in particular their connections with (groups of) endangered workers;
- GP8 employee representatives, union officers and labour consultants should maintain a close watch on any problems that specific groups of workers may meet in the course of restructuring. They should also continuously monitor whether provisions in collective agreements are fulfilled and, where redundancies are

unavoidable, ensure that dismissal procedures are kept strictly in line with legislation or the collective agreement;

GP9 employee representatives, union officers and labour consultants should work to ensure that monitoring the effects of restructuring on work organisation and job quality should be carried out for at least two years after the change has taken place;

GP10 employee representatives, union officers and labour consultants should cooperate and coordinate appropriate action where legal constraints may impose time constraints that could otherwise jeopardize the development of alternative strategies for employee representatives,

and widening to focus on connected institutions and policies:

GP32 as a starting point for the framing of mitigating strategies and redeployment plans, the social partners should be using the available economic and social analyses published at national, sectoral and regional levels that detail short- and medium-term perspectives for employment further disaggregated by skill and age;

GP33 trade unions should be creating their own databases for their experience with organisational and technical change and the (re)design of jobs and organisations ensuring maximum accessibility for union officers and the union constituency in general;

GP34 trade unions should monitor and where necessary improve the efficiency of systems of mutual communication and reporting between different levels of employee representation (European, national, sectoral, regional, company, workplace);

GP35 trade unions, whenever suitable, should make use of the information flows that surround European Works Councils (EWC's) and/or of the provisions in Transnational Company Agreements (TCAs), in particular as regards occupational safety and health (OSH) issues.

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CHAPTER 3. PUBLIC SECTOR RESTRUCTURING UNDER NEW MANAGEMENT

3.1 Introduction

In this chapter we analyze the ongoing restructuring in the public sector. All across the EU in recent decades, the organisation of basic services provided by the state have commonly been subjected to radical changes in management approaches that have attracted the label New Public Management (NPM). We treat the development and application of NPM as an important part of the neo-liberal project aimed at producing a smaller and more efficient public sector. We also cover its relationship with liberalisation and privatisation. In doing so, it is important to recognize the variety that exists in national cultures, political traditions and institutional settings. This has led to different solutions on the provision of public services and the way these services have been financed through taxes and public fees.

Information Technology (IT) and digitalization have also become major forces in the restructuring of the public sector. Indeed, in the 2000s it was even argued that NPM was 'dead', seen off by the concept of 'digital-Era-governance' or E-government (Dunleavy *et al.* 2006). It cannot be denied that E-government has brought about dramatic changes in work organisation, competence demand and the localization of public service organisations. However, in the light of the extensive NPM-oriented program of the OECD, 'Value for Money in Government' (2010-15), one authoritative commentator soon responded that NPM was alive and kicking (De Vries 2010). This chapter confirms that this latterly has indeed been the case – for better or for worse. We document the rise of NPM in the five countries that concern us the most and examine in particular the wave of neo-liberalism that has, since the late 1970s, ushered in deregulation and privatisation as the dominant policy pressures in the public sector. Riding this wave, NPM has become a major force in public sector reforms in Northwestern Europe.

Overviews of organisation, expenditure, employment and industrial relations in the public sector in the five countries provide background here but we also cover the role of the EU as another important of the impetus for deregulation and privatisation. Central to our analysis is the differing experience of NPM that can be observed in the five countries we have focused on for this book. Initially NPM concepts came to fruition in the UK followed somewhat later by Sweden and the Netherlands and, though with quite specific constraints, in France. Disenchantment with NPM seemingly set in quite early in Germany and the Netherlands, and in these two countries a reversal of the trend became visible. Against this background, we attempt to assess the consequences of NPM for the functioning of public services.

3.2 The rise of New Public Management

3.2.1 *Swapping Keynes for neoliberalism*

Restructuring in the public sector often derives from a combination of budget restrictions, political ambitions and the introduction of management tools and technological solutions to increase productivity. Behind this, the paradigm shift in the political economy we indicated in Chapter 1 has had a major impact on the size of the public sector and on changes therein. Until the 1970s, the Keynesian paradigm held public expenditure to be an important instrument in keeping up full employment and toning down recessions. Gradually though, an alternative neoliberal view became dominant in most national policy-making throughout Europe. Moreover, at EU level decision-making was accompanied by new catchphrases and buzzwords like ‘a smaller public sector’ and ‘austerity’, together with some newish policy options embracing deregulation, privatisation and the outsourcing of public services. From the end of the oil crisis in the late 1970s until the aftermath of the 2007-08 financial crisis, this new paradigm has been established as an overall solution to cope with economic recessions.

The dominance of neoliberalism has also given rise to a shift in the prevailing ideas on how to organize the public sector. The NPM concept was introduced to replace the ideal of traditional weberian bureaucracies, with strict adherence to rules and regulations. Dunleavy *et al.* (2006) defined NPM as consisting of three parts: disaggregation, competition and incentivisation. Indeed, at the core of NPM lies the application of management instruments derived from private enterprise, such as operating in business units, allowing internal benchmarked competition using ‘dashboards’ and similar techniques, all underpinned with financial management incentives like bonuses. Its evidence base was drawn from business administration rather than the practices of political or public administration. Dunleavy and co-authors also linked NPM to public choice theory, assuming that an increasing group of citizens wanting “to escape the rigidities of bureaucratic decision-making” would be willing and able to choose their own service providers. Logically, NPM cannot exist without a certain amount of deregulation and allowing public bodies to exert more autonomy. That said, NPM does not of necessity lead to privatisation, although history shows that it has often been its prelude.

Throughout Europe, NPM has evidently been a dominant force in public sector reforms. Based on a recent nine-country study of these reforms, Keune (2018: 5) concluded that “NPM ideas seem to continue to provide most of the inspiration here in all countries.” Yet, how NPM works out in practice depends on many factors, not least of which are the country’s political and institutional situation. For instance, it is remarkable that in the UK and Sweden, NPM and privatisation were launched by right-wing governments but were further implemented by social democratic administrations. Obviously, privatisation has been a goal for right wing/liberal governments (a smaller state) while left wing/social democratic governments, adopting a more practical attitude (a more cost-effective state), have tended to go along with processes in this direction. On the other hand, across countries NPM-inspired policies and privatisation have

repeatedly met their limits when confronted with negative effects such as failing to achieve higher productivity or quality standards.

The failure of NPM to deliver on the promise that in combination with digitalization it would result in better and more efficient services, has also prompted widespread dissatisfaction amongst the general public. A recent example can be seen in the way that the degradation of public services in both suburban and countryside areas in France was a key factor in the recent rise of the '*Gilets Jaunes*'. This deterioration was and is strongly felt. Faced with the discontent mobilized by the '*Gilets*', President Macron was forced to commit to stopping or slowing down the elimination of posts in public services such as the reversal of small school closures.

3.2.2 Public organisation and expenditure in the five countries

The public sector is an integral part of a nation's welfare system, and in Europe different approaches to organizing and financing the welfare state, embracing a variety of both business models and industrial relations systems, have been in evidence. According to the divisions used by the so-called varieties of capitalism approach, Sweden belongs to the Nordic cluster or 'organized corporatism', Germany and the Netherlands to the mid-western European or 'social partnership' cluster, the UK to the Anglo-Saxon or 'liberal' cluster, while France is mostly included in the mid-western European group although with the added label 'state-centered'. However, the characteristics of (sub-)sectors often deviate from this national typology (cf. Van Klaveren and Gregory 2019: 47, 196). This also holds for the organisation of parts of the welfare state itself. An example is the existence of the four National Health Service (NHS) organisations in the UK (in England, Wales, Scotland and Northern Ireland) versus Germany's health sector that is largely based on the '*Länder*' (constituent states). It is important to take into account country differences in political and geographic structures that vary from the federal structure of Germany to the more centralised governance structures of France and the Netherlands. Similarly, whilst Sweden has a mix of national, regional and municipal responsibilities, the United Kingdom has, in recent decades, devolved significant decision-making to the self-government bodies set up in Scotland, Wales, and Northern Ireland.

As a result of these factors as well as specific national policies, public expenditures inevitably show similarities and differences across countries, both in size and in composition. Table 3.1 (next page) indicates that in 2018 all five countries spent over 40% of their Gross Domestic Product (GDP) in the public sphere. France obviously was at the top with 56%, followed by Sweden with nearly 50%, Germany in between (45%) and the Netherlands (42%) with the UK (41%) bringing up the rear. By contrast, earlier in 2010, Germany, the Netherlands and the UK were all quite close together and not that far behind France and Sweden, with public spending accounting for 47-48% of their GDP. Between 2010 and 2018, the austerity policies of the German and Dutch administrations --although they refrained from labelling their policies as such-- brought down their spending by respectively 3.5 and 5.8%points, the Dutch decrease

coming close to the 6.4% point decline achieved by the UK's more explicit austerity policy. Interestingly, the most right-hand column of Table 3.1, indicating the shares of the total public budget used for subcontracting, suggests that the UK and Sweden, with over 8% in 2015, have taken the lead in pursuing subcontracting or outsourcing, followed by the Netherlands. The figures indicate that the French and German governments have been more reluctant to adopt such policies. In section 3.3 we return to the background underpinning these figures.

Table 3.1 Total public expenditure as a percentage of GDP, 2010, 2015 and 2018, and public expenditure subcontracted as a percentage of public budget, 2015, in five countries

	share of public expenditure in GDP			share of budget subcontracted
	2010	2015	2018	2015
France	56.9	56.8	56.0*	5.1
Germany	48.1	44.0	44.6	4.6
Netherlands	47.9	44.6	42.1*	6.2
Sweden	50.4	49.5	49.8	8.2
United Kingdom	47.4	42.3	41.0	9.0
EU28	50.1	47.0	45.8	

* provisional

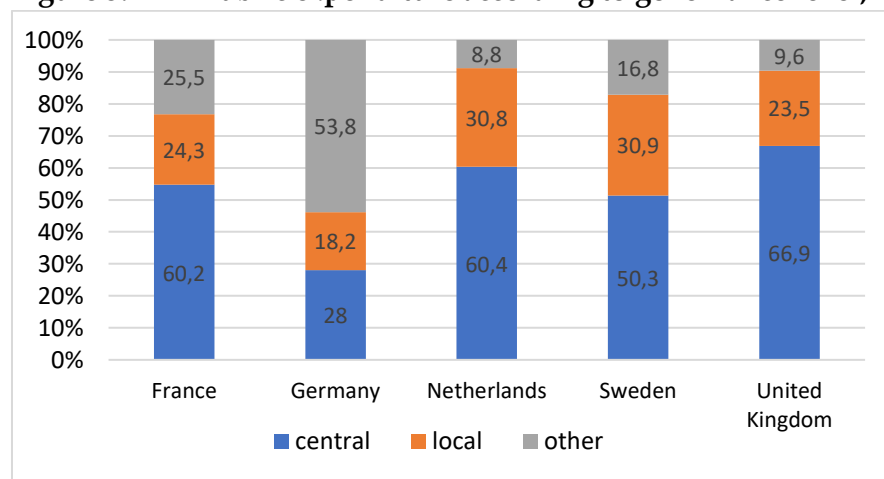
Sources:

total public expenditure: Eurostat (TEC00023)

share of budget being subcontracted: www.europeandatajournalism.eu

Figure 3.1 shows the division of public expenditure according to governance level in 2015. Somewhat surprisingly the data reveal the most centralized pattern was found in the UK, followed by the Netherlands and France. Clearly, in the UK and the Netherlands relatively little financial room has been left for governmental layers between 'central' and 'local'. In Germany, by contrast, the intermediate governance level of the 'Länder' (by far the largest part of 'other') has been accounting for over half of the country's public spending.

Figure 3.1 Public expenditure according to governance level, 2015, in five countries



Source: www.europeandatajournalism.eu

According to Eurostat's Government Finance Statistics for 2017 (not in table), the division of public spending across sectors did not differ that much between countries. For all five countries expenditure in the health sector scored in the top six in the EU28, with GDP shares varying between 8.0% (France) and 6.9% (Sweden). In the education sector Sweden stood out spending 6.8% of its GDP while the education shares of the other four countries were between 4.1 and 5.1%. The size of defence expenditure varied between the UK (1.9% of GDP) and France (1.8%) on the one hand and Germany's 1.0% on the other.

3.2.3 *Public employment in the five countries*

Table 3.2 shows characteristics of employment in the public administration of the five countries we have focused on in this book. In line with the division of spending across countries, Sweden, in 2018, had relatively the largest public administration workforce, according to the following two yardsticks: the share of public administration employment in total employment, and the number of public administration employees per 1,000 inhabitants (columns A and E). Next in line, at quite some distance, was France. Concerning the share of public employment salaries in Gross National Product (GNP, column D), France went to the top with Sweden in second place. For France, Germany, Sweden and the UK the share of females (column B) in the public workforce was relatively high, in contrast to the Netherlands (44% against 48%). As for the share of part-time employed (column C), this remained rather low, and was also lower than the respective overall country averages for part-time working.

Table 3.2 **Characteristics of employment in public administration, most recent data, in five countries**

	A	B	C	D	E
	2018	2017	2018 (2012)	2015	2015
France	29.6	63	12	13.0	88
Germany	24.8	55	15*)**)	7.5	56
Netherlands	26.1	44	26	8.8	67
Sweden	34.0	70	10*)**)	12.5	138
United Kingdom	24.9	64	25*)**)	9.3	79

Key / sources:

A: share of public administration employment in total employment: Eurostat

B: share of females in public administration: OECD 2019

C: share of part-time employed in public administration: national statistics

*) central government **)2012: OECD Human Resources Management Country Profiles 2012

D: share of public employment salaries in GNP: www.europeandatajournalism.eu

E: number of public administration employees per 1000 inhabitants: www.europeandatajournalism.eu

3.2.4 *Public sector industrial relations in the five countries*

Differences in national conditions also contribute to shaping the behaviour of public authorities in terms of their Human Resource Management (HRM) practices and their inclination towards social dialogue with employee representatives. Table 3.3 (next page) presents a brief overview of both, taking recruitment and job security as key

indicators of HRM, and using the rights to unionise and to strike as well as union density in public administration as industrial relations indicators. Concerning union density, the Swedish rate (76%) clearly stood out. Though much lower in the other countries, union densities in the public sector remained substantially higher than equivalent densities in the private sector.

Table 3.3 Characteristics of HRM and industrial relations in public administration, most recent data, in five countries

	HRM	recruitment	job security	right to unionise	right to strike	union density 2016
France	centralized	career-based	high	yes	yes	20%
Germany	Ministry-based	career-based	high for civil servants*), else as in private sector	yes	yes, but not for civil servants*)	31%
Netherlands	central/Ministry-based	position-based	as in private sector	yes	yes, with exceptions	32%
Sweden	decentralized	position-based	as in private sector	yes	yes	76%
United Kingdom	centralized	position-based	as in private sector	yes	yes, with exceptions	45%

Sources: OECD Human Resources Management Country Profiles 2012 as basis; update through EU and ETUI websites, except union density in public administration: ICTWSS database 5.1 (Visser 2016, except for France: Pignoni 2016)

) In France civil servants make up appr. 60% of the public administration, in Germany ('Beamtete'*) appr. 50%, and in the UK appr. 80% (OECD 2019: 119)

3.2.5 The role of the European Union

Strictly speaking, the EU does not deploy policies prescribing the organisation and financing of public administration in the member states. However, there are at least two exceptions, or ways in which the (dominant forces in) the EU and the European Commission have contributed to the reshaping of national public sectors. The first relates to the austerity pressures exerted by the European Commission and the 'Troika' on indebted Eurozone countries in the aftermath of the financial crisis. As noted in Chapter 1, liberalisation, encouraging new competitors into the market besides public monopolists, and even the privatisation of public services, were part and parcel of the austerity programs imposed on countries such as Greece. Administrations outside the 'danger zone', like those of the Netherlands, Sweden and the UK, also exhibited characteristics of these programs including some NPM features. Indeed, between 2011 and 2014, the European Employment Strategy (EES), currently part of the Europe 2020 growth strategy, seems to have acted as a transmission belt in this regard.

In the second place, taking their cue from the UK and Sweden's early deployment of liberalisation and privatisation, the European Commission, from the late 1980s onwards, launched Directives to liberalize 'network' markets, namely: energy (electricity and gas) provision, postal and courier activities, telecoms, railway transport, and

waste treatment. These Directives have had a continuing impact on competitive structures at sectoral levels. In most cases they were supportive of NPM -- although not for privatisation per se as the Commission did and does not prescribe forms of ownership.

Whilst some national structures and policies have hampered the Commission's liberalisation ambitions, other governments, notably those of smaller EU countries, have adopted these binding Directives at an earlier stage and with stricter application than others. This has led progressive politicians as well as trade unionists in these countries to accuse their governments of virtue signalling. However, when markets like those for electricity and gas in these countries were liberalized, it triggered private concentration. One of the authors here along with colleagues from FORBA found convincing evidence that notably in utilities and postal services private oligopolies, with two or three companies per country were systematically seizing strong positions to replace public monopolies (Flecker *et al.* 2009; Van Klaveren *et al.* 2011; Hermann 2013; Van Klaveren 2014). In order to regulate these newly created markets, governments have often felt the need to impose new rules, on fair competition, product or service quality, procurement, et cetera. Frequently these have proved more extensive and stringent than the former rules. One may rightly call this development 'reregulation'.

Finally, EU Directives on public procurement have laid down rules on how public authorities and utility operators should purchase goods, works and services. For classical bureaucracies such regulation of competitive practices had already become a necessity, but with the advance of NPM the procurement Directives gained importance. It remains to be seen if once these are implemented in national law the 'race to the bottom' in wages and conditions notably among subcontracted staff can be prevented. Formally, in most EU countries these regulations encourage authorities not to simply accept the lowest-cost but rather favour the most economically advantageous offers. Yet, as Schulten (in Schulten *et al.* 2012: 105) warned, "Under the financial constraints of tight budgets (...) public authorities often follow a more short-term policy and tend to choose the cheapest bid".

3.3 New Public Management across countries

3.3.1 United Kingdom

Across countries, the responses of public sector unions to NPM, liberalisation and privatisation have been influenced by national political traditions and institutional settings. Major changes here have seriously affected that response. This was the case in the United Kingdom where from 1979 onwards successive Thatcher administrations implemented an aggressive policy of privatisation. This was based on an ideological vision that saw the public sector as being oversized, inefficient and uneconomic. In the second half of the 1990s all public services in the UK had been affected by the adoption of this neo-liberal thinking and all had been 'managerialised'. Though the expression New Public Management had not yet spread, in practice NPM had become the norm (Farnham and Horton 1999). The anti-union legislation introduced by successive conservative governments throughout the 1980s together with their dismantling of the

tripartite structures that had hitherto provided a measure of joint consultation, meant the social partners in the UK were left with virtually no formal means for continuous social dialogue (Griffin and Gregory 2015: 309-10). As a result, British public sector unions were increasingly forced to express their opposition to changes proposed (including further privatisation) through national and local protests and strike actions, as well as local negotiations with public employers (Grimshaw 2013: 581-2). In the UK efforts towards developing high trust relationships, as described below, were not much in evidence until the arrival of the New Labour government in 1997.

Case 3.1. The making and breaking of high trust relationships in privatised utility companies (UK)

In the late 1990s and early 2000s, labour consultants from TURU were heavily involved in long-term projects at Vertex Data Sciences and Scottish Power. Their brief was to help design and implement a social dialogue approach to deal with the serious mistrust that had undermined industrial relations at both companies. Vertex Data Sciences began life as part of United Utilities (UU) formed in 1990 as one of the major privatised utility companies in the UK. In 1996 Vertex was spun off as a separate business although was still owned by UU until its sale to a hedge fund in 2007. Scottish Power was also established in 1990 as a privatised entity combining the three hitherto publicly owned electricity companies in Scotland. At the time of writing, Scottish Power is owned by a Spanish energy group and is UK's third biggest utility.

As the 1990s drew to a close, both companies faced difficult industrial relations conditions. In part this reflected an enduring legacy of the bitter battles fought with the British trade unions over privatisation and the related changes to conditions of employment. Beyond this, the dynamic market conditions that characterised both the utility sector and (at the time) the relatively new markets for call centres and business services were also putting a severe strain on work organisation and industrial relations. In both companies trust relationships between unions and management were much diminished.

Encouraged by the then Labour government's endorsement of social dialogue and the establishment of a government fund to help promote social partnership at the workplace, both companies approached TURU for support in developing their own versions of a partnership approach to rebuild trust and more effective industrial relations. Working closely and collaboratively with management and unions initially in 'search conferences' to ascertain the key drivers of low trust, the consultants designed two joint training programmes aimed at laying the foundation for the development of a high trust social dialogue.

At Scottish Power over six months the consultants guided and facilitated a series of joint workshops where key managers and union representatives focussed on the principles and practices to be embedded in a comprehensive partnership agreement. At Vertex, where the process started later, a longer training programme was put in place after analyses had identified critical gaps in both management and union skill

sets insofar as joint problem solving were concerned. In both cases the initial misgivings exhibited by some participants from either side, were soon overcome by the quality of the outputs from the workshop sessions together with commitment from senior management and union officers to the programmes. As the joint working through of specific current problems and issues took centre stage, trust levels also improved.

A comprehensive partnership agreement was duly signed by the unions and management at Scottish Power whilst the partnership training programme at Vertex and the subsequent implementation of their partnership infrastructure won a prestigious award of a professional Human Resource organisation. However, the newly established level of trust between the social partners at both companies was soon to be tested. At Scottish Power this came in the shape of the first attempt at pay negotiations following the signing of the partnership agreement. By an unforeseen turn of events, a recently arrived senior manager who had not been through the partnership process led the negotiations for the company. He insisted on reverting to the ritualised compromise approach that has traditionally characterised the 'boxing ring' of pay negotiations. For their part, the union representatives had come to the table prepared for the 'dance floor' of partnership, hence it was not surprising that their faith in the partnership approach took a dive.

The high trust established through the partnership at Vertex lasted longer but was ultimately strained to almost breaking point by the success of the company in rapidly expanding their business. Initially the partnership 'model' pioneered by Vertex at their largest call centre was rolled out to other call centre operations they acquired and to the business service operations they were increasingly winning from local authorities outsourcing these operations. These latter were strongly unionised and whilst initially sceptical, on balance recognised there were advantages to be had from Vertex's partnership approach. The problem arrived when Vertex acquired a competitor and gained a call centre in India. In fairness to the management at Vertex they used the partnership to hold lengthy discussions with the union to establish whether any new work opportunities could be found to offset the work to be transferred to the Indian call centre. The damage though was done and the resulting downsizing of Vertex's UK call centres saw cracks opening up in the trust that the partnership had worked so hard to achieve.

3.3.2 *Sweden*

The Swedish welfare state has been built up in the framework of the Swedish (sometimes extended to the Nordic) model for developing a strong and extensive, tax-financed public sector. In Sweden, many public services have a robust local base, implemented by municipalities and county councils for instance in health and social care, education and public transport. Much deregulation and privatisation has though been carried out at local level, often in combination with the introduction of public choice models, that enable service users to choose between different providers – public or

private. Initiated by a conservative government in office from 1991 to 1994, deregulation and privatisation have been carried out throughout the Swedish public sector. Indeed, the early initiatives were subsequently accepted and continued by a social democratic government and then strengthened by another right-wing government (2006-2014), and latterly accepted by a new social democratic government taking office in 2014. In the 1990s, in parallel to this process, the public budget process was reformed. Budgets were allocated to authorities on condition that they would increase their productivity in comparison with the private sector. In 2019 a social democratic /green government with the support of middle/liberal parties halted proposals on 'reducing profits in the welfare system' and decided to further privatise the Public Employment Services (PES): see the case below.

Case 3.2. The Public Employment Service between digitalization and privatisation (Sweden)

The Public Employment Service is a large public authority with about 14,000 employees operating under a Director General. It has for many years played an integral part in Swedish full employment policies. PES has since 2006 been a centralised organisation administering a large number of employment support actions to promote a close relationship between the employment agent and the job seeker. When a new Director General took office in 2014, a 'change journey' started. Over the last five years the PES has gone through major changes starting off with a new management culture accompanied by a new 'business model' largely built on digitalization. The new management culture was based on trust rather than on measurement and control. The next step involved the formation of two new client-oriented divisions, one oriented towards job seekers and the other towards employers. This became more controversial and the unions hired ATK as a labour consultant for a second opinion. In spite of middle managers' sceptical reception of the plans, top management adjusted the time schedule somewhat but went along with the basic plan.

While the new organisation was being implemented, a right-wing government announced large budget cuts for the PES, which led to political upheaval. Management nevertheless decided to continue investing in digitalization and expanding PES's customer service. After negotiations with the unions, PES announced the dismissal of 4,500 employees followed by large redundancies in local offices. Then, a new left-green-liberal government came into office and further privatisation within the service while focusing on control, evaluation and digital services. ATK was hired once again to support unions (and management) in dealing with short-term changes (simultaneously downsizing and establishing the new organisation) and long-term changes (defining a new role for the PES). The consultant interviewed top managers and external actors and conducted workshops. A joint management-union meeting was held in which changes in organisational adjustments, redeployment and competence strategies were discussed based on the consultant's risk analysis. One of the risks was that the digitalization process might not develop according to plan, causing

severe effects on both process outcomes and employee safety and health. The conjunction of downsizing with the implementation of the new organisation would, it was suggested, be likely to result in major uncertainties concerning staff roles and client contacts. Top management continued to have full confidence in carrying out the restructuring albeit with reservations concerning the delivery of planned results. Unions as well as line managers expressed more pessimistic views.

The PES story is an example of how NPM and E-government have taken on new shapes. The daily operations have been outsourced to external parties while the authority itself has been left to focus on control, procurement and digital infrastructure.

(See for an extensive case description Appendix 1, Case A2)

The driving forces behind the introduction of outsourcing to private operators in Sweden were the rising public demand for more choice (of schools, doctors and care for the elderly, more tv channels and radio stations, et cetera) and pressure from private sector actors. The latter identified public services as an important part of the expanding service society and therefore full of investment opportunities. Productivity increases through competition between subcontractors were also hoped for. The first wave of NPM in the 1990s consisted of abolishing the state monopoly in the broadcast media and allowing media financing through advertising, as well as deregulating the post and telecom sectors and selling the state telecom operator. Also, in this wave a number of public authorities were turned into joint-stock companies with the state owning (majority of) the shares; new competitors in rail and air transport were allowed, and competitive elements were introduced in education, child and elderly care. From 2006 onwards, the then right-wing government initiated a second wave, including the privatisation of pharmacies and publicly owned companies in transport and related infrastructure. In health care, education and social care choice models were introduced and the use of private operators increased – often with the consent of local municipalities and county councils dominated by right-wing/liberal politicians.

In Sweden privatisation processes were and are the outcomes of both political dialogue at governmental or municipality level and social dialogue leading to fresh agreements between employer and trade unions. In the state sector a new job security agreement was put in place before the large privatisations were implemented. The Swedish public sector unions have maintained high union density, together with strong organisation and negotiation rights. Attitudes towards privatisation vary within the union movement. Blue-collar unions with membership initially based solely on public employment tend to display a rather negative attitude, while unions recruiting private employees tend to be more positive in their views. Outspokenly positive attitudes can be found in unions organizing academic and related occupations where the possibility of having more than one employer alongside the competition for scarce competence is clearly seen as an opportunity to secure higher wages.

We should add that the funding of basic public services through taxes and public fees has remained intact in Sweden even after over two decades of deregulation and privatisation. Within this public funding framework, services are still being offered without increasing costs for the individual user. The current political debates have focused on service *quality*; on the effectiveness of public procurement, and on allowing profits to be made in publicly funded operations. These debates should be seen against findings that in many Swedish sectors deregulation and privatisation have not yet delivered efficiency gains.

3.3.3 *The Netherlands*

In 1986 the first Lubbers administration, following in the footsteps of the Thatcher - Reagan neo-liberal 'revolution', started an NPM / privatisation campaign to downsize the public sector and release funds for the public budget. After relatively small privatisations like those of the public pilotage and calibration services, the savings and money transfer branches of the state Post, Telegraph, and Telephone company (PTT) were split off in 1986, privatised and labelled Postbank. This paved the way for the privatisation and liberalisation of postal and telecom services. In the postal services case as shown below and in other sectors such as home care, flexibilization and the use of (bogus)self-employed have characterized the HR policies of privatised organisations. In recent years these policies met with strong opposition from trade unions but were also heavily criticized in the political arena. In the case below one of the privatised firms to some extent backtracked on a key part of their HR strategy.

Case 3.3. The privatisation and liberalisation of postal services (Netherlands)

In 1989 the Lubbers II administration allowed the PTT to adopt formal independent status; five years later PTT was privatised and restructured into a joint stock company. This was followed by the selling of state shares and a break-up whereby the telecoms division was to continue as KPN and the post division as TNT Post Group. In 1997, as one of the first in the EU following the first European Postal Directive (97/67/EC, amended in 2008), the Dutch government took steps towards further liberalization of the postal market. From 2011 onwards, and after Deutsche Post/DHL had retreated from the shrinking Dutch market, two competitors were left: PostNL (the former TNT Post) and Sandd. Competition between the two was mainly confined to wages. In 2006-07 the minimum hourly rate for post deliverers in their collective agreement had clearly fallen below the national hourly Statutory Minimum Wage (SMW). As the deliverers were self-employed operating on piece rates, they frequently ended up at only two-thirds the SMW. By then the post deliverer job had been separated from that of post(wo)man. A TNT Post director defined deliverers as part-timers, working on average about 12 hours weekly (which turned out to be on average eight hours), only delivering and not sorting the post. The process of video-coding for sorting was offshored to the Far East. Efforts made by unions, researchers and labour consultants all failed to convince management of the need for keeping the connection between sorting and delivery intact and bringing down the number of

jobs shed. The latter number remained 11,000 as management had planned though forced lay-offs were halved.

The PostNL management initially stuck to the part-time / self-employment model although societal and parliamentary pressure on them to abandon this position increased. A decisive point came when the government issued a Decree demanding that four in five post deliverers should, by 2014, have a labour contract with employee status. In 2015-16 PostNL continued to maintain its part-time model but offered the post deliverers employee status with their wage scales based on the collective agreement starting at the SMW – implying that most of them would earn 10 to 30% above the hourly statutory minimum.

Finally, in March 2019 PostNL bought Sandd, the sole remaining competitor. The Dutch market regulator blocked this take-over but the government overruled the decision arguing the take-over was in the public interest. The unions welcomed this as a necessary step towards a healthier postal market though they also recognized the potential disadvantages of PostNL's monopoly position. That company's collective agreement, which fits better with the regulated Dutch industrial relations system, was subsequently applied to the minority of 4,000 of the 11,000-strong Sandd workforce that accepted to be employed in PostNL.

(See for an extensive case description Appendix 1, Case A3)

After 1989 privatisations and the selling of state shares remained the order of the day. Besides the PTT, the Dutch state retreated from chemical producer DSM, truck manufacturer DAF and steel producer Hoogovens (currently Tata Steel). By 2010 over 60 state companies and public service providers had been privatised. The privatisation wave ended with the selling, in 2009-10, of the country's largest energy deliverers, Nuon and Essent, to Swedish Vattenfall and German RWE respectively. These actions were only possible after the country's distribution of energy had been split in 2004 between commercially operating distributors (like these two) on the one hand and the two energy (high voltage and gas transmission) networks that continued to be state-owned on the other.

In the same period 1989-2010, under the influence of NPM, over 160 Dutch public services were awarded greater autonomy. Most of them, in road maintenance, education and environmental services, took on the 'lightest' form of quasi-autonomous non-governmental organisations (*quango's*). After a while a number of public services were reshaped into companies with their shares owned by the state and/or by municipalities. In 2004 GHR, the Rotterdam Port Authority was the first, followed by their Amsterdam colleagues, and then by 10 local drinking water companies. Remarkably, allowing greater autonomy for the municipalities has partly developed in the Netherlands to counteract the disadvantages of privatisation that had surfaced in the 1990s namely: the growing disinterest of private managers in supporting political goals; the high salaries and bonuses they granted themselves, and their inclination to undertake commercially risky adventures abroad. However, researchers and journalists have recently

pointed out that some autonomous public services or companies have shown similar dubious behaviour, and that the central government is still lacking in early warning and control instruments to avoid such excesses (cf. Veraart 2019).

In the Dutch public debate the ‘passenger railways case’ has figured prominently. Following the 1991 EC Directive calling for the separation of rail infrastructure management from rail transport, the ProRail infrastructure group was duly formed in 1995 and separated from the other activities of Dutch Railways (NS). Though both continued to be state-owned, their mutual relationship became disastrous with minimal levels of coordination. In the severe winter of 2010 trains often came to a standstill which led to massive public protests. Lack of maintenance of trains and infrastructure put pressure on the government who in turn forced NS and ProRail to cooperate more closely. As a result, delays and disturbances on the railway track have diminished in the last four years. Although in this case privatisation *per se* was not the problem and liberalisation was only marginally at stake, the ‘railways experience’ has dominated public discussions in the Netherlands on both issues. It is reasonable to assume that this discourse together with the debate concerning the HR policies of privatised organisations have influenced governmental thinking and goes some way to explaining why no new privatisation plans have appeared since 2013. Indeed, the existing plan to turn ProRail into a quango has even been rescinded.

3.3.4 France

Over the past 30 years, public services in France have undergone a significant transformation. As in other European countries, the changes have taken place in successive waves. From one decade to the next, the context or the triggers have varied with privatisation, new public management (a term little used in France) and, more recently, digitalization all playing a part. The objectives pursued have generally involved the reduction of the size of the state, the improvement of its efficiency and the motivation of its agents. Performance indicators have emerged as one of the main levers of change. Currently, the modernization of public services is more narrowly aimed at budgetary savings. The situation, not surprisingly, has become very tense in many public services such as police, hospitals and universities.

Unlike other European countries such as Sweden, the idea of free choice of the citizen is much less prominent in the French public debate. The need, imposed by the EU, to open public services to competition, and more specifically to private sector operators, has been put forward as one of the reasons for restructuring the post and telecom sector, railways, and other services. For example, in 2018 the French government justified the change in the status of railway workers as being necessary for the opening up of the market to competition at the end of 2019. This resulted in long strikes but eventually the unions lost the media battle and crucially, in a break with the past, were only partially supported by public opinion. In this particular case, the media emerged as a third category of actor alongside the politicians and social partners engaged in the restructuring of public services.

The transformation of the French post and telecom sector, following the split of France PTT in 1990 (mainly covering La Poste and France Télécom), is a good illustration here and a reminder of the dangers of unforeseen consequences. In particular, the introduction of new management methods in the early 2000s that were subsequently blamed for a series of employee suicides, has had a strong effect on public opinion. Former directors of France Télécom were recently brought to justice for (complicity in) moral harassment as detailed in the following case study.

Case 3.4. The trial of France Télécom's directors (France)

The France Télécom trial in the Paris Correctional Court began in May 2019 after a decade of investigation. The prosecutor requested one year's imprisonment, the maximum sentence, for the company's former CEO, his deputy and the former Human Resources manager. In December 2019 the Court decided to follow the prosecutor's orders, though with eight months suspension. The company itself was charged with 'institutional harassment' and sentenced to a fine of Euro 75,000 and payment of Euro 3 million in compensation (*Le Monde* 2019).

At the heart of the trial were the plans to restructure France Télécom between 2006 and 2010, that aimed to cut more than 22,000 jobs and retrain 10,000 employees. After implementing an aggressive acquisition policy, France Télécom --privatised in 2001-- had accumulated a massive debt. Most of the company's 100,000 employees in France were civil servants and could not be dismissed. The aim of the new strategic plan was to have thousands of these employees with lifelong employment contracts resign without having to lay them off. Middle management were trained for ten days in order to complete this particular task. Management techniques were introduced that involved exerting heavy psychological pressure on employees to get them to leave the company 'voluntarily' and part of managers' variable compensation was linked to their ability to get this done. Those who could remain were subject to demands for both functional and geographical mobility. For the vast majority this was a new situation. According to the Court the suicides of 19 employees committed between 2006 and 2009 could be related to this context and to what the Court called 'a culture of routine workplace bullying.'

The unions acted as whistle-blowers here. They contacted the Labour Inspectorate, called in labour consultants, alerted the press and filed a complaint in court. Several expert assignments were subsequently carried out that included large-scale surveys to provide better analyses of employees' working conditions and to assess the risks arising. Some of the findings of these expert reports leaked to the press. One such report submitted to the social partners at the end of 2009 noted "*a much degraded general feeling, especially with regard to working conditions, health, stress (...)*". Regarding the wave of suicides they pointed to "*the major failure of management*". France Télécom's CEO reacted only after the facts were published in the press. In 2013, the company changed its name to Orange. It was widely thought to be a ruse to both turn the page and get rid of a very bad brand image.

La Poste (260,000 employees in 2016) no doubt sought to learn from the tragedies experienced by Orange Group. In many respects though, employees of both companies have faced similar situations and difficulties. In the 2000s La Poste had also become a symbol of suffering at work. What happened next is described below in Case 3.5. It illustrates the importance of building a social dialogue when the workforce is confronted with major changes.

Case 3.5. Re-establishment of the social dialogue at La Poste (France)

Around 2010, La Poste had become a symbol of suffering at work. The state company had been hit by the suicides of several employees unable to keep up with the pace of transformation at La Poste. With a new type of management La Poste had made the switch from a strong corporate culture of public service towards a more commercial orientation. Many employees had to change positions more or less against their will while at the same time a drastic reduction in jobs (over 10,000 in 2011) was carried through. The trade unions involved denounced the social climate in the postal company as one characterized by fear. Under the pressure of this denunciation, the director of La Poste stated that if the reorganisations were not to be suspended, answers to the social problems of the company could perhaps be found by the re-establishment of the social dialogue. Thus, in 2012, the director set up a 'Grand Dialogue' aimed at identifying the causes of the uneasiness and fear. Several aspects of this social dialogue are worthy of note, namely:

- the organisation of a 'local dialogue' marked by the direct participation of the employees communicating with management on six themes: job content; working conditions; health at work; career development; change management, and the relationships with institutions. The unions were not excluded from the discussions and they let the management take the lead in this direct dialogue;
- the Working Life Commission encouraged the participation of unions as part of a collegial reflection on the transformation of the company; in fact, the absence of a bargaining issue worked in favour of the quality of the dialogue.

This initiative resulted in eight major projects, one of which called 'social dialogue and social regulation', aimed at creating a climate of trust within all layers of La Poste. From that project it was suggested to negotiate an agreement on a renewed social dialogue. This original approach has developed further. For example, in early 2013 a framework agreement was signed for the improvement of working life embracing sections on organisation, job content and working conditions as well as a section on furthering the social dialogue.

Since the mid-2000s the French public administration, regardless of the government in power, has seen policy changes that differed in scope and objectives from previous ones. Currently the search for productivity gains has been added to the quest for greater agility and effectiveness sought by the earlier legislation on decentralization and de-concentration. In order to strengthen social dialogue within the public sector, social legislation has been strengthened through:

- the partial alignment with the private sector in 2013-14 of the competences and requirements of the Health, Security and Working Conditions Committee (CHSCT) as the vehicle for work consultations. This offers a substantial reinforcement of the possibilities for employee representatives in the public sector to influence working conditions (see for the role of the CHSCT Chapter 8);
- the signing, on October 22, 2013, of an agreement on the prevention of psychosocial risks requiring all public employers to have a plan in place by 2015 for the prevention and evaluation of these risks based on a diagnosis involving employees. The agreement specifies this diagnosis has to include a plan of action and a dialogue with employee representatives.

3.3.5 *Germany*

In Germany, the privatisation of public companies gained momentum in the 1980s. In 1982, a conservative-liberal coalition government replaced the social-liberal coalition and for a number of years the 'lean state' became a guiding principle. These developments were reflected in the liberalization of post and telecoms and rail transport. However, since the mid-2000s the trend has reversed towards increasing public influence. From 2005 to 2016 the number of public institutions and companies rose by some 25%. Local authorities in particular were and are trying to expand their economic activities. While the federal government currently holds stakes in 670 companies, the official stakes amount to 1,430 companies at the level of the states ('*Länder*') and 13,500 at municipal level. It may be assumed that the growth of public influence will continue due to the so-called concession system regulating the transfer of a public task to private companies in Germany. As a rule, concessions have been awarded for a period of about 20 years, and many concessions granted during the privatisation wave of the 1990s are close to coming to an end (Greive and Hildebrand 2016).

Case 3.6. The privatisation of the Federal Post Office (Germany)

Until the early 1990s, the German postal and telecommunications system was entirely in the hands of the state. By then, however, the Federal Minister for Post and Telecommunications pursued the goal of 'breaking the chains of public service law'. The first restructuring, Postreform I, began in 1989. The Federal Post Office was restructured and divided into three public companies, Postal Services, Postbank and Telekom. These divisions continued to perform tasks autonomously under the direction of the Federal Ministry of Post and Telecommunications. In 1994 Postreform II followed, leading to the creation of Deutsche Post AG, Deutsche Telekom AG and Postbank AG and, from 1995 onwards, the stepwise privatisation of the Post Office. In 2000, the latter was completed when Deutsche Post AG went public and was listed on the Frankfurt stock exchange.

In 2004 Deutsche Post acquired DHL International, and through other acquisitions the newly-founded Deutsche Post DHL Group has grown into the world's largest lo-

gistics multinational. With a 547,000-strong global workforce in 2018 the Group attained a turnover of over Euro 61 billion. But not everyone was a winner. In its post and package division, Deutsche Post DHL Group recently employed around 155,000 employees in Germany, less than half of those employed at the start of the privatisation – a loss that was not compensated by the creation of jobs with competitors in the post market. Also, in the 2010s Deutsche Post DHL replaced numerous full-time contracts in the areas of post sorting, preparation and delivery with part-time contracts or ‘mini-jobs’ (Engartner 2014). In 2018 the firm even outsourced 13,000 employees to a subsidiary with wage levels 25% below those of the in-house collective agreement, a move strongly opposed by the trade unions. In July 2019, following agreement with ver.di, the service union, this was reversed and the subsidiary returned into the company CLA.

Overall, the German postal, courier and express services sector is characterized by increasingly precarious working conditions and low wages, especially in companies not subject to a collective agreement. According to German employment statistics, in June 2018 the sector accounted for 427,000 employed of which 128,000 (30%) worked part-time while 123,000 (29%) were employed in mini-jobs. The fact that between 2007 and 2017 the median monthly gross earnings of full-time postal employees fell by over 13% (Deutsche Bundestag 2019) points to an increasing share of low-wage workers. The reduction of jobs at Deutsche Post DHL Group has been accompanied by the massive thinning out of the country’s postal services and the branch store network operated by Deutsche Post on behalf of the German citizens. Whereas in 1983 around 29,000 post offices were operational in the former Federal German Republic, after the 1990 reunification only about 12,000 offices could be found in the whole country.

3.4 New Public Management and the functioning of public services

3.4.1 *Social considerations confronting commercial interests*

After almost 30 years of NPM in the five countries that most concern us in this book, a clear shift can be seen in the general perception of public services and how and under what conditions they are performed. In all five countries and in much public debate it has become clear that social considerations have, in many instances, given way to commercial interests. What were once defined as collective tasks have to a considerable extent been privatised or, if still directed by public authorities, outsourced to private companies and subjected to market forces. Public authorities repeatedly have had to take on different roles, either as service providers and/or as a regulator and/or a purchaser. When roles have had to be combined, internal conflicts have tended to arise and a lack of steering mechanisms have often been apparent. Moreover, the use of NPM techniques such as benchmarking have frequently appeared to be sloppy and rather haphazard, especially when confronted with budget constraints or when connections with digitalization are sought.

From the 1980s onwards in all five countries parts of the public sector have been neglected and have shown signs of underfunding; this has most notably become visible in health and home care, public transport (in particular hitting remote areas), and postal services. The use of information technology (IT), latterly dubbed ‘digitalization’, has often been suggested as a solution to curb the disadvantages of this neglect. Indeed, as in all sectors of the labour market the public service across the EU has shown a constant drift towards advancing the use of IT. IT consultants and lobbyists often advertise digitalization as the main road for achieving the effectiveness and availability of public services – especially in transaction-intensive operations such as taxation and social security administration where it enables citizens/customers to take responsibility for handling their own matters. On the other hand, organisational advantages linked with IT use such as specialization and centralization, cost efficient as they may be, will from time to time conflict with basic democratic demands like the accessibility of services for citizens. An important issue here is the accessibility of these services through call or contact centres. They have developed into dominant communication conduits but are often experienced by consumers as being of quite limited value. In particular, elderly and lower-educated citizens continue to report accessibility problems and difficulties with this type of communication (See section 6.3.6 for call centre work).

The tensions between potential advantages and risks of advanced IT poses for the public service, not least for the occupational safety and health of public service workers, were highlighted in sessions in a European trade union conference in 2016. Research results were presented here that largely corresponded with the authors’ early experience concerning the digitalization of public services. The results demonstrated the need for public employees and their representatives to be an integral part of the related planning and implementation processes. This should include the development of non-digital alternatives for those who cannot, or do not want to be connected with digital services (EPSU website).

3.4.2 Employment and job quality threatened

The application of NPM could have serious effects on the functioning of public organisations and their workforce if budgets are cut without compensating measures such as removing tasks from the public service or funding additional investment. Often, budget cuts are based on assumptions that with greater digitalization, the public sector can ‘work smarter’ and attain similar productivity gains as those assumed to be available in private services. Evidence underpinning such assumptions is mostly weak. The resulting overestimation of productivity gains often ends up in understaffing, with negative effects on job quality and a worsening work-life balance for considerable numbers of public employees. The impact this has on public sector employees was amply demonstrated by the strike action that emergency service workers in hospitals in France undertook for several months in Spring 2019 to alert the public authorities and public opinion to the critical situation in which they found themselves. Put simply, the number of patients continued to increase while hospital staffing remained at the

same level. In the course of the 2019, the entire French medical profession has sounded the alarm about the lack of staff and resources. In this respect the high scores reported in Chapter 6 (section 6.2.3) for the French health (and education) workers on a number of indicators for work intensity underpin the general discontent that has been manifest amongst the medical profession in France. In 2015-2017 junior hospital doctors in the UK similarly went on strike to highlight and fight against understaffing and proposed changes in their shift patterns which they considered to be unsafe for patients.

Authorities initiating NPM have seemingly failed to appreciate the need for flanking policies to underpin further IT investment. Neither have they given sufficient consideration to raising service quality in response to the demands of citizens. Such shortcomings have inevitably put a lot of strain on management and employees often resulting in heavier workloads, higher work-related stress levels, and increasing sickness rates. A common constraint here has been the tendency to ignore or at least underestimate the long-term cultural conditions that surround the organisations in question together with their likely resistance to change. Thus, confronting classical bureaucracies where centralized decision-making has hitherto been dominated by political considerations with the harsh laws of competition and competitors 'out there,' was certain to provoke resistance where jobs and job and service quality were perceived as being under threat. Major steps are plainly required to overcome bureaucratic rigidity and negative attitudes such that public services can quickly develop effective responses. However, since decision-making largely remains embedded in political processes with critical feedback loops to political stakeholders, such steps will mostly require more time than comparable processes in the private sector.

A social dialogue can play an important role to help lower the tensions that may arise between political decision-making and the involvement of employee representatives. Experience from the Netherlands and Germany illustrate that such problems for employee representatives and shop-floor workers alike tend to be further aggravated when foreign investors and equity funds show up. Although it should be noted that there is no hard and fast rule that NPM and privatisation result in larger shares of foreign ownership in employment. For example, between 2008 and 2014 the foreign investment share in telecom employment nearly doubled in the Netherlands --from 23 to 43%--, grew less in France and Germany but fell in Sweden and the UK (Van Klaveren and Gregory 2019: Table SA5.4).

3.4.3 Improved public services?

It is the common experience of labour consultants (and certainly shared by the authors of this book) that changing a bureaucratic organisation into a competitive entity is an intricate and delicate process that can take several years. Even in medium-sized organisations, with some 500 to 1,000 employed, these processes may last at least four or five years. Moreover, in the course of the change process, different options for realizing such a turnaround almost inevitably crop up. When confronted with major uncertain-

ties and perhaps a lack of flanking policies or financial means, socially oriented management may be inclined to slow down changes -- thereby risking a collision with political principals locked into the promise of quick gains. Another management strategy may be to focus on mobilizing as many resources as possible to execute the scheduled plans. Though initially such 'maximising' strategies seem to be more conflict-avoiding they may be inherently risky from a financial viewpoint.

It remains questionable whether NPM-type reforms have improved public service levels, and have delivered 'more value for money' for citizens or better accessibility to public services. We are not aware of any comprehensive evaluation studies in this respect. Even in the Netherlands, where policy evaluations are an obligation in most cases linked to legal changes, detailed studies taking into account longer-term outcomes are lacking. Most available studies on NPM and restructuring conclude that on average, short-term results concerning efficiency and productivity remain below expectations. Whilst little evidence of vast improvements can be found, some aspects of good practice can be seen in different sectors and countries (cf. EPSU 2014). The best we can say from the research evidence is that the picture is mixed with some studies showing improvements in the availability of public services and in choices for citizens, while others reveal that long-term investments have been neglected and the focus on cost effectiveness has resulted in deteriorating service levels. Overall though, in the five countries under scrutiny 'people-centric public services', according to the OECD (2019: 27) an ideal to be pursued, seems to be rather far from being achieved.

For the Netherlands in particular, there is on balance no 'hard' proof of considerable improvement in public services related to NPM. Discussions with involved labour and management consultants indicated that the most positive (or least negative) outcomes mostly have been attained in cases where management opted for careful approaches and piecemeal changes (cf. Veraart 2019; see also EPSU website). The fact that NPM-like reforms in France, the Netherlands, Sweden and the UK largely coincided with governmental austerity policies has definitely contributed to these rather bleak results. Yet, the lack of adequate preparation and organisation for these change processes may have had an even greater negative impact. As far as we can see, this last conclusion holds for four of five countries with the possible exception of Germany (cf. Keune 2018).

We should draw attention to the fact that the Dutch evaluations of NPM-type reforms have excluded two major issues. First, they have hardly touched upon negative external effects. In this respect it is worth noting that Dutch experts in cyber security and public safety have recently warned that if private parties remain after liberalization and privatisation, although regulators may be in place, the controlling and supervising agencies may have been so minimized and understaffed that the risks of calamities could increase in crucial activities. In this respect, the experts mentioned garbage collection and waste treatment, along with bridge, canal/river and road maintenance. Similar failures have been noted elsewhere. In 2017 in Sweden, for instance, outsourcing the administration of information on vehicles and drivers' licenses to an MNE even

led to a government crisis: the system lacked a security clearance for foreign employees allowing foreign IT contractors access to information partly of military importance. The second failing which is particularly odd in the Netherlands at least, is that evaluation and monitoring have hardly covered the consequences for the public sector workforce. We will return to this key issue in our last section.

Case 3.7. Taking care of redundancies at a privatised telecom operator (Sweden)

After the Swedish telecom market was deregulated, Telia, the former Swedish monopolistic state-owned telecom company had to face new competitors. This led to downsizing and the need to change skills and competences. Management and the three unions concerned started a close cooperation, partly through intensive consultations between top management and the union chairmen on strategic issues and organisational development. Inevitably, redundancies had to be negotiated and managed. This was achieved by setting up a redeployment organisation where redundant employees over a period of three years got the opportunity to be trained and/or to look for other jobs. After consultation with the unions, local management decided who would become redundant. These latter were then transferred to the redeployment organisation. Labour consultants, including ATK, played a key role in shaping and supporting the new organisation.

3.4.4 Regional employment creation

Organisational change in public services related to NPM such as specialization and centralization can also be at odds with demands of regional politics to safeguard and uphold employment all over the country. In various European countries such employment creation has been an objective of regional development and part of public policy. Public services, notably in the 1960s and 1970s, were often relocated from administrative capitals to remote areas or smaller cities. In the Netherlands and Germany such relocation initially met significant employee resistance but were mostly evaluated as being rather successful. However, elsewhere the picture was mostly negative. Frequently key employees were opposed to being relocated while in the 'receiving' areas the right skills were often in short supply. In a vast country like Sweden, the willingness of employees to be relocated, with all the personal disruption that this entailed, was naturally rather limited. In any case, after 2000 such strategies for regional employment creation appear to have dried up across Europe. The linkage with NPM here is not clear but it may well be that telework has offered an alternative allowing work-at-a-distance in public administration. Since such practices require the recasting of managerial and control tasks there are new risks involved which the case below illustrates.

Case 3.8. Restructuring and relocation at the ordnance surveys authority (Sweden)

Over the last five years Lantmäteriet – the central authority for ordnance surveys and geodata – with over 60 offices across Sweden has undergone a process of consolidating their operations to fewer locations. A first attempt at concentrating the work of

the geodata division was not completed due to the risk of losing skills and competences. This risk was pointed out by the unions and the concerned local offices and also highlighted by ATK, the labour consultant hired for the project. This was not just a case of cost effectiveness (scale of operations) but mainly of problems in recruiting land surveyors who turned out to be a rather scarce academic resource. A proposal from ATK was agreed which contained a slow closure process involving only the smallest offices, resulting in a 20% cut in offices over a period of two years. This was mainly accomplished through attrition and relocation to nearby offices.

3.5 Trade union response and social dialogue

Beyond the UK, in the four other countries that concern us, *national* collective bargaining and social dialogue platforms have continued to exist over the years. As a result, public sector unions have been able to make arguments and use power resources at national negotiation tables. From the early 1990s onwards, negotiations on NPM took place in Sweden, followed by the Netherlands and Germany. Studies by EESUN members suggest that the mechanisms used in the four countries converged over time though differences due to varying traditions and cultures could also be observed. For example, in Sweden changes were anticipated and negotiated, with transition periods, job security agreements et cetera, while trade unions and management explored ways to create win-win situations. On the other hand, in France it has become increasingly difficult for the unions to achieve results by this route as the government has evidently come to resent the unions' opposition to NPM and privatisation. French unions, notably in the post and telecoms sectors, vigorously criticized how management had conducted changes, which in turn had a strong public impact. Following on from this, the organisations subject to this criticism were forced to revise their models of social dialogue.

In keeping with their respective industrial relations traditions, the German and Dutch approaches to tackling NPM and privatisation were somewhere in the middle of the spectrum. From a trade union standpoint, the focus has been on preparing and laying down claims, seeking publicity to support union negotiators and advertising bargaining results. However, in Germany and the Netherlands the social dialogue is not as structured as it tends to be in Sweden; neither do social dialogue results move easily between the various union and Works Council layers. Researchers and labour consultants have though played their part in improving such communication streams.

Public sector unions have both a stronger and a weaker position than their colleagues in the private sector in influencing changes. Stronger in the sense that union density in the public sector remains substantially higher than in the private sector. Thus, actions can be based on strong membership positions and union viewpoints cannot be neglected or rejected as being unrepresentative. Weaker in the sense that public sector unions ultimately have to accept that political decisions are based on democratic processes and under normal conditions political democracy should not be contested by

workplace democracy. Nevertheless, politicians may be highly sensitive to the views of public employees where they make up an important part of their electorate.

Some forms of NPM are more controversial than others. These forms may directly challenge traditional political and bureaucratic ways of organizing public services. Values such as justice, legality and equality are challenged by values such as choice, cost effectiveness and market efficiency. Recently in all five countries trade union resistance to NPM, privatisation and outsourcing tended to be fierce where the wages and conditions of low-paid employees were deteriorating. Professional groups like teachers, nurses and doctors may also use their 'insider' positions in changing educational or health care systems for the better. However, low-paid groups may feel forced to take recourse to 'outside' power resources – first, of course, their trade unions, but also to client and other interest groups and social movements, opposition parties, and, ultimately, the general public. Their public appeal can be enhanced if they succeed to link privatisation and outsourcing convincingly with failing service quality, labour shortages and understaffing. In 2018 and 2019 notably in the UK, Sweden and the Netherlands garbage collectors and workers in cleaning or home care have managed to do this (cf. *AIAS-ETUI Collective Bargaining Newsletter*, 2018-2019).

While the public sector in the 1980s and 1990s was seen as an attractive employer, trade unions now argue that over recent decades it has been losing this position. The advance of liberalisation and privatisation, fuelled by the 'NPM wave', has challenged the notion of guaranteed lifelong employment in the public sector right across Europe including the five countries we are most interested in. In its place has come a growing amount of low-paid and highly insecure jobs. Those who keep their jobs often find themselves confronted with heavier workloads, stricter management control, sometimes ill-functioning IT systems but also rising expectations and demands from the citizens using public services – all in all conditions with which it is often hard to cope.

It is worthwhile questioning whether social dialogue in the public sector at EU level can support the coping processes needed here. At this level unions and employers have agreed on a Code of Conduct related to managing change. Important aspects in this Code are aimed at developing the social dialogue both in anticipating and managing change, along with a focus on HR management capabilities and the mobilisation of line management. The 'real work' in the European social dialogue, however, is mainly taking place in the sectoral committees. Some of their declarations seem useful for employee representatives in daily practice. For example, trade unions and employers cooperating in the EU Committee on Local and regional governments in a Joint Statement in 2011 expressed their deep concern about the effects of the crisis on job quality and the quality of services at local and regional level. More recently, they committed to once again promote the high quality of those services. These social partners have also adopted a critical stance on the consequences of NPM policies for their sector, linking this with the need to deal with the effects of cutbacks across the EU and the subsequent forced restructuring of public services (cf. Ramos Martin 2018: 10-12).

3.6 Good practice

We can add some good practice suggestions derived from this chapter.

In our view it is vital

where work organisation is an issue, that:

GP11 where restructuring processes include public procurement, employee representatives, union officers and labour consultants should evaluate whether procurement conditions guarantee the maintenance of fair wages and conditions and do not undermine the long-term job security of incumbent staff or the quality and accessibility of services to be delivered;

GP12 employee representatives and union officers should mobilize public opinion where public procurement or other forms of privatisation or liberalisation, threaten the continued existence of fair wages and conditions or the quality and accessibility of services to be delivered,

and broadening to connected institutions and policies:

GP36 in cases of public procurement or other forms of privatisation or liberalisation, external providers should be subject to effective and democratic control with the maintenance of fair wages and conditions as a major yardstick along with a commitment to implementing meaningful social dialogue with their employees.

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CHAPTER 4. A CHANGING LABOUR MARKET; NEW COMPETENCE DEMANDS AND THE MANAGEMENT OF CHANGE

4.1 Introduction

As indicated in Chapters 2 and 3, structural change often takes on a variety of forms that almost inevitably come with initial threats to job security. Restructuring frequently also challenges both the established patterns of work organisation and the skills and competences of the existing workforce. Neither are companies with profitable operations nor highly rewarded public services immune to such shocks. Clearly, the challenge for EU and national institutions along with management and employee representatives further down the line, is to find ways to strengthen the added value and hence employability of the workforce, while simultaneously securing the sustainability of firms and the accessibility of public services.

In this chapter we look at the different strategies used in restructuring processes and assess how employee representatives and labour consultants have been involved in finding socially acceptable outcomes. We start by assessing the impact crucial developments in European labour markets have had on HRM strategies and social dialogue. To this end, we present examples of change processes and the skill formation and re-deployment counter measures that have emerged from social dialogue and the involvement of labour consultants. Our objective here is to show, in particular, how social dialogue can influence the choice of organisational strategies to enhance workforce employability whilst also securing long-term sustainable employment opportunities.

4.2 Changing demand and supply conditions in the labour market

4.2.1 *Labour market policies as balancing acts*

Structural change imposes new demands on the labour force, that much is very clear. Technological change and the mobility of capital have opened the way for management strategies and business models to crank up demands for evermore flexibility from the workforce. Acceding to such demands, often with government encouragement, has, in many instances, heralded the end of 'lifelong employment' and ushered in precarious employment forms. On the supply side, EU nations have had to cope with the generally higher level of education young entrants bring to the labour market alongside an increase in the participation rates of women. Also, policy makers right across Europe have been increasingly challenged by an ageing workforce and an increase in migration (See Chapter 5 for a more extensive elaboration of the demographic challenge).

More than ever labour market policies have become balancing acts. Both at national and EU level, skill and competence issues have gained in strategic importance, as nations have searched for the path towards the 'holy grail' of a post-industrial knowledge

and information-based society. At both policy levels different initiatives have prioritized IT competence as a part of the digitalization process at one extreme whilst at the other end of the spectrum improving labour market access for the long-term unemployed, migrants and the generally disadvantaged has also been high on authorities' lists. In the course of the 2000s building social dialogue has been recognized across Europe as an important conduit to deliver these outcomes (cf. Winterton 2007; Heyes 2012).

At company level, demands for higher IT competence to cope with digitalization and new ways of working have become commonplace combined with functional flexibility as an additional requirement. Functional and numerical flexibility have also become increasingly intertwined. For many years organisations have achieved numerical flexibility strategies through the use of part-time work, fixed-term contracts, overtime, variable working hours and, ultimately, lay-offs. As we will indicate, the adverse effects of such strategies have been thoroughly mapped. Latterly, further flexibilization and individualization of employment relations have appeared in the shape of the so-called 'gig' or platform economy where companies use digital platforms to offer a range of services from taxis to food and freight delivery. Recently highly negative effects of such extreme flexibility have come to the surface. They can be found in low and insecure incomes and poor working conditions that may also undermine labour standards on a much wider scale (for greater detail on the gig economy see Chapter 6).

Even in the group of five Northwestern European countries we highlight in this book, the main characteristics of national labour markets show considerable differences. In the following chapter we show how the differing employment rates affect the economic and social conditions of the various age cohorts across the five countries. For the moment it is sufficient to note that employment rates diverge considerably. For example, whereas in 2017, 85% of Swedish men and 80% of Swedish women aged 20-64 were gainfully employed, in France such shares were 75% and 68% respectively, with the other three countries taking positions in between.

4.2.2 Structural change: shifts in skill and wage levels

Eurofound's European Jobs Monitors 2015 and 2017 revealed structural change in European labour markets being driven both by the financial crisis and by changes in competitive structures and technology. These studies identified job shifts occurring between 2008 and 2014 and between 2011 to 2016 throughout the range from high to low job quality. For the EU in general polarization was the dominant outcome. Employment growth showed up in high job quality level/high wage jobs (the 'top-20%') in most sectors, with a strong decrease in middle level/medium paid jobs and a moderate increase in low job quality level/low paid jobs (the 'bottom-20%'). In most (but not all) sectors upgrading could be seen, with high job quality level/high wage ('core') workers attaining stronger positions. By contrast, in the crisis years 2008-2010 significant employment losses could be seen in the lower-middle and middle-level jobs, with only

weak recovery afterwards at these levels. We should add that between 2008 and 2016 the five countries we studied showed rather diverging trends:

- after initially small changes, France showed strong growth in the middle and high-level jobs but decreases in lower-middle level jobs;
- after an initial increase in low and middle-level jobs, Germany from 2013 onwards revealed a strong growth in high-level jobs;
- during and directly after the crisis the Netherlands showed a strong rise in high-level jobs but, surprisingly, from 2013 employment growth was mainly in low-level jobs;
- the UK showed an increase in all job levels but it was particularly marked in high-level jobs;
- Sweden showed consistent rises in high-level jobs.

Drawing on Eurofound and other studies we can see the lowest and lower-middle job quality level/ lowest and lower-middle paid jobs (the ‘bottom-40%’) were quite vulnerable across the EU. This is confirmed by actual labour market figures for the five countries as well as forecasts on how the penetration of digital technologies and off-shoring might affect labour markets in the near future. We now examine national labour markets concentrating on vulnerability and flexibility.

4.2.3 *Vulnerability and flexibility in the labour market*

Using four indicators for labour market *vulnerability*, official figures for 2018 again point to considerable divergence across the five countries: see Table 4.1 (next page). In particular the outcomes concerning the shares of involuntary part-time workers and workers with temporary contracts showed a wide variation. For male workers the share of involuntary part-time work in total employment remained below 4% but the female shares varied from just 4% in three countries to nearly 12% in France. The incidence of temporary contracts also varied substantially, albeit with remarkably low (official) outcomes for the UK. As we will see, this category of employed has a very low level of legal employment protection in all five countries. The shares of those working through temporary agencies were low though in the Netherlands, France and Germany still above the EU average. Using the EU definition of ‘a precarious employment situation’, that is, having a work contract of only up to 3 months, the French rates for such short fixed-term contracts were comparatively high, followed by those of Sweden. Here again, the official UK figures seemed remarkably low.

Table 4.1 Rates indicating vulnerability in the labour market, 2018 (% of employed aged 20-64): involuntary part-time workers, temporary contracts, temporary agency workers, and precariously employed, five countries and EU28

	Involuntary part-time workers		Temporary contracts		Temporary agency workers		Precariously employed	
	M	F	M	F	M	F	M	F
France	3.9	11.7	14.6	16.4	3.8	1.8	5.3	4.6
Germany	1.6	4.2	10.8	10.8	3.3	1.8	0.4	0.4
Netherlands	2.8	4.8	16.2	18.9	4.9	3.2	0.9	1.0
Sweden	3.7	7.7	12.6	15.4	1.5	1.1	2.7	3.4
United Kingdom	3.0	4.1	4.5	5.2	0.5	0.6	0.3	0.3
EU28	3.0	7.1	12.5	13.8	2.2	1.5	2.3	2.2

Sources:

Involuntary part-time workers: Eurostat lfsa_epgais and Eurostat lfsa_eppgai (self-defined by respondents, except NL: less than 35 hrs/week)

Temporary contracts: Eurostat lfsi_pt_a; ONS (GB) dataset EMP07

Temp agency workers Eurostat lfsa_qoe_4a6r2; ONS (GB) dataset EMP07

Precarious employment: Eurostat lfsa_qoe_4ax1r2

In order to indicate labour market *flexibility*, we have combined two yardsticks: those for self-employed without employees (own-account workers) and those employed with temporary employment contracts (fixed-term contracts, contracts of limited duration): see Table 4.2 (next page). In all five countries these groups suffered from limited employment protection. This was most strongly the case in the Netherlands, notably for self-employed without employees. In this category, the Netherlands (for females) and the UK (for males) in 2018 were at the top of the list, whereas Germany and Sweden were at the bottom. It should be noted, though, that the self-employed-without-employees status cannot simply be equated with labour market vulnerability. Across Europe this group is very heterogeneous (cf. Eurofound 2017a: 23). In countries like the Netherlands their status, without obligatory pension contributions, disability insurance and unemployment benefit entitlements, allows a considerable number of these workers to compete on price with the attendant danger of pushing low-skilled workers into vulnerable positions, particularly in sectors and at times when labour supply is abundant.

In 2018, the Netherlands showed the highest incidence of temporary contracts, followed by France and at some distance by Sweden. When combining both figures as we did in the two most-right hand columns of Table 4.2, the Netherlands showed up with by far the highest flexible labour market shares, for both sexes more than 30% of all employed. In the Netherlands the two high percentages added up while in the other four countries the high respectively low percentages on both indices alternated. France came in second place with (over) 22% for both sexes. The other three countries remained below the EU averages, with the German labour market appearing to be the ‘least flexible’ for men whilst the UK claimed this accolade for women. Labour market flexibility is also markedly unequal according to socio-economic status. In all five countries ‘lower status employees’ had the highest share of temporary contracts, in 2018 varying from 30% above the national average in France and Germany to more

than twice that average in the Netherlands and Sweden. This suggests that over half of all the lower-skilled employees in the two latter countries were either self-employed without employees or were working on a temporary contract (authors' calculation based on Eurostat lfsa_esegt and lfsi_educ_a).

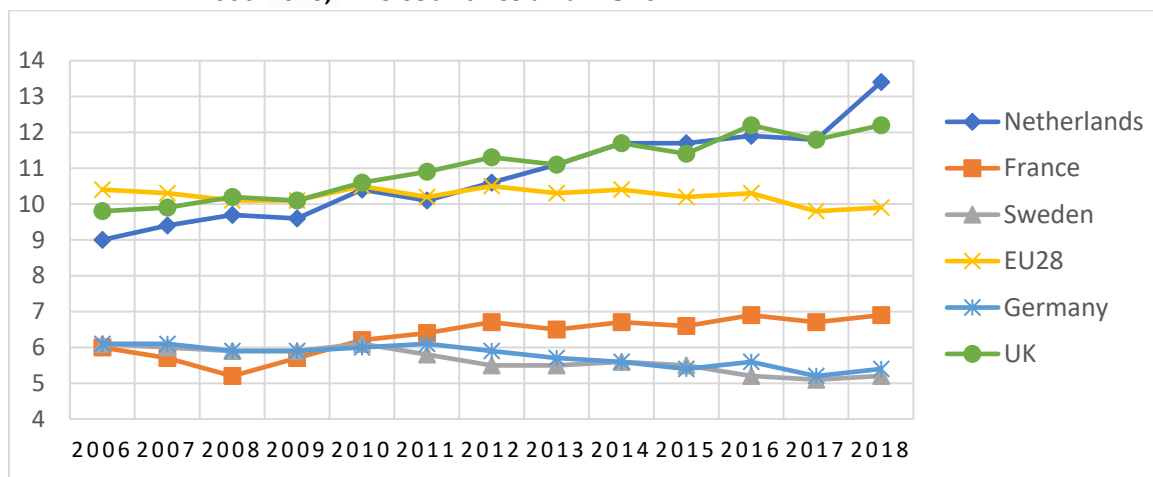
Table 4.2 Rates indicating labour market flexibility: self-employed without employees and those with temporary contracts in % of employed aged 20-64, 2018, five countries and EU28

	Self-employed without employees		Temporary contracts		Flexible labour market share	
	M	F	M	F	M	F
France	8.1	5.6	14.6	16.4	22.7	22.0
Germany	5.5	4.2	10.8	10.8	16.3	15.0
Netherlands	15.3	11.3	16.2	18.9	31.5	30.2
Sweden	6.7	3.6	12.6	15.4	19.3	19.0
United Kingdom	15.2	8.9	4.5	5.2	19.7	14.1
EU28	12.0	7.6	12.5	13.8	24.5	21.4

Sources: authors' calculations based on Eurostat lfsq_esgaed / lfsi_emp_a (self-employed) and Eurostat lfsi_pt_a (temp contracts)

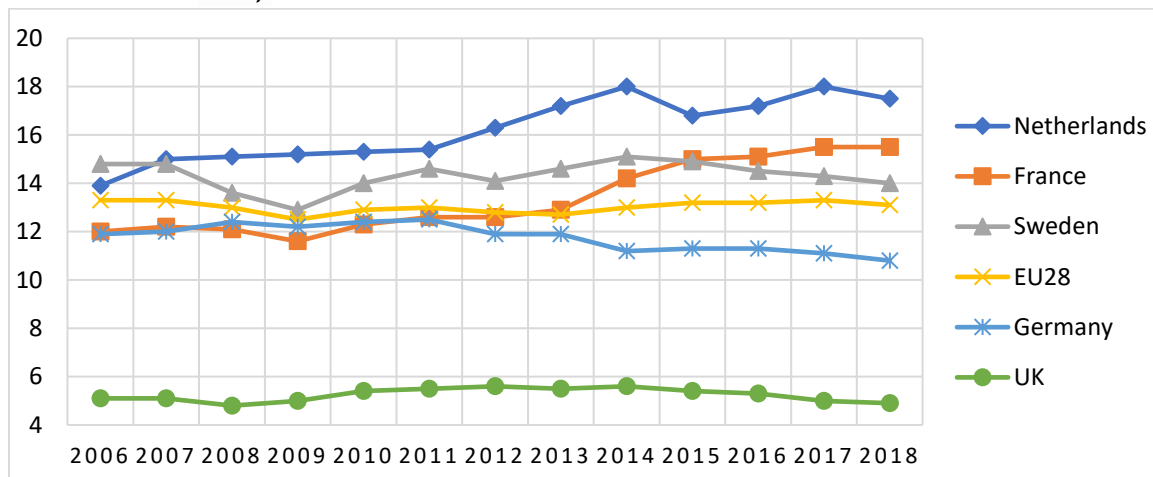
The 2018 outcomes are as regards labour market flexibility the results of rather heterogeneous developments across countries that we display in two figures on the next page. As we can see in Figure 4.1, from 2006 onwards the share of self-employed-without-employees was significantly higher in the UK and the Netherlands compared to France, Germany and Sweden who showed either stable (France) or slightly declining shares (Germany and Sweden) over the period. The last years are notable for the fact that the Netherlands overtook the UK as the country with the largest share of the self-employed-without-employees category. Figure 4.2 reveals that the share of those employed with temporary contracts tended to rise from 2006 onwards for the Netherlands and France, was fairly stable for Sweden and declined modestly for Germany. The UK is a clear outlier here with a stable but much lower rate of temporary contract workers.

Figure 4.1 Rates of self-employed without employees in % of employed aged 20-64, 2006-2018, five countries and EU28



Source: authors' calculations based on Eurostat lfsq_esgaed / lfsi_emp_a

Figure 4.2 Rates of those with temporary contracts in % of employees aged 20-64, 2006-2018, five countries and EU28



Source: Eurostat lfsi_pt_a

Clearly, the variation in labour market flexibility trends shown above largely depends on political choices, notably those regarding employment protection legislation at national level (EPL, see below section 4.2.6). In particular for the Netherlands, experts have warned that large flexible employment shares might well weaken the competitive strength of that country's economy, especially as many Dutch employers appeared to have hardly invested in the employability of their non-core flexible workers. Quite some evidence had piled up that without such investment, large numerical flexibility shares had become at odds with operational management, aggravated coordination problems and might hamper efforts towards innovation of both products or services and organisations. As early as in 2011-12, leading Dutch researchers sent out alerts in this regard (cf. Van Klaveren and Tjidsens 2015: 255). More recently they were joined by the Central Planning Bureau (CPB), the main Dutch government adviser (Euwals *et al.* 2016) and the OECD (website OECD/Netherlands Economic Snapshot) who have argued that both self-employed and flexibly contracted workers would be the first to

lose their jobs in an economic crisis. The weakening of purchasing power and growing inequality at national level were highlighted as negative consequences. This connects with more general warnings regarding the (partly potential, partly confirmed) adverse effects of labour market flexibilization in particular in coordinated market economies like the Netherlands and Germany that have been expressed by renowned experts and in various EU project reports (cf. Kalleberg 2001; European Commission 2003; De Spiegelaere *et al.* 2014; Kleinknecht *et al.* 2014). In other countries, such as France, where significant proportions of their labour force are engaged in flexible work or self-employment, similar effects can be expected.

4.2.4 *A job-skills mismatch?*

The degree to which skills the employed and unemployed have on offer can match the demand for those skill is a third important labour market issue. Exploring labour market statistics using the International Standard Classification of Occupations (ISCO), ILO researchers for ‘our’ five countries found a skills mismatch for 2014 of between 30 and 45% of all employed. On the one hand, between 9% (Germany and Sweden) and 18% (France and the UK) of employed were classified as ‘over-educated’ (similar to ‘over-skilled’), and in the previous 12 years these shares had all increased. On the other hand, except for France (again 18%) much larger shares were classified as ‘under-educated’ though these shares were decreasing (Sparreboom and Tarvid 2017). However, when workers’ perceptions were sought, as in Eurofound’s European Working Conditions Survey (EWCS) and the *WageIndicator* continuous web-survey, the outcomes were contrary with larger percentages of respondents indicating they felt over-skilled and a much lower percentage reporting of being under-skilled (cf. Eurofound 2017b: 107; Visintin *et al.* 2015).

All available outcomes of the research cited suggest that older workers were often relatively over-skilled. An important factor behind the lower self-reported shares of under-skilled may well be that skills and competences acquired through on-the-job training tend to be insufficiently reflected in labour market statistics. By contrast, the perception of skills being inadequate may be related to the experience of continuous reorganisation and restructuring giving rise to growing feelings of job insecurity.

4.2.5 *Digitalization and job security*

A number of publications have discussed how digitalization might affect labour markets in the (near) future. The contribution of Frey and Osborne (2013) on the penetration of digital technologies in particular received widespread public attention. These authors estimated the effects of what they called computerisation on the US labour market by calculating the automation potential of some 700 occupations. They concluded that 47% of total US employment would be in the high-risk category, ie., “jobs we expect could be automated relatively soon, perhaps over the next decade or two” (44). This category included most workers in transportation and logistics occupations, in office and administrative support, and in manufacturing production occupations.

Conversely, Frey and Osborne concluded that occupations involving complex perception and manipulation tasks, namely: creative intelligence and social intelligence tasks were unlikely to be substituted over the next two decades. A majority of more recent studies, also covering labour markets in the EU, have reported lower percentages exposed to the risk of becoming superfluous due to automation/digitalization. However, their outcomes differ as to which occupations would be most strongly 'at risk'. Most studies based on evidence available around 2015 tend to conclude this to be the case for mid-skilled occupations; if so, that would contribute to polarisation in the labour market (cf. Cedefop 2016; OECD 2016).

Most recently various studies maintain that as a rule of thumb, the lower the education level measured by the International Standard Classification of Education (ISCED), the higher the employment share at risk, or, in research terms, the higher the automation displacement potential. For example, in a rigorous study Arntz *et al.* (2019) found a total of 12% of German workers in the high-risk category but this 'at risk' share grew to over 50% for German workers with the lowest educational attainment (ISCED 1) and 40% for those in the next-lowest category (ISCED 2 / ISCED 3C short). Similarly, a review of studies indicated that low-income and less-qualified workers were more vulnerable than others to restructuring in terms of its impact on health and well-being (De Jong *et al.* 2016). Finally, most studies on the effects offshoring to low-wage countries has had on US and European labour markets have also concluded that negative effects on wages and employment were –at least until around 2010– particularly felt by the low-skilled (summarized in Van Klaveren *et al.* 2013: 18-26).

Combining the above with information and analysis elsewhere in this book strongly suggests that the job security promised by lifelong employment has been discarded in favour of a lifelong learning *requirement*. This will compel even core workers to secure their labour market value by constant attention to personal development. Most disquieting though are the current and prospective trends for those in the bottom half of the labour market. For this large group, already marginalised insofar as lifelong learning is concerned, the proper management of restructuring and redeployment is vital if the widening inequality in labour market opportunities is to be addressed.

4.2.6 *Insiders and outsiders*

Restructuring has a differentiated impact on the positions of those in what have hitherto been regarded as secure (insider) jobs compared to those with less secure (outsider) jobs. The way in which redundancies have generally been carried out, in particular the widespread use of the 'last in first out' selection criterion for redundancies has also tended to reinforce the disadvantages experienced by outsider groupings. There are though observable differences between countries and sectors. Country differences are to a large extent based on differences in labour legislation.

The OECD Indicators of employment protection legislation (EPL) capture this variation by assigning scores to countries on a scale of 0 to 5, where '5' expresses the highest level of protection. Table 4.3 (next page) shows the latest available outcomes for 'our'

five countries. The left-hand column indicates that the levels of legal protection of permanent workers against individual and collective dismissals are rather close except for the UK which has a much lower level. This is different for collective dismissals where the EU Collective Redundancies Directive in the main ensured the scores for the five countries were rather similar. The big difference is apparent for temporary workers. With the exception of France, they have minimal legal employment protection which in the UK ends up close to the bare minimum. In this regard temporary workers are outsiders. Moreover, in recent years Swedish lawmakers have further reduced the already low protection Sweden offers to temporary workers. Thus, the rating in question for Sweden declined from 1.44 in 2002 to 0.81 in 2013.

Table 4.3 OECD indicators of employment protection legislation, 2013, five countries

	Protection of permanent workers against individual and collective dismissals	Protection of permanent workers against collective dismissals (additional restrictions*)	Strictness of employment regulation on temporary contracts
France	2.38	2.38	3.63
Germany	2.68	2.68	1.13
Netherlands	2.82	3.19	0.94
Sweden	2.61	2.50	0.81
United Kingdom	1.10	2.63	0.38

Source: OECD / website EPL (no newer data available)

*) measures additional costs and procedures involved in dismissing more than one worker at a time compared with the cost of individual dismissal

In earlier time periods those employed in the public sector across Europe have generally enjoyed a higher level of protection relative to those in the private sector. However, with the widespread adoption of austerity policies the traditional job security associated with public sector employment has latterly come under considerable pressure in a number of European countries.

Two examples illustrate how rules on job security and this insider/outsider conundrum have gained political and public attention. As shown in Chapter 3 (Case 3.3), in France recently massive attention was paid to the trial of France Télécom directors, accused of moral harassment related to several deaths of civil servants who could not be dismissed. Somewhat less dramatically, in Sweden there has been a long political fight to change the Job Security Act from a 'last in first out' approach and replace it with the possibility of more liberal, employer-friendly options being negotiated by the social partners. The use of the 'last in first out' rule in redundancy practices has attracted widespread criticism since it is seen to discriminate against young people and migrants (outsiders) thereby preventing them from gaining a secure foothold on the labour market.

4.3 The management of change

4.3.1 Introduction: employability and flexibility

In a survey by the Economist Intelligence Unit undertaken a decade ago, senior managers foresaw a rise in contingency workers, increased workforce flux, more diversity (nationally, ethnic) and a larger focus on soft skills as most likely to be the strategic Human Resource (HR) issues for global companies in 2020 (*The Economist* 2010). Against this sort of backcloth, it is perhaps no surprise that restructuring at company level has come to focus on employability and competence development as crucial requirements in the drive for organisational renewal and greater economic viability. In the last two decades 'employability' has been subject of a considerable amount of publications. It has, in particular, been related to the issue of preserving three components: competences, motivation and health, for older workers – thus, reflecting the demographic challenge currently evident in working life (see Chapter 5). The need for the generation of competences is crucial here and is inextricably linked to the depth and nature of change. For instance, restructuring driven by digitalization frequently requires a more thorough and longer-term shift in competence amounting to an almost total 're-make' of the organisation's technical and 'soft' skill sets. Even where restructuring is relatively unthreatening to employment levels, HR staff are likely to be juggling with the objective of achieving additional competence simultaneously with the need for greater flexibility both numerical and functional.

Scheme 4.1. Matrix of forms of flexibility

Flexibility	Numerical	Functional
Internal	Part-time work Overtime Variable / flexible working hours Annualized hours Working Time Accounts	Job enlargement /enrichment Multitasking Job rotation Teamwork Project work
External	Fixed-term contracts Work on call / on demand Hiring through temp agencies Project hiring Lay-offs	Outsourcing Spin-offs

Both forms of flexibility can be achieved either through internal or external measures, as the matrix scheme above shows. External measures are more of a threat to established employment levels. However, actions to achieve greater functional flexibility are likely to change established patterns of work organisation. Overall, research has underlined that functional flexibility is positively related to competence development which allows greater work autonomy and better access to training. However, there is a downside to this. By the turn of the century studies in seven EU countries had already warned of the widespread intensification and stricter control of work in organisations introducing functional flexibility. They pointed to the related dangers of emotional exhaustion and increased occupational hazards (Goudswaard and De Nanteuil

2000; Askenazy and Caroli 2002). Since then, the experience of employee representatives and labour consultants has made clear that the discomforts arising from functional flexibility have been all-too-real for many workers.

4.3.2 *The management of change and the social dialogue*

From an organisational point of view, the managerial skills needed to implement restructuring have become an increasingly important asset in most sectors. Companies need to prioritize the soft skills and competences amongst their management teams if they are to cope with the high demands arising from more or less constant restructuring. Equally importantly is the recognition that change management needs *changed managers* in the sense that the old 'command and control' management model and related attitudes are incompatible with a social dialogue-based approach to cope with restructuring issues. In many respects becoming a change-based organisation presents a greater challenge to managers than it does to employee representatives. The need to drop all notions of 'management prerogative' to enable social dialogue to become a forum for genuinely joint problem solving is plainly difficult for managers who believe only they have any worthwhile knowledge.

Nevertheless, the above considerations may have lost universal validity if one regards developments across the five countries under scrutiny in this book in the 21st century. It may well be that the subtle difference between knowledge possession and knowledge generation is less of a problem for managers in Sweden, Germany and the Netherlands who might have more experience of dealing with the uncertainties organisational and technological renewal inevitably entail as well as of dealing with the applications of socio-technical systems (STSD) theory (see section 7.2.1). In the UK however, one of the authors of this book was frequently confronted with managers who clung fiercely to management prerogative to underpin their authority. For them, the admission that they had no answers to a change management issue that had cropped up was a step too far -- even in the relative safe environment of a training workshop (see Case 3.1). In countries with vested traditions of codetermination though, using social dialogue to access the experience and intellectual capacity contained in any organisation seems rather more commonplace, as the next case study may illustrate.

Case 4.1. Fine-tuning the design of a waste treatment plant (Netherlands)

The Works Council of a government-run composting firm in the Netherlands, that worked for many municipalities, was confronted with government plans to build a huge waste treatment plant, that is, a waste incineration and recycling facility combined with a power station. The Euro 450 million investment was to be the country's first of its kind. Though composting would continue, the firm's 150-strong workforce was forecast to double in size. A new kind of high-level process control jobs would be added. Confronted with these plans the Works Council felt highly insecure. As soon as discussions on financing the project started, the main civil servants' union advised the Council to hire a labour consultant, which they did. Early on the privatisation wave caused complications as the state sold its 50%-share to a private party

but that firm decided to continue. The STZ consultant agreed with management to link the successive design phases with advisory rounds in which the council could fulfill its co-determination role. Thus, supported by the labour consultant, the council advised on financing; the design of the control room; safety of driving and walking routes; hierarchical and staffing levels; the shift scheme and working hours, and the skills and training needed for the process operators. Management was legally obliged to ask the Works Council for its advice on most of these issues, but in the course of events they went beyond the legal minimum.

The growing access the labour consultant obtained to the external design and construction team and to HR management, formalized in monthly meetings, allowed to select the information most relevant for the Works Council. That access was also of substantial help in dealing with two major issues. First, the German-based construction MNE that led this turn-key project tended to just copy German safety and health legislation while overlooking differences with Dutch legislation and practice. Some differences were crucial and fine-tuning proved necessary. In close cooperation with a Dutch ergonomics consultancy this set of problems was eventually solved: an outcome that strengthened the position of both consultancies in the external team.

Second, the Works Council put pressure on management to make the vacancies for control room operators accessible to the workers involved in composting, who performed manual tasks in the open air. This would imply a major upgrading in their skills and consequently in wages. For quite a while it remained unclear whether this option would become a reality for many incumbent workers, not least because HR management had difficulties in formulating job demands for the new operator tasks. Here the fact that the new facility was a forerunner combined with its rather unique technology complicated the matter. Jointly with another external expert, the STZ consultant designed the operator jobs and identified skills and training needed; they called upon experience previously acquired in process industries with interventions mostly based on socio-technical systems design (STSD) methodology. Nevertheless, only a few composting workers were able to make it through to the process operator job. For most of these candidates the 'jump' in job demands was too large. Yet, the rather opaque announcement of vacancies and the resulting time pressure may also have influenced this outcome.

4.3.3 Employability and competence development: key issues in the social dialogue

There are convincing arguments for placing employability and competence development issues at the centre of the social dialogue taking place in and around restructuring decisions. In this respect it is worthwhile noting that in all five countries under scrutiny many employee representatives have taken up the difficult role of supporting their members in structural change processes. In this regard, investing in personal development and training has been recognized in trade unions and Works Councils as being crucial for the achievement of long-term job security. In recent years social dialogue about competence and training issues has taken place at central as well as local

levels and has resulted in interesting agreements and initiatives. Below we note just a few examples from 'our' five countries.

Employer and trade union involvement in training measures has been extensive in *France*. A French law for individual training accounts was put in place in 2015 allowing employees to save 10-20 hours (later changed to Euros) a year financed by their employer. From a collective point of view, the legislation on the Provisional Management of Jobs and Skills has evolved over time. More recently, the Macron reform of 22 September 2017 made it mandatory to negotiate a GPEC agreement (Forward Planning of Jobs and Competences) every four years in any company with at least 300 employees. The idea behind this piece of legislation is to smoothe reorganisations and anticipate changes. It is mandatory for the agreement to cover:

- the implementation of a system for managing jobs and skills, as well as related accompanying measures (training, skills assessment, et cetera);
- conditions of professional or geographical mobility internal to the company;
- the 3-year orientation of vocational in-company training and the objectives of the related training plan;
- the career progression of employees exercising union responsibilities and the performance of their duties.

In *Germany* in 2015, in line with the country's traditional acknowledgement of the importance of its education and training system, a trilateral alliance on vocational and further training was formed. Among other things this covered training for refugees. In Germany training and related facilities have increasingly been included in collective agreements. For example, a 2010 CLA between IG Metall and the employers' association of the metal and electrical industry gives union members a legal right to receive further training at their personal request and to be released from work for this purpose. Employees are required to set up a training account with their employer in which they can save time and money for further training in the future. Overtime, holiday pay and Christmas bonuses up to 152 hours per year can be paid out of this account.

In *the Netherlands*, a broad system of bipartite (sub)sectoral training ('O & O') funds has been developed mostly through collective bargaining where budgets and strategic choices are agreed between employers and union. However, in the 2000s it became clear that most funds had limited themselves to their particular sector while redeployment growingly had to consider jobs, even within the same occupation, in other sectors. To widen the range of the funds, the government and social partners from 2009 onwards intensified actions to promote job mobility across sectors, notably related to specific sectoral restructuring plans. The government offered employers grants for retraining workers and increased employers' tax credits so as to compensate for the costs of retraining (Sprenger 2014).

In *Sweden* collective agreements took up training issues relatively early. Competence development was part of the development agreements negotiated in the 1980s. For example, an agreement concluded in 2009 related to the financial crisis for the manufacturing sector allowed workers to be temporarily laid off and to undertake training

in place of time away from work. This framework agreement provided the context for collective agreements in companies such as Volvo and Scania (Heyes 2012). For a number of years white-collar unions have introduced competence development in the central wage agreements but without financial backing. In all sectors training has been included in the job security agreements as part of redeployment measures. Interestingly, in 2016 the Swedish social partners founded a forum: The Future of Work, oriented towards analyzing and discussing the effects of digitalization and among other things focusing on competence development (website).

The *United Kingdom* is commonly perceived as being weak in terms of high-level social dialogue on skills and training, in large part because successive Thatcher governments in the 1990s scrapped the Manpower Services Commission and the Industry Training Boards, the tripartite bodies that made such a dialogue possible. Nevertheless, it is worthwhile recalling a pathbreaking union initiative conceived in the UK in the 1980s and running on throughout the 1990s as the following case study details.

Case 4.2. The Employee Development and Assistance Programme (EDAP) at Ford (UK)

Mindful of the need to increase competence particularly in IT but also to give their members a chance to rectify some of the gaps in their educational attainments, the unions at Ford in their 1987 wage claims included a demand for a worker-centred education and training scheme. The company agreed to put some UKP 2 million into funding such a scheme at workplace level. The subsequent programme was directed by a central union-management committee with further joint committees handling the implementation of the scheme at plant level. A feature of EDAP was the way in which the company and the unions involved used TURU consultants (who had helped the unions to frame this item in the claim) to carry out a wide-ranging survey to establish the sort of education and training development that workers at Ford would most value. The list of subjects identified revealed a breadth and ambition that surprised even the consultants.

The resources to carry out the range of education and training workers had requested, were largely drawn from further education providers located close to the respective Ford plants. In many cases classes were put on at the end of shifts and utilized in-plant training rooms. EDAP quickly became a success with more than 15% of the workforce participating within a year or so of it starting up. The Director of HR at Ford became a zealous advocate of EDAP and local union leaders were generally of the view that it had improved the industrial relations atmosphere and boosted worker commitment to the company. Bearing in mind that Ford had endured periods in the 1970s and 1980s where industrial relations had been severely strained, this was a significant achievement.

4.3.4 *Managing redeployment: timing, selection, organisation*

One of the most challenging elements of managing redeployment is the need for HR and line managers to maintain a double focus: on the one hand, dealing with the interests of workers who are leaving or staying on and on the other, keeping an eye on development needs to ensure the viability of the organisation going forward. Studies by, and the experience of, the authors of this book suggest that the ability of organisations to tread this thin line frequently depends upon the existence and quality of a social dialogue between the parties to the change.

From the early 1980s the practical experience of labour supported by numerous research reports (from Levie and Moore 1984 on), established that *early disclosure* of company information is an essential prerequisite to enhance the influence of employee representatives on technical and social change. Likewise, experience and studies indicate that where HR management is involved at an early stage of the redundancy process, the implementation of redeployment strategies is likely to be better thought out and more effectively targeted at the needs of the workers involved. Such approaches are also more likely to be acceptable to the workers concerned and their representatives. However, in all five countries we came across many cases in which redundancy decisions were confined to top management's boardroom decisions without substantial inputs from HR staff. Neither, in nearly all such cases, were employees' representatives consulted or even informed beforehand – revealing that management were violating European Directive 2002/14/EC, on informing and consulting employees.

In cases of envisaged redundancies, *timing*, that is when exactly to disclose the fact, remains a contentious issue that invariably raises concerns (real and imaginary) about confidentiality. Various evaluation studies (Bergström and Diedrich 2006; Triomphe 2010; Eurofound 2018) have pointed to the fact that management concerns with confidentiality are a common early stumbling block. In particular where information disclosure is perceived as carrying a risk of creating unrest in the organisation as well as adverse reactions from both the stock market (if the firm is listed) and from customers. If management shares these problems with employees' representatives, the authors cited point out, then the social partners and supportive institutions have a 'real job' of establishing mutual trust as well as fostering solidarity between worker groups. In practice, it is important to recognize that the involvement of line management may also be crucial here. Similarly, the perceived (and real) barriers to labour mobility that show up in the workforce's perspectives on redeployment, have to be understood and factored into the change process. We will return to the mobility issue after the presentation of Case 4.3.

A second problem area Bergström and Diedrich (2006) highlighted concerns the *redundancy selection* process. Selection procedures and sequences are mostly regulated by national law, thus complicating matters in particular in cases of cross-border restructuring. For instance, in France the dismissal selection process is ruled by laws requiring the setting up of social plans that need confirmation by a state agency. Yet, in case of partial closures processes can also be handled voluntarily, by introducing additional

severance payments, coaching and training. In Germany the dismissal process is legally regulated by applying a number of criteria, including age, seniority (last in/first out), and disability. Taking advantage of public retirement schemes can sometimes lead to the use of early retirement as a criterion for choice. In the Netherlands, in the 2006 Collective Redundancy (Notification) Act the 'reflection principle' has been laid down as the basis for dismissal selection thereby making seniority the decisive factor within the five age groups used. In Sweden the dismissal sequence is legally based on seniority but this can be overridden by local collective agreement. In the UK last in /first out is widely used as a basis for selection but employees declared redundant can claim 'unfair dismissal' if they feel they have been singled out for reasons or in a manner that may be deemed illegal or unlawful.

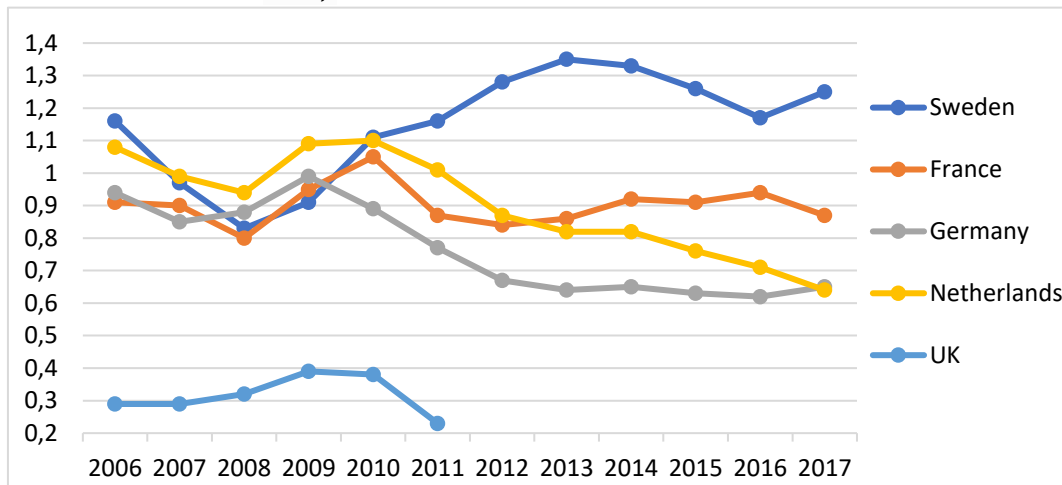
A third aspect Bergström and Diedrich (2006) elaborated was the way in which redeployment was *organized* and carried out in practice. In particular, they noted that in some instances of mass dismissal a specific redeployment organisation had been established. Here we refer to practices in the Netherlands and Sweden. In the Netherlands, the Collective Redundancy Act adds to the employer's obligation to inform and consult trade unions and Works Councils in line with EU's Collective Redundancies Directive. This imposes an obligation to search for alternative employment within the company or even its subsidiaries if the company is part of a group. In a number of Dutch companies and public organisations the latter obligation has stimulated the creation of internal agencies involved in job-to-job programs aiming at transferring (potential) dismissed workers to new jobs. Such transfers have become the main focus of the social plans Dutch employers and unions have often agreed upon in cases of redundancies (Sprenger 2014; see also Case 5.5 in the next chapter).

In Sweden, the involvement of institutions like Job Security Councils, temp agencies and training organisations have been good examples. Here, over the years sector-based Job Security Councils have been established to administer support outlined in job security agreements between the social partners. Normally starting before dismissals take place, the councils provide advice and consultation to the employers and unions involved as well as redeployment support to redundant workers including (financial support for) coaching and training. Their fast intervention capacity and personal approach are regarded as their strengths. However, weaknesses may well be found in their limited financial means (Bergström and Diedrich 2006, and Eurofound website). Moreover, in Sweden at local and regional levels so-called Employer Rings have been established to encourage cooperation between companies on human resources and redeployment issues. Not so long ago it was established practice in the five countries that the dismissed would be taken care of by public employment agencies. However, it has to be noted that outside Scandinavia active labour market policies (ALMPs) that guided public employment services have repeatedly been eroded by the impact of austerity measures.

Figure 4.3 shows that public expenditure on ALMPs diverged across countries from 2010 onwards. Spending in Germany and the Netherlands decreased markedly

whereas in Sweden it grew and by 2017 was about double the levels of these two countries. Expenditure on ALMPs in France remained mostly stable over the period. The limited data available for the UK suggests that this type of public expenditure, already at a significantly lower level than that of the other countries shown here, after a brief period of growth (in the last years of the Blair government) fell to an even lower level as the Conservative-Liberal party coalition government wielded their austerity policy axe.

Figure 4.3 Public expenditure on active labour market policies as a percentage of GDP, 2006-2017, five countries



Source: OECD website Active Labour Market Policies

It is plain that redeployment strategies need to be put in place for employees to cope with changing business conditions particularly where the workforce faces demands for new ways of working and upgraded competence. A high priority in such cases is the provision of retraining, outplacement and recruitment measures. However, in designing and implementing such measures conflicts of interests may repeatedly arise, not only between management and employee representatives but also mutually between groups of employees. The following Swedish case study illustrates how management and workers in a large telecom concern attempted to navigate these tricky waters.

Case 4.3. Inclusive outsourcing in a large telecom firm (Sweden)

A large telecom company operating globally had, over a number of years, carried out productivity and cost-saving programs in order to cope with technology development and tougher competition. In Sweden, where much of R&D and Product Development were carried out, these reduction programmes (often quite generous compared to competitors) had led to problems with efficiency losses and competence supply. This was pointed out by labour consultants who advocated a more efficient and continuing adaptation process including ways to stimulate mobility. Management's answer was to choose a different approach, namely to shift the company's product portfolio to cope with new technologies. This led to a diminished need for development and maintenance in those systems that were on their way out. At the

same time, areas with an increase in demand needed management focus and the development of new competences to ensure future market success. It was planned to achieve this as well as a general programme of labour cost savings. Both management and the unions were eager to explore new ways of dealing with these changes.

Some employees from the areas that were being phased out were offered internal re-deployment. However, for many this was a-step-to-far either because of their perceived lack of competence or the need to relocate that came with the offer of redeployment. The company then initiated a discussion with a large consultancy company and made a deal with it to outsource the declining operations under one to three year-contracts. This involved taking over the operations and the employees concerned who were to continue with their present jobs. At the same time, these employees would be introduced to other consultancy assignments for different clients of this consultancy firm. The consultancy company made strong efforts to convince the telecom employees that joining any of these other client companies would offer them a more secure future.

ATK labour consultants followed the process to give a second opinion on the scope, the chosen subcontractor, the specific HR solutions and the consequences for the organisation. After negotiations between the company and the unions a fair deal was struck between the company and the subcontractor; about 80% of the concerned employees eventually made the move.

4.3.5 Labour mobility

We now return to the issue of labour mobility. In restructuring processes, individual resistance to mobility might be due to lack of opportunities particularly where the individuals involved have spent their time in a type of non-learning organisation that have discouraged (for whatever reason) internal mobility and competence development. Individual characteristics, including seniority, age and gender are also relevant here, as both studies and consultancy experience reveal. For instance, job change is more common for young workers and for men whereas women tend to change jobs somewhat less often (Cereq 2010). Concerning mobility, we must also acknowledge that for individual workers various kinds of fears may surround the prospect of (imposed) redeployment, namely:

- fear of professional failure: workers may renounce mobility for fear of not succeeding;
- fear of higher workload, work intensification, stricter control and increased health risks (see Eurofound 2018, and Chapters 6 and 7);
- fear of the consequences for one's work-life balance, in view of the multiple changes workers and their families are often confronted with, particularly if geographical mobility is imposed (housing, jobs of spouses, children's education, et cetera).

These fears can easily lead to substantial resistance to change in the workforce that in turn may endanger the restructuring process. Two major preconditions seem crucial

in counteracting these tendencies in the course of that process. First, the *time horizon* factor. As far as possible, time pressure on individual workers should be avoided. Not only should adequate information on new jobs, retraining, recruitment and support measures be provided but workers should also be allowed enough time to ‘digest’ this information. Thereafter they need time to discuss it with their families, colleagues, HR staff, union or Works Council representatives and, if available, (external) support teams or mentors. Secondly, the resources put in place and the quality of accompanying measures have proven to be the ultimate keys to success. Case 4.4 below shows good practice on these points. It also shows, in particular when contrasted with Case 4.5, that the ‘political’ will of the management in question in the end is decisive.

Case 4.4. Changing jobs and managing professional mobility within an insurance group (France)

In recent years a major insurance group experienced strong growth through mergers and acquisitions. This resulted in numerous ‘duplications’ that generated the need for changes in tasks and occupations particularly for low-skilled employees. Moreover, the group had combined companies with quite different cultures. One of the strategic management challenges was how to integrate all employees successfully within the new entity and maintain a good social climate. Whereas the merger had already been a trauma for many employees, management felt committed to maintain employment for all provided that they would accept job changes. To this end, the company offered to support employees in their professional mobility based on five principles:

- information on tomorrow’s jobs and available positions;
- volunteering;
- individualized support for each candidate;
- support for skills development through training;
- a contractual framework guaranteeing employment with the right of return to the original position within six months.

The operation became a success. Over a period of three years, it involved 2,700 employees, or over 10% of the company's 24,000 employees in France, of whom a significant proportion (43%) were employees over 45 years of age. Management pointed at five key success factors:

- ‘contractualization’: the signature in advance of an agreement with the unions;
- a truly individualized career path for each employee: the ‘CAP (*Certificate d’Aptitude Professionnelle*) business passport’ (personalized assessment, orientation interview, recruitment, training / integration);
- the real involvement of key players, managers and mentors;
- regular and specific communication;
- renewed and tailor-made training courses in CAP professions (change training and job interviews offered to employees).

Despite the convincing results, this operation has not proved to be sustainable, according to management due to its very high cost. It showed, however, that with suitable means positive results in redeployment can be obtained.

Case 4.5. Merger with guarantee of continued activity on site (France)

As result of a government decision to reform the financing of social housing, two social housing companies, with establishments throughout France, decided to merge. The goal of the merger was to seek productivity gains through the pooling and centralization of activities and increased site specialization. In this context CHSCT representatives from a provincial institution, in charge of the group's IT support, asked for assistance from an outside expert. The staff representatives wanted to better understand the consequences of the merger in terms of employment and working conditions, especially with a view to finding lasting solutions. Their questions focused on the effects on workload and task content. ARETE took on the assignment.

The managerial commitment not to eliminate jobs in the various geographical areas was a fundamental element of the merger project. Though IT support would partly be centralized, employees would be able to continue to work on the original site albeit under a new organisation of work, new division of tasks and remote management. The commitment to maintain the on-site activity was given for three years. ARETE's diagnosis showed that this commitment was well received by the employees concerned but it also revealed concerns among a number of employees that their jobs would undergo major changes due to the implementation of remote management. In addition, the merger would result in a work overload for computer specialists as it became necessary to continue ensuring the day-to-day routine while at the same time preparing for the future. In addition, the social support plan of the merger was assessed as very insufficient. ARETE developed a plan of action. Based on this plan the CHSCT representatives asked management for the improvement of accompanying measures, which was only very partly realized.

4.3.6 A broader perspective on redeployment

The retreat of public labour market interventions and institutions makes it likely that redeployment approaches will become the sole responsibility of the companies involved. In any event, closures and rationalization processes endangering the jobs of large numbers of workers (and even whole sectors) need more than the sort of redeployment actions just discussed. A broader societal perspective is called for particularly where the economic viability of whole communities and regions is threatened. Where strategically important industries are involved a particular closure might be in conflict with national or regional industrial policies. In light of the transition towards renewable energy these considerations are likely to become even more relevant. Already over the last five decades the more or less continuous rationalization of the coal and steel industries throughout Europe has confronted national governments with difficult and conflicting choices. Policy orientation has proved to be important here as the

more dynamic and interventionist approaches have required governments to make strenuous efforts (often supported by EU regional and social funds) to bring new employment to areas blighted by such change.

As indicated in Chapter 3, in Germany, the Netherlands and Sweden the relocation of public services was instituted as a means to compensate for lost employment. By contrast, in the UK interventionist policies gave way in the 1980s and 1990s to a more passive governmental approach. Regarding coal and steel closures that approach seemingly accepted the need to rationalize and downsize domestic outputs in the light of increasing global supply lines of cheaper steel and energy inputs. This policy of de-industrialisation became a hallmark of the conservative Thatcher governments. It inflicted disproportionate harm to the economic infrastructure and social fabric of communities in Scotland, Wales and the North of England. The situation faced by workers in Wales at the end of the 1970s gave rise to an unusual and unique initiative from the trade union movement in an attempt to boost compensatory job growth as the next case study illustrates.

Case 4.6. The creation of a centre for the development of worker co-operatives in Wales (UK)

Throughout the 1970s the old industrial areas in the north and predominantly the south of Wales had been hard hit by the restructuring of coal mining and steel making that had hitherto formed the backbone of the economy. Mindful of the social impact of such changes, the Wales TUC had commissioned labour consultants from TURU to carry out an assessment of the scale of job losses in prospect going forward into the 1980s. The research carried out painted a bleak picture of rising unemployment with little prospect of amelioration in the coal and steel communities at least in the short to medium term. The arrival in 1979 on the political scene of a conservative government added a further cause for concern. At a more localized level, the Wales TUC had received a number of union delegations seeking assistance to cope with a string of factory closures in both North and South Wales that had swollen the ranks of the long-term unemployed. Amongst the possible counter strategies that were discussed was the possibility of developing worker-owned co-operatives as a means of generating employment opportunities.

To this end, the Wales TUC commissioned a feasibility study carried out by TURU in conjunction with a consultant from the private sector company Logica. Part of this exercise involved taking a group of recently unemployed trade union members to study the co-operative group that had been established in the 1950s in Mondragon in the Spanish Basque region. Enthused by what they had seen here, and further bolstered by a similar visit to worker-run co-operatives in Italy, the Wales TUC (with technical support from TURU and Logica) put forward an ambitious plan to create a Co-operative Development Centre. In the event, sufficient public funding and resources were garnered to launch the Wales Co-operative Development and Training

Centre in 1982. Thereafter, with further funding from the EU's social fund, the Centre's influence was spread by the opening of offices in North, Mid and West Wales. Some 35 years later, the Centre is still going strong delivering help and support to 'social enterprises' in Wales. It is the biggest Co-operative Development Agency in the UK and employs some 70 people.

4.4 Good practice

We are now able to add some good practice suggestions more specifically aimed at involving employee representatives and achieving a meaningful social dialogue in restructuring processes. These suggestions embrace not only labour practices but also management roles as well as the supportive roles public authorities and agencies at various levels can play.

In our view it is vital

where work organisation is an issue, that:

- GP4 employee representatives and management in more complex restructuring processes should, as a priority, achieve to hold consecutive rounds of consultation that update and elaborate on any emerging management information connected with the successive phasing of these processes;
- GP5 employee representatives, union officers and labour consultants carve out time and resources to evaluate the sort of management information just indicated along with scope for develop alternatives in order to influence the eventual restructuring and work organisation outcomes. This is particularly important for the (groups of) workers most at risk from changes in, job quality and occupational and/or geographical mobility;
- GP13 alongside management reporting, employee representatives should supplement information flows by organising their own (rounds of) information retrieval through interviews, focus groups or surveys of their constituency as well as drawing upon other available sources such as design teams, user groups and other internal experts and/or labour consultants;
- GP14 employee representatives while organising their own information retrieval should use all possible ways to stimulate the creativity of their constituency, through videos, simulations, company visits et cetera to better consider the consequences of change and in particular the formulation of possible alternatives;
- GP15 the essential role of HR staff, middle (line) management and supervisors in the implementation of restructuring should be recognized; training programmes should be developed and applied to equip them to become active learning advisers in change and redeployment management;

- GP16 management and HR staff and, where appropriate, public authorities and agencies should focus on supporting those workers assessed as most vulnerable in the course of restructuring processes; redeployment plans should be prioritized for these workers;
- GP17 management and HR staff should carefully design training and coaching schemes for the most vulnerable workers and realistically tune these into their competences whilst redeployment options should take account of living conditions, work-life balance and relevant time factors;
- GP18 management and HR staff should consider establishing internal agencies for redeployment, training and coaching whilst also exploring the possibilities for co-operation in this field with external institutions in order to widen possibilities for job placement programmes aimed at minimising periods of unemployment for redundant workers,

and widening to focus on connected institutions and policies:

- GP37 social partners, large companies and public authorities should cooperate to produce programmes of social support on behalf of vulnerable workers in anticipation of organisational and technical change or restructuring;
- GP38 employee representatives, union officers and labour consultants should be aware of any training courses and educational material in change management for managers at national, sectoral or regional levels where a substantial input of Socio-Technical Systems Design (STSD, see Chapter 7) is included to support the employability, redeployment, training and coaching / tutoring of endangered workers;
- GP39 national and regional authorities, employers' associations and trade unions should either create or activate joint forums to facilitate the exchange of information on anticipating and managing change in work organisations. Such coalitions should also consider the potential inputs of other institutions such as training centres; universities / technological institutes, and development agencies.

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CHAPTER 5. MANAGING THE DEMOGRAPHIC CHALLENGE

5.1 Introduction

Throughout Europe a gradual extension of working life has latterly been taking place. Lower birth rates, increasing life expectancy and migration have all changed the demographic and economic balance between those in the workforce and those who have retired. The knock-on effects of this are manifold and clearly present a challenge to social cohesion. For example, in many countries concerns have been raised over the sustainability of pension and social security systems operating in ageing societies. At the same time, creating employment opportunities for an ageing workforce also requires answers to a number of questions, namely: how can older workers maintain their employability? Under what sort of conditions do workers want to remain in work and extend their working lives? Which policy features and interventions should be prioritized to bring about inclusive organisations; and finally, to what extent are older workers equipped to adapt to ongoing restructuring and the introduction of new technologies at the workplace? This chapter will search for answers, drawing in particular on relevant work organisation practices that have been observed by the authors over recent decades.

First though we take stock of the magnitude of the demographic challenge and the issues it raises. We show the trends shaping this challenge focusing on developments in the employment rates of men and women in various age cohorts and particularly those aged 50-64. We go on to assess how changes in three key elements, namely: health, motivation and competence could enhance the employability of many older workers. We also look at the other side of this coin and consider whether lifting retirement ages might create tensions between age groups. Against this backdrop, we provide an overview of policies and interventions from both government and social partners and evaluate the potential that innovations in work organisation might offer to the policy makers in this field.

5.2 The demographic challenge: taking stock

5.2.1 *Life expectancy, fertility, natural increase*

The demographic challenge most European countries are facing stems from a confluence of positive trends. During the last century life expectancy rates throughout Europe improved rapidly. The main contributory factors in recent decades were: rising overall living standards, healthier lifestyles, better education, improved and less dangerous working conditions, as well as advances in and better access to housing, health care, hygiene and medicine (cf. OECD 2017: 35-38). Whereas a century ago the average life expectancy in Europe was an estimated 47 years, by 1950 this had risen to nearly 65 years (website Roser/Life Expectancy), increasing to an average 80.9 years by 2017. The difference between the average life expectancy of men and women remains

skewed in favour of the latter with 78.3 years for men and 83.5 years for women. Table 5.1 provides details for the five countries studied. It shows that in the period 2000-2017 life expectancy increased by between 3 to 5 years for men and 2 to 3 years for women. Swedish men and French women are currently expected to reach the highest levels of old age but the differences in life expectancy across the five countries appear to be rather small.

On the other hand, after World War II the number of newborns decreased almost continuously, in Europe and worldwide – a development that has been strongly linked with the rise in women’s educational attainment and the continuing empowerment of women (Van Klaveren and Tijdens 2012: 23-40; website Roser/Fertility Rate). Taking the Total Fertility Rate (TFR) which measures the number of children a woman would have over her childbearing years (if, at each age, she experienced the age-specific number of births per 1,000 women in that age group), we can see Europe’s TFR in 1970 was an average 2.3, but by 2017 had fallen to 1.6 children per woman. Table 5.1 shows the TFR trend since 2000/02 for the five countries we have focused on and the EU28. Somewhat surprisingly, the TFR increased in the 2000s in all five countries before, (with the exception of Germany), returning to the ‘decrease mode’ between 2010 and 2017. Across these countries fertility rates continue to diverge, with the lowest rate in Germany and the highest rate consistently posted in France. The French fertility level has been rather close to the TFR level at which women would give birth to enough babies to sustain population levels. The United Nations currently put this so-called replacement rate at about 2.1 children per woman. The fertility rates of the other countries studied here were much lower than this.

Table 5.1 Demographic key figures: life expectancy, total fertility rate and rate of natural increase, 2000-2010-2017, five countries and EU28

	life expectancy				total fertility rate			rate natural increase		
	2000	2017	2000	2017	2000	2010	2017	2000	2010	2017
	M	M	F	F						
France	75.3	79.6	83.0	85.6	1.89	2.03	1.90	4.4	4.4	2.4
Germany	75.1	78.5	81.2	83.4	1.38	1.39	1.57	-0.9	-2.2	-1.8
Netherlands	75.6	80.2	80.7	83.4	1.72	1.79	1.62	4.2	2.9	1.2
Sweden	77.4	80.8	82.0	84.1	1.54	1.98	1.78	-0.3	2.7	2.3
United Kingdom	75.5	79.5	80.3	83.1	1.64	1.92	1.74	1.2	3.9	2.3
EU28	74.5*	78.3	80.9*	83.5	(1.46)	1.62	1.59	(0.6)	1.0	-0.4

* = 2002

Sources:

Life expectancy: Eurostat demo_mlexpec

Total fertility rate: Eurostat demo_find

Rate of natural increase: Eurostat demo_gind

The third demographic measure presented in Table 5.1 is the rate of natural increase (RNI) of the population attained by subtracting the so-called crude death rate (from the crude birth rate. The RNI indicates a country’s population growth or decrease while excluding migration. The table shows a negative RNI for Germany, a trend that

likely contributed to German Chancellor Merkel's optimistic welcoming of immigrants in August 2015, amidst the European refugee crisis (*"Wir schaffen das"*). By contrast, the French, Swedish and British RNIs and to a lesser extent the RNI of the Netherlands were positive.

5.2.2 Migration

Dealing with migration in a socially acceptable way should be part of managing the demographic challenge. It is well-known that in the 2010s immigration into Europe grew considerably. Comparing inward with outbound migration flows between 2010 and 2017, Europe recorded a surplus inflow of approximately 6 million people (OECD 2019). In 2017, the latest year for which we have detailed international data, the 'permanent inflow of foreigners' (granted a residence permit - mostly indefinitely renewable³) in the five countries under scrutiny was nearly 2.5 million. More than half of them (nearly 1.4 million) moved into Germany adding 1.1% to that country's population. This share was even larger in Sweden (1.3%) but smaller in the Netherlands (0.8%), the UK (0.5%) and France (0.4%). Except for the last two countries, these inflows fell sharply after the large humanitarian migration inflows observed in 2014-16. In 2018, the percentages of foreign-born people in the population varied less, with Sweden (18.8%) at the top followed by Germany (16%), the UK (13.8%), the Netherlands (13%), and France (12.5%) (OECD 2019; also: website OECD – compare your country).

Sweden, a country that played a major role in dealing with the European refugee crisis from 2014 and onwards, has initially taken an interesting labour market approach to the integration of refugees and immigrants. A twin-track strategy incorporating the country's solidaristic wage policy has prioritised employment and equal treatment at work. To these ends, the Swedish government and social partners have worked intensively on 'fast tracking' highly educated migrants into professional jobs through additional training. Regarding the lower educated migrants, intensive discussions have taken place on creating 'simple jobs' through task division and adjusting wage levels. The Public Employment Service (PES) were given the means to subsidise those 'with a distance to the labour market', and the social partners reached agreement on the need to combine lower wages with language and introductory training. In Sweden public support for such measures has been prompted by the observable contributions migrants have made to solving labour shortages in sectors such as health and elderly care, and hotels and catering.

Leaving aside the longer-term effects inward migration might have on the overall demographic challenge faced by 'our' countries, we focus instead on the labour market position of those permanently settling in the receiving countries. Access to employment in these countries remains difficult for specific groups of immigrants, especially

3 We leave out other categories of migrants: temporary labour migrants, working holiday makers, trainees, international students, inter-company transferees and posted (EU) workers.

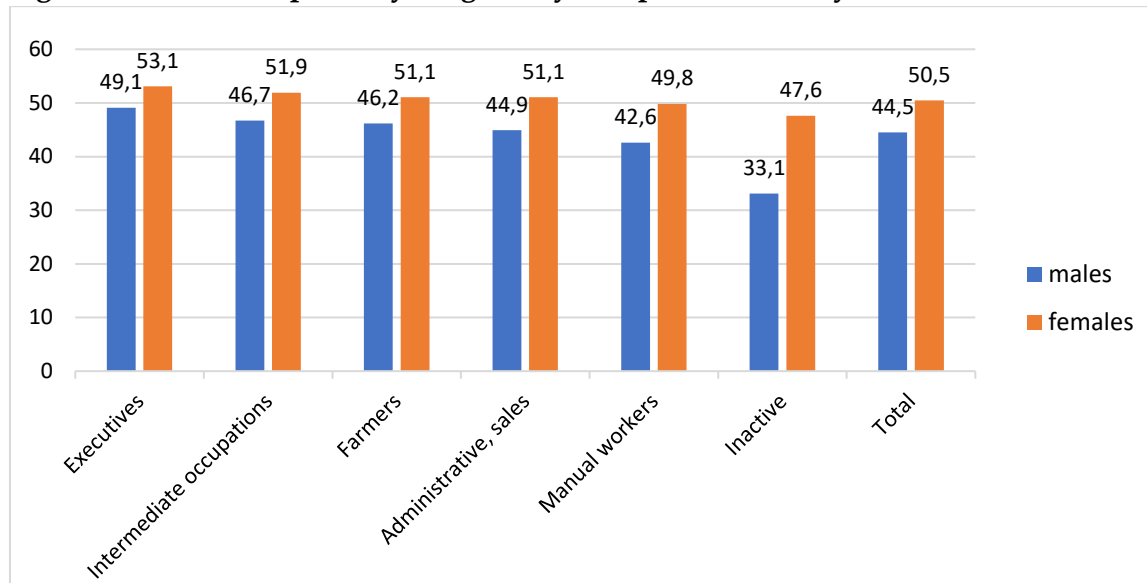
those aged 15-24, the low-educated, and women in general. By contrast, skilled immigrants appear to have performed rather well. Throughout Europe their employment rates increased in 2017 and 2018 while their *unemployment* rates fell – albeit this was the first time both had fallen since 2009. For adult migrant workers the magnitude of the skills mismatch was similar to that for native workers (see Chapter 4).

Significantly, over-education was more common for immigrants than for native workers, in particular for those in the 15-30 of age range. These results were derived from the two objective methods for calculating skill mismatches Sparreboom and Tarvid (2017) used as well as from outcomes based on the perceptions of respondents (Visintin *et al.* 2015). If these results based respectively on 2002-2014 and 2010-2014 data still hold (and we see no good reasons why not), then migrant workers are likely to continue to make a significant contribution to solving labour shortages in the receiving countries. A recent study commissioned by the Bertelsmann Stiftung confirmed this perspective, forecasting that the German labour market from 2018 until 2035 would be in need of a yearly net influx of nearly 100,000 migrant workers from non-EU countries (Fuchs *et al.* 2019).

5.2.3 *Inequalities in the face of ageing at work*

The considerable variations in life expectancy across socioeconomic groups are mostly revealed in statistics covering occupational classes. Figure 5.1 (next page) shows the life expectancy rates for a 35-year old in France analysed by occupational class. As can be seen for the period 2009-2013 at age 35 male executives (*'cadres'* in French) had a life expectancy of 49.1 years and their female peers even of 53.1 years; by contrast, these figures were 42.6 and 49.8 years respectively for manual (blue collar) workers, resulting in life expectancy gaps between these two classes of 6.5 years for males and 3.3 years for females. Such inequalities have remained stable since the end of the 1970s and there are no indications that they have decreased between 2013 and 2017 (website INSEE). Manual workers in particular can expect to live on average considerably shorter lives than executives or those in intermediate occupations (primary teachers, skilled technicians, supervisors, *et cetera*). Whilst this is bad enough, as French researchers observed: “Manual workers suffer from a double disadvantage, with a shorter life expectancy and more years with poor health and disabilities” (Cambois *et al.* 2011: 421).

Figure 5.1 Life expectancy at age 35 by occupational class, years, 2009-2013, France



Source: website INSEE (2016)

Women have a higher life expectancy than men regardless of their socio-economic position. However, they suffer health problems for more years than men. The French researchers just mentioned found increasing health and functioning problems and reductions in social participation for both sexes in the 50-65 age group, with a higher incidence of these problems among the lower qualified (Cambois *et al.* 2011: 423).

Although the occupational basis for the data was not strictly comparable, an OECD study of 22 developed countries covering the early 2000s confirmed the likelihood of life expectancy outcomes similar to those shown in Figure 5.1 (Mackenbach *et al.* 2008). More recent OECD research covering these countries in and around 2011 (though unfortunately excluding Germany and the Netherlands) found large discrepancies in life expectancy rates between high and low-educated people at the age of 25: these came out at 7.6 years for men and 4.5 years for women. Such gaps for men were lower (though still considerable) in France: 6.8, Sweden 5.9 and the UK 5.4 years whereas for women the life expectancy gap in Sweden was even above the OECD average: 5.0 years, against 4.0 for the UK and 2.7 for France (authors' calculations based on Murtin *et al.* 2017: 78).

Whilst a detailed explanation for these differences is complex, they reflect combinations of the same categories that explain the long-time rise of life expectancy rates, namely: differences in living standards, lifestyles, education, housing, access to care and, last but not least, job quality. Moreover, we should acknowledge that the figures just presented may well have been affected by the fact that until the 1980s arduous work or 'bad jobs' tended to be concentrated in manual occupations in the manufacturing sectors of the economy. However, as we will explain in Chapter 6, administrative and frontline sales jobs in the service sector are being transformed over the last three decades resulting in growing demands to accelerate the pace of work while intensifying contacts with clients. This transformation combined with an increased

speed of changes in qualifications required and in work organisation, has put older workers under growing pressure. Such pressure tends to be less marked in jobs where experience and relatively high skill requirements are at a premium.

Interestingly, a representative sample of Dutch adults in 2012 was asked about the early retirement options for five occupations: construction worker, teacher, nurse, person with a desk job, and fireman. Most respondents found it reasonable that workers with demanding occupations should retire earlier than others, and were also willing to contribute to this through their taxes. Half of the sample indicated they were certainly or probably willing to contribute to an early retirement scheme for construction workers, more than for any of the other occupations. These outcomes confirmed that the Dutch general public in the early 2010s perceived *physical* burdens to be the critical set of factors that made an occupation demanding (Vermeer *et al.* 2014). However, in 2014 a parliamentary majority was not forthcoming to support early retirement for those in arduous or demanding occupations. In 2019 Dutch trade union leaders argued that without the industrial action taken by nurses and teachers these occupations would have ranked higher in a similar exercise. They used this example to illustrate the virtual impossibility of decent decision-making on early retirement issues. Indeed, the two main union confederations announced they were to abstain from future debates on demanding occupations relying instead on a singular plea for a general freeze on proposals to raise the pension age beyond 66. Paradoxically, the Dutch employers' federations answered with a plea for the revival of these debates.

5.2.4 *The retirement struggle: legal and effective retirement ages*

It is obvious that an increase in life expectancy simultaneously with a decrease of fertility and a fluctuating development of migration, will have had an impact on the size and composition of the workforce in the five countries we highlight here. In addition, we should also recognize that the European workforce is ageing. At the beginning of this century, 23.5% of all employed in the EU28 were over 50 years of age whereas by 2018 this percentage had increased to 31%. The German workforce was the most extreme example, with 35% in this age cohort in 2018, followed by Sweden (31.5%), the UK (30%) with France and the Netherlands close behind (29.5%) (authors' calculation based on Eurostat figures, derived from the share of 50-74 aged in all employed 15-74 of age).

These trends provide the background to the policies governments of EU countries put in place in the 1990s and early 2000s to reform their public pension systems. Policies that for the most part heralded the end of both the long-term decrease in legal pension ages and of the early retirement schemes that allowed workers to leave work in their late fifties or early sixties. Across Europe these schemes were, for a time, popular as a means to mitigate the impact of, or need for large-scale redundancies. However, as the 1990s unfolded the pressure on national governments to trim public budgets intensified; most felt they could not afford to bear the additional costs of early retirement schemes notably through the pension contributions needed to bridge the gap with the

formal pension age and the related payments. In 2000, the European Council launched a Directive (2000/78/ EC) banning discrimination on the basis of age in employment and occupation. That Directive provided an opportunity for governments to minimise their exposure to retirement schemes and prompted their gradual disappearance from the public sector. Initially governments though were slow to transpose the Directive in national legislation. Mostly they argued that it was not clear whether it would take away policy space for special measures on behalf of older workers. After a while the latter indeed turned to be the case.

When the yearly EESUN members' meeting in October 2005 compared the national situations in this regard, the Dutch administration turned out to have chosen the strictest interpretation possible of the Directive. In the 2004 budget they abolished the government-sponsored early retirement and pre-pension schemes like the special unemployment allowance for 57.5 or older aged workers. In spite of fierce union opposition including a series of strikes and one of the largest demonstrations in Dutch labour history involving in October 2004 about 250,000 people, the government refused to reconsider these plans. Between 2005 and 2008 in the other four countries we have focused on, similar restrictions and abolitions could be observed (OECD 2018a,b,c,d,e). We should add that some governments have seemingly been reluctant to abolish early retirement schemes completely. For example, in France early retirement has remained a legal option for those with a disability, a long career, or a history of arduous work. However, the French Court of Auditors, on 8 October 2019, warned that the early retirement practices, which weigh heavily on the country's social security finances, accounted for one in two retirements in 2017, up from one in three in 2012. In both France and the Netherlands some large firms have held early retirement schemes upright without government contributions.

Whilst early retirement policies had been generally welcomed by those workers enjoying such schemes, the same could not be said for some related policies that in effect were seen to be stigmatizing older workers. A team including one of the authors wrote in 2008: "Recently a major problem throughout the EU has arisen concerning the general orientation of age regulations which appear to be dominated by 'restrictional' or 'punishing' approaches to the employment of older workers. By contrast, incentives to help older workers to improve their employability remain scarce" (Sprenger *et al.* 2008: 117).

Whilst many governments throughout Europe have undertaken steps to raise the legal retirement age, and have instituted other reforms of public pension systems, such actions have become a highly sensitive public issue. They have been disputed by the trade union movement and progressive parties in the five countries scrutinized with France and Germany very much to the fore here. In Germany the quite low level of the mandatory state pensions for low-paid workers continues to be a main union worry. For the most part changes are scheduled to take place between 2018 and 2030.

Table 5.2 presents an overview for the five countries that concern us the most. The 'current legal retirement age' is the official age set for those retiring in 2019 with a valid

claim on a state pension. Mostly gradual increases of the applicable ages are foreseen to reach the 'future legal retirement age', although this varies across countries according to the outcome of whichever complex formula is being applied. We should stress that developments in the 2020s may depend on further decision-making in national parliaments and governments - a probability already signalled by France, the Netherlands and Sweden.

Table 5.2 Current and future legal retirement ages, situation 1 July 2019, five countries

	Current legal retirement age	Future legal retirement age
France	62 y *)	62-64 y **)
Germany	65 y + 7 months***)	67 y (2029)
Netherlands	66 y + 4 months	67 y + 3 months (2022-24)****)
Sweden	61-67 y*****)	63-69 y (2023)*****)
United Kingdom	65 y + 6 months	67 y (2028) *****)

Sources: national government websites; OECD 2018a,b,c,d,e

Notes:

- *) In order to receive the basic pension employees should be at least 62 years old. In order to receive the full pension, additional conditions have to be met including achieving a minimum amount of retirement insurance contributions
- ***) The current pension reform (2019/20) does not provide for raising the legal retirement age. The government plans to develop a pension system making it attractive to prolong working beyond the age of 62, with possibly 64 as the new starting age
- ****) For those born in 1964 or later; 65 y for those born before prior to 1964
- *****) After 2024 depending on increase in life expectancy
- *****) System of flexible retirement ages; implying that one can take out pension within an age range; lower and upper limits are presented
- *****) Depending on increase in life expectancy

5.2.5 Towards 'age-proof' organisations

The pressures arising from the need to deal with an ageing population have instigated new government policies right across Europe. With some time lags they have resulted in increases in *effective* retirement ages and an extension of the working lives of a significant number of workers. For employers, whether public or private, this has posed a tricky challenge, namely how to develop genuine forms of 'age management' that deal with an aging workforce in a smart, inclusive and sustainable manner. As regards the contents of such management, the concept of 'sustainable work' has steadily gained public and political recognition. The starting point of this concept is the need to ensure that people are able and willing to work until retirement age. Age management has been seen as a function of the social partners paying attention to the quality of jobs and the working environment of individuals over the whole course of their working lives while guaranteeing that their personal circumstances and needs will also be accommodated (ARETE 2008; Eurofound 2017). Projects, mostly related to such objectives, have aimed to make companies and public organisations 'age-proof'. In France, Germany, the Netherlands and Sweden the labour consultancies in which the

authors participate(d), have been involved in research and consulting activities covering age management. The two German case studies below describe practical interventions at company and inter-company level.

Case 5.1. Reducing workload and strain in metal manufacturing (Germany)

The 38 workers in a fettling shop, part of a metal manufacturing firm employing some 100 workers, operated a two-shift system. Their jobs required hardly any formal qualifications and the workers, all males many of whom were migrants, had qualified by training-on-the-job. Most of them were in their forties or fifties. The operation was characterized by high physical demands, involving working whilst squatting, kneeling or in some other constrained postures and many workers suffered from work-related physical deterioration. Task forces consisting of workers, middle management, health and safety experts as well as BIT consultants, developed measures to reduce physical strain. However, it became clear that ergonomic workplace design alone was not sufficient to make jobs 'fit for all ages'. Organisational measures were also needed, and a rotation system was launched. On the one hand, this was based on an inventory of the different tasks with their loads and strains and on the other hand, on a qualification matrix whereby the workers' skills were measured by themselves and their direct superiors. This assessment gave rise to a training scheme enabling the workers to rotate between different tasks.

However, a problem soon arose when the workers who up to that point had been performing jobs with low learning content now showed little inclination to 'learn'. To overcome this, the Works Council, the workers' superiors and HR management worked hard to convince the workers to engage in learning activities. Their commitment was made possible by the high levels of transparency and trust reached in the course of this programme. The training measures taken included German language courses for those with poor language abilities, and opportunities to learn how to carry out other functions. These courses enabled the fettler's job to be broadened and enriched, by integrating the tasks of crane operators and signalmen, while crane operators and signalmen, in turn were trained to carry out tasks such as abrasive blasting, varnishing, and fettling.

Case 5.2. The 'Textil-Fit' Project (Germany)

The 'Textil-Fit' Project run by BIT was funded from March 2014 to March 2017 by the Federal Ministry of Labour and Social Affairs within the Initiative New Quality of Work (INQA). This was a broad initiative that involved the German federal government, the states (*Länder*), business associations, trade unions, companies, and social insurance institutions, and was aimed at improving the quality of work as a key to innovation and competitiveness in Germany. The particular aim of 'Textil-Fit' was to take on the challenges of demographic change in the textile and clothing industry through a participatory approach. In ten companies, management, specialists, Works

Council members and workers co-operated in order to combine maintaining and promoting competitiveness with an increase in the employability of the workforce.

The analyses and design methods used were based on a 'triad' of age structures, qualification needs and hazard and stress risks, in order to build a job register derived from these analyses. It soon became clear that the existing jobs were often designed to require little learning and were associated with one-sided physical strain. Thus, actions were developed aimed at reducing physical strain by technical measures; reducing psychological stress, and improving the qualifications of supervisors/managers.

It was noted that diseases of the musculoskeletal system contributed significantly (around 25%) to work-related illnesses and the inability to work, and was particularly marked for older workers. Such health risks continued to be caused by unfavourable postures and moving heavy loads. They could be reduced by purchasing and implementing technical aids and work equipment such as 'lifting tables'. Work carried out in a forced stooping posture could, for example be avoided and work-related fatigue reduced in this way. Such measures could also improve productivity.

As a starting point for reducing psychological stress it was essential for the workers to participate from the outset in the (re)design of their work, regarding technical, ergonomic and organisational issues. Such participation, when followed up by management decisions on purchasing new machinery and equipment, had a positive impact on the reduction of physical workload which was crucial for workers of all ages but even more important for older workers.

Finally, the qualification of supervisors/managers was assessed and improvements were seen to be needed. Recognizing the essential role of supervisors in the design of work in their area of control was the starting point here and a process was set in motion to qualify them in 'age-appropriate work design' that covered:

- health and disease;
- changes in one's abilities in the course of his/her working life;
- the work system and its design;
- workload and work strain;
- basics of physical stress: handling loads, sitting and standing postures, exposure to physical factors such as lighting, noise, heat and cold;
- exemplary measures for 'age-appropriate work design'
- qualification for changing workloads using an example in their own area.

(Source: BIT 2017)

5.2.6 *The outcomes: employment rates*

In the absence of major policy reversals, effective retirement ages and the employment rates for older workers seem set to continue to increase across Europe. That this is a continuation of a trend can be seen from the data presented in Table 5.3 and Figure 5.2 (both next page) which shows the employment (participation) rates of men and women aged 50-64 in the labour force from 2000 to 2018. In all five countries these rates increased continuously; pension reforms and the abolition or restriction of early retirement programmes were contributory factors, as was the growing inclination of women to continue in, or return to paid work. As a result, except for Sweden the gap between male and female employment rates narrowed in all the countries we are concerned with.

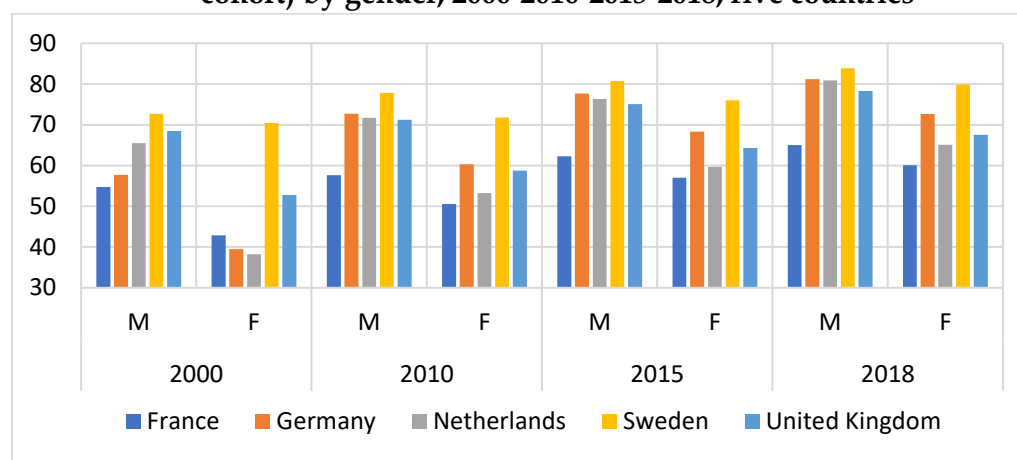
Equally striking here is the strong rise of both rates in Germany, in particular between 2000 and 2010. The ‘boom’ of the German economy in the first eight years of the new century may help explain this increase but another factor is relevant here too. In 2003, the German government lifted tax exemptions and reduced working time limitations for so-called mini-jobs, a special category of part-time work with very low earnings – resulting in their further increase although at the cost of marginalizing mainly older women workers (Van Klaveren and Voss-Dahm 2011: 186-188). By 2018 Germany had the second-highest employment rates, just behind Sweden. Although French rates also increased, older men and women in France continued to participate substantially less in paid work than did their peers elsewhere. For the 2020s it is reasonable to expect that the employment rates of the 50-64 age group will continue to increase throughout the EU, with the possible exception of Sweden where a saturation point may have been reached. We should also note that employers all over Europe are coming under pressure from unions, employee representatives and labour consultants to invest appropriately in making their work organisations ‘age-proof’.

Table 5.3 Employment rates, age cohort 50-64 (employed as % of population in age cohort) by gender, 2000-2010-2015-2018, five countries and EU28

	2000		2010		2015		2018	
	M	F	M	F	M	F	M	F
France	54.7	42.9	57.6	50.6	62.3	57.0	65.0	60.1
Germany	57.7	39.5	72.7	60.3	77.7	68.3	81.2	72.6
Netherlands	65.5	38.2	71.7	53.2	76.3	59.7	80.9	65.1
Sweden	72.7	70.4	77.8	71.8	80.7	76.0	83.9	79.9
United Kingdom	68.5	52.8	71.2	58.7	75.1	64.3	78.3	67.5
EU28	60.1*)	40.5*)	64.3	49.3	68.3	55.7	72.5	60.1

Source: Eurostat lfsa_ergan *) 2002

Figure 5.2 Employment rates, age cohort 50-64 (employed as % of population in age cohort) by gender, 2000-2010-2015-2018, five countries



Source: Eurostat lfsa_ergan

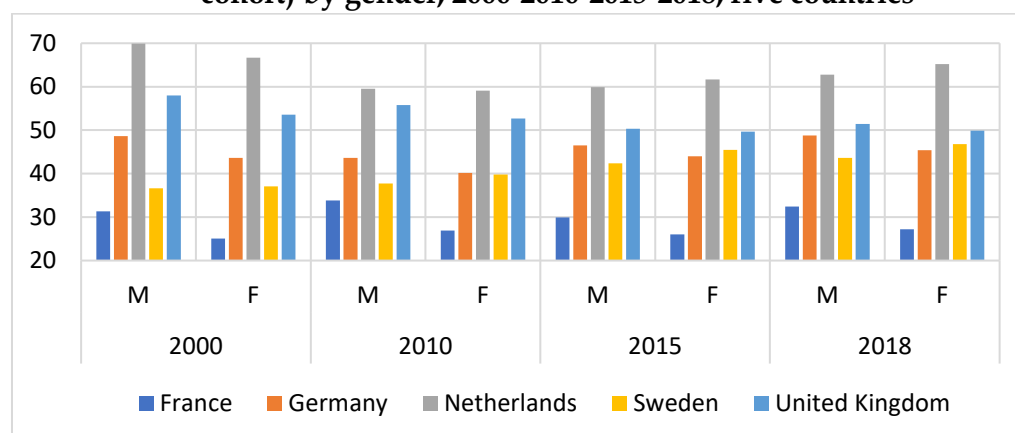
Table 5.4 and Figure 5.3 (both next page), at the other extreme, chart the development of the employment rates of the youngest (15-24) age cohort, again from 2000 to 2018. As can be seen, these rates mutually differ quite significantly with consistently low rates for France, low but increasing rates for Sweden, slightly higher and relatively stable rates in Germany and high rates for the UK and the Netherlands. The Netherlands should be regarded as a special case as a high level of permitted earnings in the public grants system allows many Dutch students to combine study with part-time work. This combination distorts the youth labour market and results in working students crowding out other young workers attempting to build a career. Be that as it may, there is no evidence that such 'crowding out' has extended to older workers (Van Klaveren *et al.* 2009: 423).

Table 5.4 Employment rates, age cohort 15-24 (employed as % of population in age cohort) by gender, 2000-2010-2015-2018, five countries and EU28

	2000		2010		2015		2018	
	M	F	M	F	M	F	M	F
France	31.3	25.1	33.8	26.9	29.9	26.0	32.4	27.2
Germany	48.6	43.6	43.6	40.2	46.5	44.0	48.8	45.4
Netherlands	69.9	66.7	59.5	59.1	59.9	61.7	62.8	65.2
Sweden	36.6	37.1	37.7	39.8	42.4	45.5	43.6	46.8
United Kingdom	58.0	53.6	55.8	52.7	50.3	49.7	51.4	49.9
EU28	39.7*)	33.5*	38.6	32.7	34.9	31.3	37.3	33.3

Source: Eurostat lfsa_ergan *) 2002

Figure 5.3 Employment rates, age cohort 15-24 (employed as % of population in age cohort) by gender, 2000-2010-2015-2018, five countries



Source: Eurostat lfsa_ergan

Table 5.5 (next page) provides a wider context for 2018 by adding the overall employment rates (for 15-64 of age) and for those aged 65 or older to the two rates already considered above. The overall data shows relatively high rates for males in Sweden, the Netherlands and the UK with Germany and France lagging some 5% and 9% points respectively behind. For females, Sweden is clearly the leading country with continuously high participation in the labour force. The extreme right-hand column indicates that the participation of those aged 65 or older remains rather limited, varying from just 4% and 2% in France to nearly 14% and 8% in the UK. We should add that the employment levels of the very oldest cohort captured in labour statistics (but not cited in our table), those aged 75 or older, are low; in 2018 the male rates were between 4% (UK) and 1% (France) and the female rates 2% (UK) or less.

Table 5.5 Employment rates, various age cohorts (employed in % of population in age cohort) by gender, 2018, five countries and EU28

	15-64 yr		15-24 yr		50-64 yr		>= 65 yr	
	M	F	M	F	M	F	M	F
France	75.2	67.6	32.4	27.2	65.0	60.1	3.9	2.3
Germany	79.7	75.8	48.8	45.4	81.2	72.6	10.2	5.2
Netherlands	84.3	74.2	62.8	65.2	80.9	65.1	12.3	4.4
Sweden	84.7	80.4	43.6	46.8	83.9	79.9	13.3	7.2
United Kingdom	83.7	73.8	51.4	49.9	78.3	67.5	13.9	7.7
EU28	78.9	67.4	37.3	33.3	72.5	60.1	8.6	4.1

Sources: Eurostat lfsa_ergan

Combining Tables 5.4 and 5.5 shows that from 2000 onwards, the employment rates of those aged 15-24 and 50-64 both increased in France, Germany and Sweden. However, in the Netherlands and the UK the 2018 employment rates had fallen below the levels achieved in 2000, predominantly because of the falling rates of the young cohort over this period.

The reader may have noticed that nearly all the employment rates of the five countries under scrutiny had higher values than the EU28 averages, implying that elsewhere in the Union employment rates were below these averages. Not surprisingly, the high unemployment rates of Spain, Italy and Greece were accompanied by low employment rates in these countries.

5.2.7 Tensions between age cohorts?

In earlier waves of restructuring and reorganisations within companies, as, for instance, in the severe recession of the early 1980s, older workers often suffered a disproportionately hard time. If downsizing was at issue, targeting the over 50 age cohort was seen as the first adjustment variable with their dismissal or early retirement broadly being regarded as the 'lesser evil' solution. According to the experience of the current authors, many employee representatives and older workers at the time took this prioritization for granted. Formally at least this practice seems to have ended in 'our' five countries since (as noted in Chapter 4) in cases of dismissal 'last in / first out' has become widely used as the basis for selection. That said, it is premature to assume, even with redundancies, that age discrimination is a thing of the past. For the time being, discriminatory perceptions of older workers continue to influence much of the day-to-day decision-making at workplace level as well as the wider culture norms of some European countries.

Naturally, perceptions of the labour market situation of older workers may differ according to the economic situation of the country in question. Under conditions of continuous mass unemployment among young people, as in Spain, Greece and Italy (in 2019 all three posting unemployment rates of over 30% for the 15-24 age cohort) and as shown in Figure 1.3 just to some lesser extent in France and Sweden (in 2019 both close to 20% youth unemployment), sentiments easily turn against efforts to keep older workers in paid activity. Many citizens, including employee representatives, question

whether such efforts are justified: “*Why keep older people at work, when thousands of young people are looking for a job?*” is a common refrain. In contrast, where close to full employment exists as currently in Germany and the Netherlands, sentiments just as easily move in the opposite direction. Here, efforts to keep older workers employed are generally regarded as perfectly acceptable. Quite recently in both these countries government and social partners have launched programmes aimed at keeping and even attracting older workers. These initiatives have focused on sectors where serious labour shortages have surfaced and might endanger widely shared societal goals, like the care sector (elderly care) and construction (housing and infrastructure).

Having discussed *perceptions* concerning the relationship between the labour market positions of older and younger cohorts we now turn to the reality. A literature overview notes that “empirical evidence from 12 countries --Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, the UK, and the US-- indicates that the employment of older and younger workers moves together, rather than in opposite directions” (Böheim 2014: 7). The same overview indicated that:

- increasing the retirement age increases younger workers’ wages;
- reducing the employment of older persons does not provide more job opportunities for younger persons;
- increasing the employment of older persons neither reduces the employment of younger persons, nor does it lead to more unemployment among them.

These outcomes, which readers might find quite surprising, can basically be traced back to the fact that, in the often segmented labour markets found in developed countries, older and younger workers are complementary to each other rather than being substitutes or competitors (cf. Böheim 2014: 1).

5.3 Employability: health, motivation and competence

5.3.1 Introduction

The lengthening of working life naturally means that employees must maintain and develop their employability over a longer span of time. Here lies the core challenge for age management. It is worth noting at this point that the European Working Conditions Survey (EWCS) of Eurofound in 2015 found that older workers, though feeling more secure about keeping their job than younger workers, felt far less employable. Throughout the EU28 over half (57%) of all interviewees 50 years and over disagreed with the statement ‘If I were to lose or quit my current job, it would be easy for me to find a job of similar salary’ (against only 30% of those under 35 of age expressing the same view – Eurofound EWCS website). In Chapter 4 we have already noted that employability is a combination of three components: health, motivation or the attitude towards work and learning, and competence. For the individual employee to remain involved in the labour process for any length of time is frequently seen as a rather simple matter of ‘*holding on and keeping up*’ until his or her retirement. However, this ignores the risk of skills and competences becoming obsolete, the increasing challenge

of ongoing reorganisation and changes in production patterns, to say nothing of inadequate social protection and age-related discrimination. We now cover the three constituent parts separately. The reader should be aware that in most cases the policies of employers and their attitudes as well as the attitudes of supervisors and direct colleagues will ultimately be the determining factors in the success or failure of age management at the workplace (cf. Cedefop 2010; website SHARE). We return to this issue in section 5.3.6 when discussing the social environment at work.

5.3.2 *Health at work for older workers*

Given the financial resources, health conditions are the most decisive factors determining the length of one's working lifetime and also for shaping attitudes towards work and learning. Nevertheless, at the individual level, the relationship between ageing, health and work is complex. Getting older is not linked linearly to poor or deteriorating health. Today we know that the 'biological age' of people from the same age cohort may differ widely. An 'official' age of 55 years can biologically cover a range of about 45 to 65 years, depending on working and living conditions, lifestyle, and genetic prerequisites -- as recognized in the work ability concept and index constructed by a Finnish research team led by Juhani Ilmarinen (cf. Ilmarinen 2005).

The connection between age and ill health, reflected in sickness and disability levels, is also more complex than it may seem at first sight. Statistics from insurance bodies show that from the age of 25, health-related absence rates (sickness and disability, the latter mostly measured in its first year) tend to increase. Two opposite trends shape such an outcome. The frequency of inability / sickness cases per person per year tends to decrease by age, at least until the 45-49 age range, before increasing somewhat. Here, more careful behaviour and more experience in various spheres of life, including work, are universally recognized as the main determinants. However, it is equally the case that recovery from whatever sickness or injury takes more time with advancing age. Indeed, in these statistics the average absence duration regularly tends to increase by age. As a result, the total duration of absence also goes up.

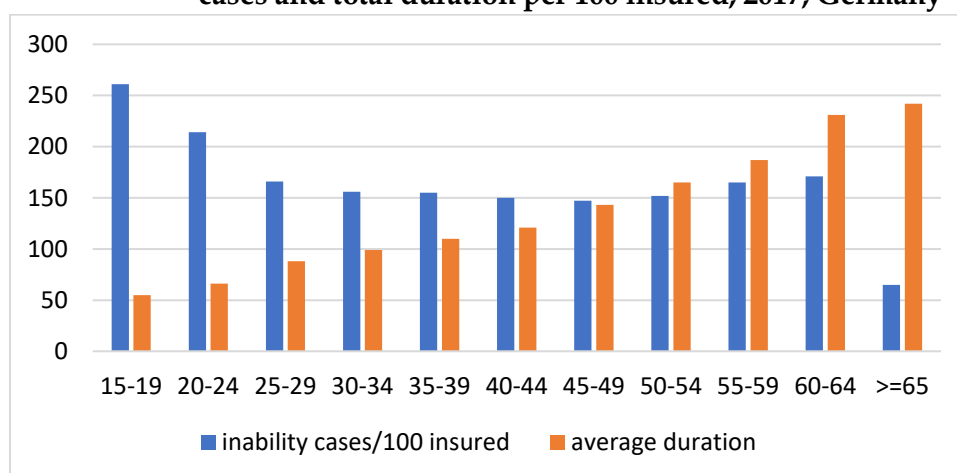
Table 5.6 and Figure 5.4 (both next page) show outcomes in this respect for Germany based on inability insurance data. Similar recent statistics for the other four countries basically show the same picture, though the underlying definitions of 'inability to work' or 'absenteeism' differ due to variations in national social security systems. It should be added that the causal relationship between absenteeism and work is rather weak. In 'our' five countries on average just about one quarter of absenteeism is fully or partly work-related. Even for the 55-64-age group where the average work-related absence rate was some 3 to 5 %points higher than the overall average, the causal relationship with work cannot be regarded as strong (for Germany: BAuA 2019; for the Netherlands: website Department of Public Health).

Table 5.6 Inability to work by age: inability cases per 100 insured, average duration of cases and total duration per 100 insured, 2017, Germany

age	inability cases/100 insured	average duration of cases	total duration/100 insured
15-19	261	5	1,305
20-24	214	6	1,284
25-29	166	8	1,328
30-34	156	9	1,404
35-39	155	10	1,550
40-44	150	11	1,650
45-49	147	13	1,911
50-54	152	15	2,280
55-59	165	17	2,805
60-64	171	21	3,591
>=65	65	22	1,430

Source: BAuA 2019: 46

Figure 5.4 Inability to work by age: inability cases per 100 insured, average duration of cases and total duration per 100 insured, 2017, Germany



Source: BAuA 2019: 46

Research into the relationship between work and health, at least for older workers, tends to focus on two issues. First of all, clarifying how exposure to risk and organisational factors may lead to injuries, work-related illnesses or other long-term health consequences (see Chapters 6 and 7), or, secondly, on how work can contribute to health and well-being by securing income, security, interpersonal relationships, status, and opportunities for personal development. Drawing on the detailed EWCS 2015 results we can now investigate whether the second, more positive relationship is confirmed. In order to get a nuanced view on the position of older workers we selected six job quality indicators each from four (of seven) parts of Eurofound's survey and showed the outcomes for the five countries studied for this book and the EU28 in total. We group three parts under the current 'health and work' heading and one part under 'motivation'. The reader should be aware that all of this is based on respondents' *perceptions*. We followed a common statistical approach by subtracting the outcomes for

the aged 50 and older group from the total outcomes and then assessed the results for each country/factor combination (cell). The four subjects covered are:

- job content and competence development;
- work intensity;
- physical working conditions;
- social environment at work.

5.3.3 Job content and competence development for older workers

Table 5.7 presents the results of our calculations for job content and competence development. If positive ('+'), the results indicate the oldest cohort of EWCS respondents scored in this respect higher than average. This was the case in 17 of 30 country/factor combinations (cells), against eight cells with negative results ('-') with five showing as neutral ('0').

Table 5.7 Incidence of indicators for job content and competence development, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries and EU28

	involve comple x tasks	involve learning new things	choose/ch ange order of tasks	choose/chan ge speed or rate of work	choose/chan ge methods of work	improving work organisation
France	0	-1	-1	0	0	+6
Germany	-2	-6	+7	+5	+6	+8
Netherlands	-2	-4	+4	0	+1	+6
Sweden	+1	+1	+5	+6	+3	0
United Kingdom	+2	-1	+1	+2	-2	+2
5 countries (av.)	-0.2	-2.2	+3.2	+2.6	+1.6	+4.4
EU28	0	-5	+3	+4	+8	+3

Measure of incidence:

(Does your work) involve complex tasks; (Does your work) involve learning new things: (Are you able to) choose/change order of tasks; (Are you able to) choose/change speed or rate of work; (Are you able to) choose/change methods of work: yes

(Are you involved in) improving the work organisation (or work processes of the department or organisation): always or most of the time

Source: website Eurofound / EWCS

Predominantly negative outcomes were linked to 'involvement in learning new things'. This may seem a more or less logical result for the older cohort but it may also be connected with their perception of limited training opportunities. By contrast, this cohort in most countries perceived they had more than average discretion in choosing or changing the order of tasks, the speed or rate of work and the methods of work they were involved with. Interestingly, older workers overall also came out as being involved more than the average in improving the work organisation. The average outcomes for the five countries were in line with those for the EU28 at large.

5.3.4 Work intensity for older workers

Table 5.8 and Figure 5.5 capture work intensity for older workers, with a positive sign implying better conditions for the oldest cohort. On the next page we provide an explanation.

Table 5.8 Incidence of indicators for work intensity, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries and EU28

	working at very high speed	working to tight deadlines	enough time to get the job done	frequent disruptive interruptions	dealing directly with people	handling angry clients
France	+6	+3	+3	+5	+4	+1
Germany	+1	0	0	-1	0	-2
Netherlands	+3	+2	0	+2	-2	+2
Sweden	+4	-4	+2	+1	+5	+4
United Kingdom	+7	-6	+4	-2	+4	+2
5 countries (av.)	+4.2	-1.0	+1.8	+1.5	+2.2	+1.4
EU28	+4	+3	+1	+1	+4	+1

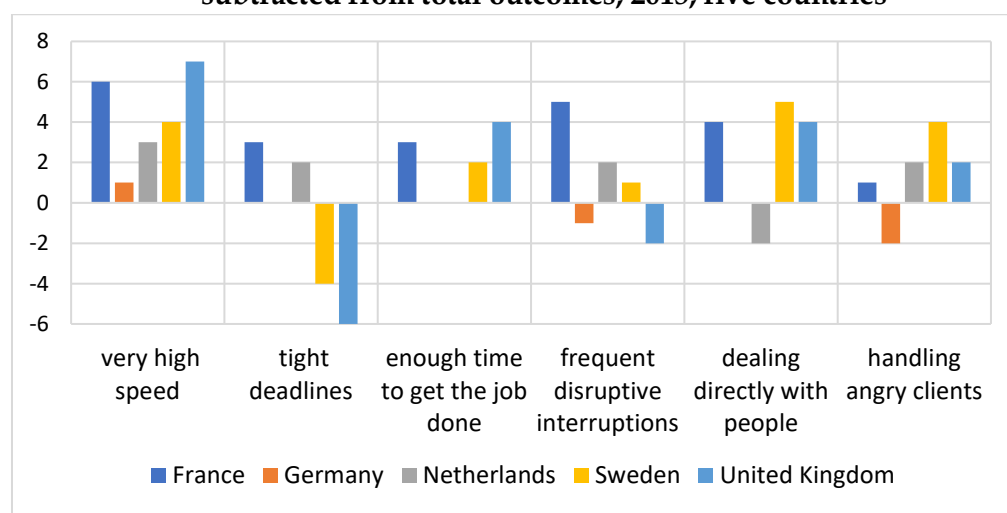
Measure of incidence:

(Does your job involve) working at very high speed, working to tight deadlines: three-quarters of the time or more; (Do you have) enough time to get the job done: rarely or never + sometimes

Frequent disruptive interruptions: yes; (Work involves) dealing directly with people (such as customers, pupils, patients etc), handling angry clients: 3/4 of time or more

Source: website Eurofound / EWCS

Figure 5.5 Incidence of indicators for work intensity, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries



Measure of incidence: see Table 5.8

Source: website Eurofound / EWCS

In spite of the positive indications regarding older workers based on job content and competence development, the possibility cannot be ruled out that this age group is relatively vulnerable to work-related stress particularly as the jobs a number of them occupy may involve greater responsibilities and more influence in decision-making. At the same time, as we already noted in Chapter 4, older workers also felt they were

relatively over-skilled and hence their capacities frequently under-utilized. In order to assess their vulnerability we selected six out of the 13 factors Eurofound's 2015 Work intensity index contained for pace-of-work and emotional job content (for more elaboration see Chapter 6). Again, we subtracted the outcomes for the 50 and older age group from the total outcomes. The results in Table 5.8 indicate that the six selected factors for the most part were relatively positive for the oldest cohort of respondents, that is, they indicated a lower perception of 'stressors'. This could be seen in 20 of 30 cells, against only six cells with a negative sign and four that were neutral. Again, and in spite of a rather heterogeneous pattern, the outcomes for 'our' five countries remained close to the EU averages; the exception is 'working to tight deadlines' where Sweden and the UK surfaced as negative outliers.

5.3.5 Physical working conditions for older workers

The third group of indicators, those for physical working conditions for older workers, is quite relevant as the literature shows such indicators are the most directly connected with health problems for them in particular (Ilmarinen 2005; Eurofound 2019: 29-32). Again, we refer for more elaboration to Chapter 6, section 6.2.5.

Table 5.9 shows our calculations for the six indicators we selected from the EWCS or this purpose. A positive sign implies better conditions for the oldest cohort. It can be seen that for the oldest cohort in 24 of 30 cells the burden of physical working conditions was less than average. Only two cells had a negative sign while four results were neutral. In the five countries we are most concerned with the incidence of notably 'involving tiring or painful positions' and 'carrying/moving heavy loads' were perceived as relatively less of an issue by the older cohort. Overall, physical working conditions appeared as somewhat less burdensome for older workers in the five countries than in the EU in general.

Table 5.9 Incidence of indicators for physical working conditions, outcomes for aged 50 and older subcontracted from total outcomes, 2015, five countries and EU28

	loud noise	high temp	breathing in vapours	tiring/painful positions	carrying/moving heavy loads	repetitive hand/arm movements
France	+3	+2	+3	+2	+6	+4
Germany	+3	+2	+1	+1	+3	0
Netherlands	+3	+2	0	+2	+4	-1
Sweden	+5	+8	+1	+4	+5	+5
United Kingdom	+2	0	0	-2	+2	+2
5 countries (av.)	+3.2	+2.8	+1.2	+1.4	+4.0	+2.0
EU28	+2	0	+1	0	+3	+2

Measure of incidence:

(Are you exposed to) loud noise; high temp; breathing in vapours: 1/4 of time or more

(Does your work involve) carrying/moving heavy loads; tiring/painful positions; repetitive hand or arm movements: 1/4 of time or more

Source: website Eurofound / EWCS

5.3.6 *Motivation and the social environment for older workers*

According to various surveys, performing quality work, being well integrated in the work organisation and carrying out activities that allow the permanent acquisition of new knowledge provide the main sources of satisfaction for older workers. Indeed, recognition and respect at work are major issues right across Europe, more so, perhaps for older workers than for other age groups. However, older workers frequently expressed feelings of weariness and demotivation related to their job. The incidence of such feelings has many possible explanations and include: the intensification of work; the loss of control over processes and tools via new technologies; deteriorating working conditions; perceiving their work to be of lower quality or usefulness; lack of career prospects; stagnating wages; the reduction of involvement in (the development of) the work organisation due to frequent reorganisation and restructuring, and disenchantment with rapid changes in corporate culture. While these factors provide a complex context the social environment may well be leading here, and lack of recognition of their experience seems to be the main source of demotivation among older workers (Cedefop 2010). For example, according to a survey conducted in France in 2015, 42% of new retirees put forward demotivation and 35% health problems as the decisive factors in their desire to retire (Barthélemy *et al.* 2015).

In the authors' experience support for older workers in many change processes is far from self-evident whether from line or middle management or from younger colleagues. The perception that management and colleagues insufficiently recognize or value their functioning may be a particular problem for older workers in low-skilled occupations. They frequently find themselves in the danger zone in terms of recognition and motivation (cf. Eurofound 2017: 68).

The results of the fourth group of indicators derived from the EWCS 2015, on the social environment at work, confirm the existence of a major problem area for older workers here: see Table 5.10 and Figure 5.6 (both next page). The two most-left hand columns of the table indicate that in seven out of 10 cells the older respondents had a less than average perception concerning the help and support of colleagues and managers ('always or most of the time'). The outcomes for Sweden in particular were remarkably low. The UK stood out with slightly positive scores combined with the highest overall scores on these two issues (82% and 72%, not in the table).

Table 5.10 Incidence of indicators for social environment at work, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries and EU28

	colleagues help and support	manager help and support	manag. quality index	fairness, cooperati on, trust	employee represent ation	employer -paid training	discrimi nation at work
France	-3	-3	-2	+1	0	0	+1
Germany	-2	-2	-2	-1	+2	-5	0
Netherlands	-2	+3	0	+1	+1	-6	+1
Sweden	-8	-10	-1	+1	+2	-2	0
United Kingdom	+1	+1	-1	-1	+7	-6	+2
5 countries (av.)	-2.8	-2.2	-1.2	+0.2	+2.4	-3.8	+0.8
EU28	-2	0	-2	0	+4	-4	0

Measure of incidence:

(Do your) colleagues help and support (you?); (Does your) manager help and support (you?): always or most of the time

Management quality index; (level of) fairness, cooperation and trust: mean values

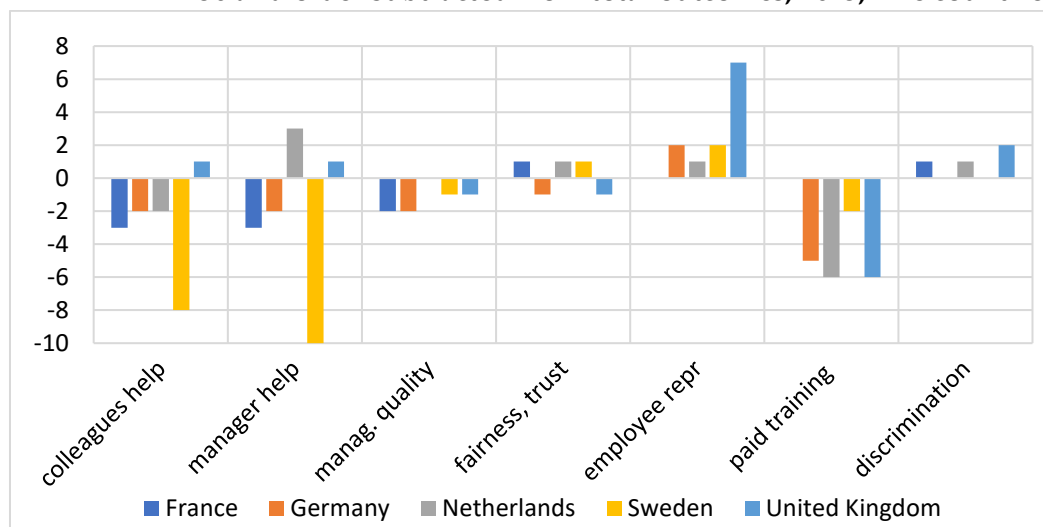
(Does your organisation have a trade union, works council or a similar committee) representing employees: yes

(Have you had) training paid (by your) employer (in the last 12 months): yes

(Have you been subjected to) discrimination at work (in the last 12 months): yes

Source: website Eurofound / EWCS

Figure 5.6 Incidence of indicators for social environment at work, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries



Source: website Eurofound / EWCS

It is chastening to note that for the EU as a whole support from managers was highest for workers aged under 35 years (63%) and lowest for workers aged 50 and over (56%), with similar figures noted for collegial support: highest for younger workers (75%), lowest for older workers (69%). The lack of attention many organisations obviously pay to the needs of their older workers seems to manifest itself in a lack of social support felt from in particular managers. This is a sensitive area as many older workers will have more experience of the work in hand and very likely of the work organisation itself than some of their immediate managers. Conflicts may also arise where managers are trying to change ways of working that older workers will commonly defend as

being the 'best way'. Without careful and sensitive management the potential for demotivation amongst older workers in their final active years will always be an issue (cf. ARETE 2008).

The outcomes in the five other columns largely confirm the picture that many organisations appear to be reluctant to invest substantially in their older workers and cater for their needs. According to the EWCS 2015 the older cohort valued the quality of management at best as average and mostly somewhat lower than this while their average ratings for 'fairness, cooperation and trust' at organisational level oscillated around the country averages. Neither can it be said that these rather low scores on social support are simply connected with a lack of representation. The response of the older cohort when asked 'Does your organisation have a trade union, works council or a similar committee representing employees?' was either at the average level (for France) or was higher, most obviously for the UK. However, it may well be that many older workers did not expect employee representatives to take up strong positions on their behalf at organisational level. Except for France, the participation of older workers in training paid by the employer showed up as clearly below average; we return to the training issue in discussing competence. Finally, when asked 'Have you been subjected to discrimination at work in the last 12 months?' the outcomes were remarkably positive with the scores of the older workers equal or lower than the overall averages. It should be noted though that this question covered all possible forms of discrimination at work, not *age* discrimination per se.

5.3.7 Health at work for older workers: summary

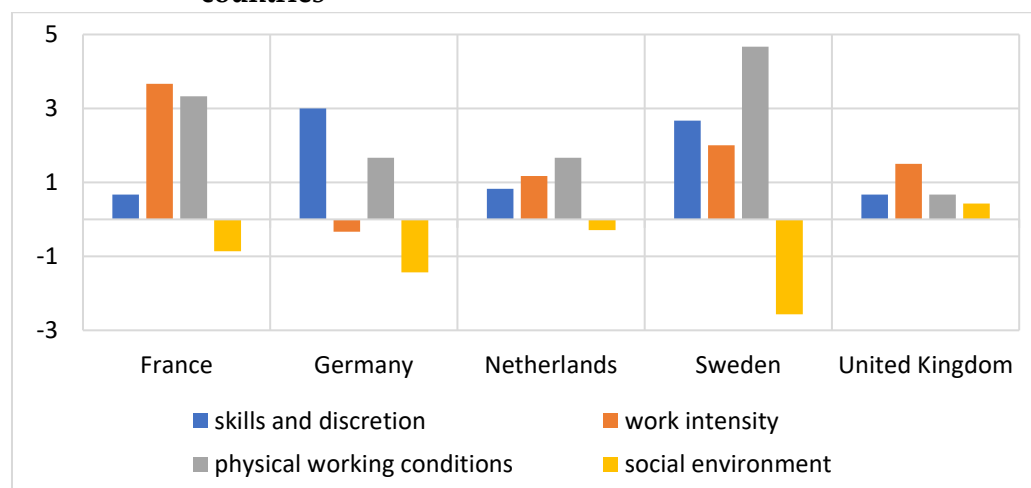
Table 5.11 and Figure 5.7 (both next page) summarize the four preceding tables covering health at work for older workers presenting individual country and total averages for the five countries studied. It is clear that the older cohort perceived physical working conditions in general as relatively advantageous for them, followed by work intensity and skills and discretion. The social environment at work was rated lowest, both across countries and averaged overall. As for countries, the UK showed consistently positive outcomes though the highest positive scores accrued to older workers in Germany (skills and discretion), France (work intensity) and Sweden (physical working conditions). At the same time, Sweden showed a clear negative result for social environment. In everyday practice, the rather negative perception of the social environment could demotivate older workers who perceive that managers and colleagues have other priorities than to actively support sustainable improvements for older workers.

Table 5.11 Summary table: incidence of indicators for skills and discretion, work intensity, physical working conditions and social environment at work and average, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries

	skills and discretion at work	work intensity	physical working conditions	social environment at work	TOTAL (av.)
France	+0.67	+3.67	+3.33	-0.86	+1.70
Germany	+3.00	-0.33	+1.67	-1.43	+0.73
Netherlands	+0.83	+1.17	+1.67	-0.29	+0.85
Sweden	+2.67	+2.00	+4.67	-2.57	+1.69
United Kingdom	+0.67	+1.50	+0.67	+0.43	+0.82
5 countries (av.)	+1.57	+1.60	+2.40	-0.94	+1.16

Sources: see Tables 5.7, 5.8, 5.9, 5.10

Figure 5.7 Summary figure: incidence of indicators for skills and discretion, work intensity, physical working conditions and social environment at work, outcomes for aged 50 and older subtracted from total outcomes, 2015, five countries



Sources: see Tables 5.7, 5.8, 5.9, 5.10

Motivational aspects may also come into play when discussing the age at which workers wish to stop working. According to the EWCS 2015, 69% of the respondents in the EU28 when asked 'Until what age do you want to work?' mentioned a specific age, while 19% said they would like to work as long as possible. The average stated retirement age was 63 for men and 62 for women. Surprisingly, those in the highest (managers) and the lowest ranked (elementary occupations) indicated on average the same age. However, when workers younger than 55 were asked whether they felt they could stay in their current job until they reached the age of 60, considerable differences between occupations appeared. More than three in four clerks, professionals and managers surveyed indicated they would be able to do so, compared with less than three in five elementary and service and sales workers (Eurofound 2017: 120-1). This suggests that perceptions of employment security are probably more directly correlated with skill level than with age.

5.3.8 Competence development and older workers

The heart of the matter of age management remains the compelling need to design and develop work organisations that can adapt to the capacities and needs of each age cohort whilst optimising their skills and competences. Regarding competence development, 'age management' has to be aware of two crucial elements. First, existing variations in competence among older workers have to be acknowledged and that with age this variation will only tend to increase. Second and by contrast, managers need to be aware of the added value older workers can bring to the labour processes. It is, for example, the case that for some jobs an enrichment of knowledge and expertise only develops over time. Thus, older workers with more years in the job have embedded experience that should not be ignored.

The kind of competence also matters here. Behavioural skills, for instance, have become essential components for many jobs in the service sector. However, such skills are as difficult to learn as technical skills and whilst for many older workers changing 'habits of a life time' is particularly challenging, it should not be simply assumed that older workers lack the 'soft skills' that are evidently in such short supply. The limitations of fatigue and fragility many older workers experience during change processes may at least partly be offset by utilising their experience and 'corporate memory' to help plan and implement change. Yet, the literature has repeatedly stressed that line managers in particular are often weak in recognizing these opportunities and acting accordingly (Cedefop 2010: 21-25).

In order to ensure that the skills and experience of older workers are not allowed either to atrophy or go unrecognised, new approaches to training and age management are needed. In this regard, it is encouraging that during the 1990s signs emerged that the focus of formal training had started to address the concept of age-friendly workplaces, combining formal, non-formal and informal learning to encourage competence development and learning for workers of all ages. According to the experience of the current authors, new training approaches have gone hand-in-hand with more awareness of the time horizon factor in a number of change processes. The argument we put forward in Chapter 4, that workers should be given enough time to 'digest' information surrounding new jobs, retraining, recruitment and support measures, is of particular importance for older workers. If, though, the envisaged trajectories of change are constricted and consequently the pace of change accelerates, older workers are likely to be the first whose interests are jettisoned.

5.4 The demographic challenge: policies and interventions

During the last fifteen years, governments, business and labour in the five countries under scrutiny have launched policies and undertaken interventions to encourage and facilitate the extension of working life. In this section we present some promising developments.

5.4.1 France

The French government aimed to have collectively bargained ‘senior agreements’ in place by the end of the 2000s. They required companies with 50 or more employees to draw up an action plan or branch agreement in 2009 with a penalty of 1% of their payroll in case of non-compliance. The agreement or plan had to include specific targets for the retention of employees aged 55 or over and/or the hiring of employees aged 50 or over, plus favourable measures in at least three from a list of six areas of action, namely:

- recruitment of older workers;
- anticipation of career paths;
- improvement of working conditions and prevention of stress or arduous work;
- transfer of knowledge and skills and promotion of tutoring;
- enhancement of skills and qualifications and access to training;
- options for late career and transition from work to retirement.

The practical implications of these agreements seem to have been limited but at least they enlarged the awareness of demographic issues among the social partners. Indeed, after decades of collective bargaining almost exclusively targeted on ‘passive’ (pre-retirement) age measures, more recent bargaining has given emphasis to (pro)active measures in terms of age and work such as training, mobility and tutoring. Workers’ reactions on classifying them by age varied from those who regarded the agreements as necessary preventive measures, and others who felt they carried with them the risk of stigmatization. That said, the social partners at national level have tended to concur that working life needs to be extended. At company level though, unions driven by employees’ demands, have continued to look for possibilities to negotiate early retirement in the context of reorganisation and restructuring. Thus, the discrepancy between debates at the national level and the reality at company level remains although it may be beginning to change (sources: ARETE and OECD 2018a).

Case 5.3. How to ensure older workers can keep up with technological change (France)

A financial institution in France allocated large amounts of money to train employees on computer tools, but achieved minimal results. Mindful of this and to assist with the development of a new workstation project, the firm’s CHSCT called for a labour consultant to assess the suitability of both the tool for user needs and the planned accompanying measures. ARETE took on the assignment and subsequently recommended the following approach to avoid the (gradual) exclusion especially of older employees, in dealing with the technological change in question:

- *Synchronize training and tool-finishing.* This recommendation followed the observation that the effectiveness of training is often hampered if launched when applications are neither fully developed nor finalized.

- *Diversify pedagogical approaches to training.* Practice is essential when acquiring new work routines. All too often, however, it was noted that the training relied on PowerPoint presentations that were rather poorly related to real work situations. As a result, when the employee returned to his or her position a high degree of trial and error was in evidence. It was plain that this type of self-training with new computer applications was hardly the solution as (paradoxically) it was relatively time-consuming, came with productivity losses and could enlarge both work stress and workload.
- *Propose a technical help facility.* This recommendation stemmed from the observation of recent changes in information systems in the financial sector that revealed such changes were lacking local technical assistance. Such a lack could be overcome by making a technical reference facility available over a fixed period of time. This would allow the rapid removal of doubt and misunderstanding without losing face with customers.
- *Ensure personalized follow-up and support.* It was clear that mastering a new information system varied widely from one employee to another. Implementing general complementary training carried the risk of widening gaps between users, with those experiencing difficulties in danger of becoming marginalized. To counter this, it was felt important to put personalized support measures in place that could be based on local management's assessments of needs.
- *Integrate the time factor in the training process.* Mastering how to deal with a new information system occurred gradually, going through different stages of knowledge acquisition and took time. Often, users regretted that the training process did not provide enough time to explore the various features of the new tool – which, as a consequence, remained under-used. The time factor was particularly important for older employees.

5.4.2 Germany

In Germany, interesting developments have taken place in collective bargaining. In recent years trade unions and employers' associations or large companies have agreed a number of collective labour agreements (CLAs) on demographic change including some innovative elements. These CLAs sparked a range of measures in companies. For example, in the iron and steel industry the Demographic Collective Agreement requires an age structure analysis for all companies covered. This collective agreement lays down that employer and Works Council should discuss conclusions to be drawn and measures to be derived from that analysis, including proposals of the Works Council. Measures could, for example, be:

- health promotion and work design including health- and age-related design of working conditions, work processes and work organisation;
- qualification;
- reduction of peaks in workload;
- changes in workload;
- formation of mixed-age teams;

- organisation of working time;
- enabling and motivating employees to behave in a healthy manner.

An instrument already mentioned in Case 3.2, the Initiative New Quality of Work (INQA), was launched in 2002. A central aim was to collect good practice examples at company level. Moreover, the initiative has been responsible for conducting research, elaborating guidelines, and training experts in demography who are then able to provide advice to small and medium-sized enterprises (SMEs). INQA has led to the establishment of local networks of experts to promote age management throughout Germany (sources: BIT e.V. and OECD 2018b).

Case 5.4. Competence development for semi-skilled and unskilled older workers (Germany)

The company with nearly 600 employees is a supplier for the vehicle and the public transport industries, and the case study is about the systematic, participation-oriented training of semi-skilled and unskilled workers, including older production workers. The starting point was the awareness that with the end of early retirement arrangements in the 2000s, this latter group would remain on the company's payroll for another 10 years. In addition, the need for flexible deployment and knowledge application had increased significantly due to stronger fluctuations in orders, higher quality requirements and the constant pressure on cost reduction.

At the start of the pilot in the wheel rolling mill, the 34 workers involved were largely unskilled and semi-skilled. These older workers had, often after many years of service, gained comprehensive experience and knowledge at their regular workplaces. However, they could only be deployed flexibly to a limited extent on other workstations. Against this backdrop, the aim was systematically to increase their process-related qualifications. Three requirements were to be addressed:

- creating a high level of acceptance and motivation among the workforce;
- taking stock of the available competences and identify the needed competences;
- using forms of learning that were financially manageable for the company, acceptable for the employees and provided appropriate learning conditions.

In the end, an approach was chosen consisting of the following elements:

- strict orientation on participation while aiming at reaching consensus;
- striving to attain the set competence levels as well as fulfilling the development wishes of the individual workers;
- drawing up a training plan based on two forms of qualification: 'knowledge transfer in tandem' and 'cross-workplace training'.

'Knowledge transfer in tandem' referred to the systematic transfer of job-related knowledge from a knowledge carrier to a worker willing to learn the job at hand. In contrast to traditional methods of learning, the knowledge carrier is prepared beforehand for this task by supporting him or her, for example, to transfer implicit into ex-

plicit knowledge. Documenting the available knowledge in a workplace folder enabled awareness of the requirements and peculiarities of the workplace, allowing both learners and teachers to thematize all the important aspects during the knowledge transfer process. Regularly updated and available at the workplace and where needed illustrated by photos and technical drawings, the folder also proved to be suitable as a permanent work of reference and an instrument for self-learning. In addition, cross-workplace training courses were conducted by foremen, technicians and engineers from the company with added operational explorations of related plant areas.

Both forms of training were readily accepted as they were closely related to the workplace and to specific operational contexts. The transfer process took place during normal working hours. In order to cover the additional personnel requirements, the company used Job Rotation, an official labour market policy instrument. With this scheme's financial support, unemployed people from the region were hired for one year and deployed in the pilot area in 'easy-to-learn' workplaces, thus replacing employees who were upgrading their qualifications. As a result, the group of semi-skilled, unskilled and older employees became more flexible and upgraded: competence was added to experience and knowledge. Whereas the associated increase in productivity secured existing jobs, the company also took on over half of all former unemployed from the Job Rotation scheme, thus creating new jobs. The pilot results motivated further training at other workplaces.

5.4.3 *The Netherlands*

In the Netherlands, by the early 2000s a number of interesting measures and tools related to age management at work organisation level were available. Prominent here was the 'Age Mirror' developed by the largest Dutch research institute in the field, TNO Work & Employment. This provided inspiration for both the public employment service and major temporary work agencies to develop special employability programs for older workers hit by collective dismissal. Somewhat later, in 2008, the tripartite '*Grijs Werkt*' ('Grey Works') steering group published a lurid report referring to widespread age discrimination in the labour market. However, in the aftermath of the 2007-08 crisis most of these initiatives were either marginalized or perished. It has taken a decade before in the Netherlands interest has revived in the problems of older workers and the options for age management.

In their policy plan 2017-2021 FNV, the largest Dutch trade union federation, made a plea for age-aware personnel policy measures. An obvious result has been the arrangement in the 2018-19 collective agreement at Philips (Electronics, Medical Systems, et cetera), according to which employees are allowed to request at least 80% part-time working from the age of 62 whilst their participation in the pension plan remains based on their original amount of working hours. Recently the Labour Foundation (STAR, *Stichting van de Arbeid*), in which social partners in the Netherlands cooperate, has become very active in this domain. Its 'Policy Agenda 2020: Investing in participation

and employability’ emphasizes the necessity to address the employability of all generations and the need to improve the image of older workers. It stimulates employers and employees to do everything they can to continue to stay healthy, motivated and employed until retirement age. It goes on to recommend that suitable measures to achieve this be worked out at sector and company level and be included in CLA arrangements (sources: websites FNV and STAR; OECD 2018c).

Case 5.5. Preventive mobility by anticipation in a financial group (Netherlands)

Acknowledging that negative impacts of quick and even abrupt restructuring have often been underestimated, a Preventive Mobility Programme was initiated by the HR department of a large Dutch financial group. The aim was to demonstrate the human and financial benefits of early but careful restructuring in which ‘mobility by anticipation’ was preferred over ‘restructuring in a hurry’. The FNV union federation, supported by a former STZ labour consultant, actively participated in the development of the related project.

The programme has to be seen in the context of the merger announced within the financial group of two hitherto relatively autonomous entities: a postal bank with an online banking service and the call centre of a retail bank. A significant reduction in the 2,500-strong workforce was envisaged to take place over three years. Based on the group’s social plan, a two-year mobility programme for all employees was prepared. Within the group a dedicated team was set up to support the transition and external mobility advisors were also recruited.

The key features of the programme were:

- ◆ announcing to all employees of the group that they could volunteer to join irrespective of whether their position would be included in the restructuring;
- ◆ preservation of an age-specific balance;
- ◆ the creation of ‘expression groups’ aimed at mobilizing employees in group sessions to answer the question: ‘What are you going to do in the next two years?’;
- ◆ enlarging employees’ ability to project their own professional future and set objectives for themselves as an essential prerequisite for creating employability;
- ◆ individual coaching and tutoring of each employee for nine months.

The coaching / tutoring programme had as its main characteristics:

- ◆ individual interviews between the employee and their direct supervisor to inform the former about the elimination of his or her job, followed within two weeks by an interview with a dedicated mobility advisor;
- ◆ an in-depth skills assessment and training in job-search techniques, accompanied by weekly follow-up interviews with the mobility advisor.

In an evaluation two years later, this highly (labour-) intensive programme showed that 85% of the endangered staff had found other jobs, of which 65% were within the group. Both the ‘survivors’ and those who had had to leave gave the programme a

positive overall mark. The employees involved, HR management, union officials and outside consultants all pointed out how important the social support given by managers to their teams had been for the success of the programme. This reinforced the need to train managers beforehand to be open to the concerns of employees affected by major changes. The group capitalized on these positive outcomes and created a system to improve staff employability, offering the possibility of benefiting from an individual training budget for up to three years.

(Source: Sprenger 2010).

5.4.4 Sweden

Age management in Sweden has for the last 30 years been focused on reforming the pension system. This began in the 1990s with a change to the prevailing system that linked pension rights to the individual's length of service. Earlier systems were abolished that had included part-time early retirement to be taken up between ages 60 to 65. Nevertheless, in sectors where employers identified the need for 'competence shifts' early retirement options could still be used. The old systems were replaced by the right to take a pension from 62 and the right to work until 67 with effect from the beginning of 2000. Later these thresholds were raised to 63 and 68 with the stated aim of adjusting them in line with life expectancy. Relatively early, in Sweden the pension issue became related to labour shortages in health and social care, public administration, information technology, and elsewhere. Over the years, special temp agencies with names like '*veteranpool*' were established to facilitate the employment of pensioners. Efforts have even been undertaken to 'backrecruit' for example police officers and nurses, offering attractive remuneration packages.

Both the government and the Swedish Work Environment Authority have had an ongoing dialogue with the social partners on current issues that include demographic challenges and the importance of active participation in the labour force at all ages, as well as promoting best practices. The social partners have adopted an inclusive approach, focusing on lifetime perspectives. The Work Environment Authority has issued provisions on workplace adaptation and rehabilitation stating that the employer must adapt an individual employee's working situation to meet his or her aptitudes for their work, as required by the Work Environment Act. The Authority recommends that the special needs of older people should be taken into consideration in any work reorganisation, whilst their competence and experience should be utilised in order to optimise the organisation of work. As early as 2001, the Authority issued a regulation that all employers were to be responsible for conducting Systematic Work Environment Management (*Systematiskt arbetsmiljöarbete*, SAM; source: OECD 2018d).

5.4.5 United Kingdom

The social partners and successive governments in the UK have, in the last decade or so, given a great deal of attention to the need to deal with announced changes to state retirement age. At the same time, one or two notable efforts have been made to reach

more focussed and practical agreements at the workplace to meet the requirements of an ageing workforce. For example, BAE Systems agreed with the PROSPECT trade union in the early 2000s to introduce a variety of flexible working options that provided a choice for workers nearing retirement age. In effect, these options allowed workers to either reduce their working weeks within two years of retirement or, when five years away from retirement, to shift their responsibilities towards mentoring younger colleagues who could benefit from their experience. This enabled the company to retain hard to replace skills whilst at the same time creating new and clearly valued roles for older workers (Flynn 2014). British Telecom (BT) did something similar a few years later offering older staff who had been recruited prior to privatisation what researchers described as the opportunity to ‘wind down’ (reduce working hours); ‘ease down’ (reduce work responsibilities); become ‘helping hands’ (take time volunteering); or ‘step down’ (take a job with less responsibility) (Parry and Bown-Wilson 2010).

Teaching and health unions have also been heavily involved in attempting to come up with strategies designed to make schools and the NHS age-inclusive organisations. Similarly, the TUC union confederation has been active in providing overarching policy guidance particularly with reference to the position of older women in the workforce (TUC 2013, 2014). The other significant contribution from the TUC stems from the development of union learning representatives at the workplace. This TUC initiative has seen individual unions deploying specialist learning reps to help guide the training and education choices of their fellow workers. A review in 2014 found that learning reps had been particularly helpful in encouraging older workers to overcome their reluctance to enter into training and or education in the latter years of their working lifetimes (Cough 2012; UNIONLEARN 2014).

In February 2017 the Department for Work & Pensions (DWP) published the ‘Fuller Working Lives: A Partnership Approach strategy’. The strategy outlined aimed at increasing the retention, retraining and recruitment of older workers by bringing about a change in the perceptions and attitudes of employers and employees about working later in life and the best time to retire. It should be noted that the strategy is led by employers. The publication sets out why Fuller Working Lives are important for both employers and individuals. It also lists support action for government to take to ensure older workers remain in the labour market. At about the same time, in January 2017, DWP had set out in the Industrial Strategy Green Paper ‘Building an Industrial Strategy’ how it would build on this review by testing ambitious new approaches to encourage lifelong learning. These could include direct outreach to workers, particularly if industries are rapidly changing or in decline. However, despite the availability of financial support, participation in lifelong learning is low among low-skilled workers in the UK (sources: UK DWP 2017; OECD 2018e).

5.5 Good practice

Following up on the preceding case studies and further evidence presented, we conclude this chapter with good practice suggestions aimed at managing the demographic challenge at the workplace.

In our view it is vital

where work organisation is an issue, that:

- GP 19 management and HR staff as well as employee representatives and trade unions should stimulate the participation of workers in processes of organisational and technical change, giving particular attention to the experience and insights of older workers;
- GP20 management and HR staff as well as employee representatives and trade unions should include the potential of older workers as well as the limitations associated with keeping them at work as major factors in designing and monitoring change processes;
- GP21 management and HR staff as well as employee representatives and trade unions should, in order for older workers to be effective, strive to combine technical measures as to reduce the burden of physical working conditions with the redesign of work organisation and jobs;
- GP22 the optimal supply of jobs older workers can fulfil should be accompanied by intensive programmes of social support, including individual coaching and tutoring to ensure these opportunities can be properly absorbed and implemented;
- GP23 training approaches combining formal, non-formal and informal learning tailored to the needs and capabilities of older workers should be developed and applied while relating as much as possible to real work situations;
- GP24 in restructuring processes and processes of organisational and technical change workers, in particular older workers, should be allowed enough time to 'digest' the information that surrounds new jobs, retraining, recruitment and support measures;
- GP25 in restructuring processes and processes of organisational and technical change workers, in particular older workers, should be given the scope and time to enable them to follow training courses and apply for jobs.

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CHAPTER 6. WORK ORGANISATION AND THE INTENSIFICATION OF WORK IN THE SERVICE SECTOR

6.1 Introduction

For over a century, the intensification of work, first and foremost, has been synonymous with industrial jobs where the pace of work tended to be determined by the demands of the production chain and the machinery used. Gradually though, production concepts used in manufacturing have been extended into both the public and private parts of the service sector. Furthermore, as we concluded in Chapter 2, that sector as a whole is now dominant in terms of employment. Thus, in the 1950s and 1960s a first round of automation, mass production and fragmentation of tasks entered the services sector followed, more recently, by outsourcing, downsizing, lean production, and the search for leaner and more agile organisations. In addition to these organisational changes, digital technologies have played a key role offering new opportunities for employees whilst at the same time providing the means to exert new controls on them. We can see a paradox here whereby employees have seemingly gained increased autonomy notably through the likes of telework, but have at the same time been subject to new and pervasive forms of control through digitalized surveillance systems, rating-by-customers algorithms, et cetera. Recently a leading author neatly characterized the digital era as ‘the age of surveillance capitalism’ (Zuboff 2019).

As the service sector has moved from product- to customer-oriented approaches, the pace of work in many service jobs has increasingly been connected to customer behaviour. The dynamic interaction between service provider and customer has added specific conditions to the work environment and work organisation, conditions that have not necessarily benefitted the employees involved as we detail below. Moreover, the speed of change in corporate governance and competitive conditions in services has become an important factor in the intensification of work.

In this chapter, we analyse the way technological and organisational changes, mostly mutually connected, are altering work in the service sector. The experience of the authors as labour consultants in this sector has indicated that the intensification of work has given rise to a major set of psychosocial risks, in particular to higher risks for work-related stress -- a major concern for workers and their representatives. It has also become clear that the *conditions for change* are frequently more decisive in potentially undermining established levels of well-being at work than the changes themselves. We have already referred in Chapter 1 to widely felt changes in economic and institutional conditions, in particular decreasing trade union density and collective bargaining coverage. These trends along with the digital transition have paved the way for the online platforms of the ‘gig economy’ as well as a range of new types of jobs. The challenge for trade unions, employee representatives and labour consultants alike is to regain

some control over ‘the damages of progress’ (*Les Dégâts du Progrès*: CFDT 1977), and from there to strive for improvements.

We first take stock of the levels of work intensity in the five countries scrutinized comparing developments across these countries and across industries in the decade between 2005 and 2015. Though less of influence on work intensification, we also take the development of physical working conditions in the same decade into account. On this basis we examine how a re-intensification of work became visible during the recovery from the economic crisis and offer a multi-factorial explanation for this. Next, we delve into developments in the organisation of work in the service sector:

- the adoption of Business Process Re-engineering (BPR);
- lean management;
- the drive towards Agile-type organisations;
- the rise of sophisticated work control exemplified by call centres, and
- Internet advances that increasingly blur the distinctions between private and professional life.

Our special focus is on developments that tend to cause a rupture in the unity between time and location: the rise of ‘open space’ or ‘flex’ offices; telework to which that is partly related and, as a possible next step in a race to the bottom on wages and conditions, the growth of the gig economy. Finally, under the heading of change management, we highlight two weak spots in management approaches to the implementation of IT systems namely understaffing and the poorly planned introduction of IT tools.

6.2 The intensification of work: taking stock

6.2.1 Our main source: the European Working Conditions Survey

The detailed statistics on work intensity produced by Eurofound’s European Working Conditions Survey (EWCS) 2015, enable us to review the intensification of work in the five countries highlighted in this book. The outcomes can to some extent be compared with those for 2005 and 2010. The reader should be aware that the set of indices for work intensity are just one of seven sets of indices the EWCS uses to capture job quality. The other six cover: physical working conditions; working time quality; social environment; skills and discretion at work; prospects, and earnings. It should also be noted that all seven indices have three features in common (Eurofound 2017: 36), namely:

- they are developed and measured at the level of the job;
- they are constructed with indicators of positive and negative job features;
- they cover job features that have been proven through epidemiological studies to have a positive or negative causal effect on the health and well-being of workers.

It is worth noting at the outset the warning the EWCS 2015 offers about the concept of work intensity: “While work intensity can be presented as a way to maintain and de-

velop workers' interest in their activity, high work intensity is associated with a negative impact on health and well-being. Moreover, work intensity is not necessarily linked to better performance for companies: indeed, in many cases, working too fast does not correspond to working in an effective way. Work intensity can lead to poor planning and preparation of tasks at hand, and to delays and defects in quality. High work intensity can be therefore considered to make a negative contribution to job quality" (Eurofound 2017: 47). While this conclusion is important, we would go further and assert that the combination of high job demands with limited room for decision-making (included under 'skills and discretion'), limited job support (included under 'social environment') and low rewards (financial, esteem, career opportunities and job security) has proven to be the most negative combination insofar as effects on workers' health are concerned. We return to this relationship in Chapter 7.

It should be added that in the end a person's ability to cope with risk factors at work is an individual process. Individual characteristics such as age, gender, personality, attitudes and values, level of education and family situation may influence one's ability to cope. These characteristics can either aggravate or alleviate the effects of risk factors. Physical and psychological characteristics, such as physical fitness or a high level of optimism, may not only act as precursors or buffers in the development of stress reactions and mental health problems, but they may also be changed by stress. For example, in case workers in certain situations are able to cope with risk factors, they will be more experienced and self-confident in overcoming similar situations the next time they have to face them. By contrast, stress reactions like fatigue and long-term health problems will often reduce one's ability to cope and may aggravate the experience of stress, which will ultimately result in exhaustion and breakdown (Broughton 2010). In Case A4, the extended version of case study 6.1, the French colleagues have elaborated this issue.

6.2.2 *Work intensity by country and gender*

For our cross-country comparisons we have used eight out of the 13 indicators included in Eurofound's Work intensity index. 4 Table 6.1 (next page) presents the 2015 outcomes for the five countries and the EU28 as a whole. We included both the high and low thresholds ('3/4 of time or more' and '1/4 of time or more') for five indicators: 'working at very high speed'; 'working to tight deadlines'; '(not) enough time to get job done'; 'handling angry clients', and 'emotionally disturbing situations'. We also shaded those cells with scores that were above the EU28 averages.

The table indicates that in 2015 work intensity was a common issue across Europe, though the outcomes varied considerably for most of the indicators. It can be seen that

4 We left out the five indicators that made up the indicator 'work pace determinants': work pace dependent on: the work done by colleagues; - direct demands from people such as customers, passengers, pupils, patients, etc.; - numerical production targets or performance target; - automatic speed of a machine or movement of a product; - the direct control of your supervisor.

France had the dubious honour to be in the lead here, posting outcomes that were above the EU28 average on ten occasions. The UK came second, with six shaded cells for five indicators, followed by Sweden with six above-average cells for four indicators and Germany with five and four respectively. The Netherlands gets the credit for being at the bottom of the list with five above-average cells for three indicators. Outcomes that were 10%points or more above the EU averages were particularly disquieting. And could be seen in France for 'frequent disruptive interruptions' and 'hiding feelings at work', in Sweden for 'working at very high speed (1/4 of time or more)', and in the UK for 'frequent disruptive interruptions'.

Table 6.1 Incidence of eight indicators for work intensity by country, 2015, five countries and EU28

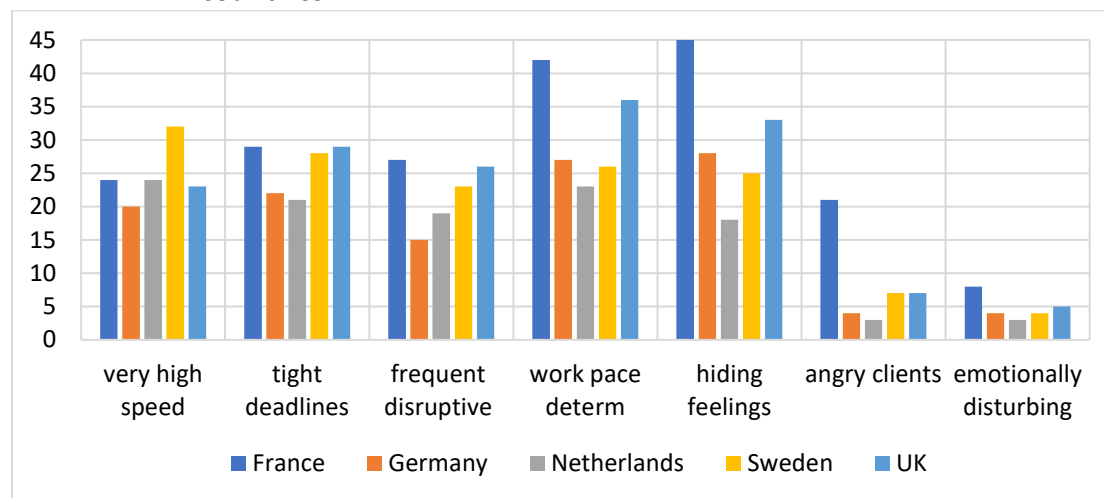
		FR	GE	NL	SE	UK	5 c.	EU28
working at very high speed	1/4 of time or more	54	63	64	77	55	63	60
	3/4 of time or more	24	20	24	32	23	25	23
working to tight deadlines	1/4 of time or more	59	67	57	69	64	63	64
	3/4 of time or more	29	22	21	28	29	26	27
enough time to get job done	sometimes + rarely or never	26	30	28	32	34	30	27
	rarely or never	12	12	11	13	12	12	10
frequent disruptive interruptions	yes	27	15	19	23	26	22	16
work pace determinants	three or more	42	27	23	26	36	31	33
hiding feelings at work	always/most of the time	45	28	18	25	33	30	31
handling angry clients	1/4 of time or more	42	30	24	31	37	33	37
	3/4 of time or more	21	4	3	7	7	8	11
emotionally disturbing situations	1/4 of time or more	35	32	22	28	23	28	30
	3/4 of time or more	8	4	3	4	5	5	5

Source: website Eurofound / EWCS

xx = higher than EU28 average per cell

On the next page Figure 6.1 presents the data from Table 6.1 in a somewhat simplified form. We left out 'enough time to get job done' and, where relevant, opted for the '3/4 of time or more' thresholds.

Figure 6.1 Incidence of seven indicators for work intensity by country, 2015, five countries



Source: website Eurofound / EWCS

Table 6.2 (next page) covers the incidence of work intensity by gender in 2015. Gender differences are presented by subtracting the outcomes for women from those of men. Thus, if (m – f) ends up with a minus sign, work intensity for that indicator and country was higher for females. The table shows this was markedly the case for three indicators, ‘emotionally disturbing situations’ (which averaged 12% points measured according to the lowest threshold for the five countries), ‘handling angry clients’ (10% points using the lowest threshold), and ‘hiding feelings at work’ (7% points). The outcomes for ‘frequent disruptive interruptions’, for ‘working at very high speed’ and for the stronger ‘rarely or never’ threshold of ‘enough time to get job done’ were, on average, also negative for women albeit this was less pronounced.

The high proportion of women in health and education combined with the relatively high work intensity recorded in these activities together (see below, Table 6.3) provide a major explanation for the gender differences in these six indicators. Male work intensity was only higher when measured on the two ‘working to tight deadlines’ thresholds, and men also scored more often on the three or more work pace determinants (see footnote 4). These latter outcomes can largely be explained by the high proportion of males in the manufacturing industry and in construction and transport combined with the relatively high scores in these industries on these particular indicators (see again Table 6.3). Finally, it should be noted that the outcomes in the two most right-hand columns of Table 6.2, for the five countries and for the EU28 as a whole respectively, ran largely in tandem.

Table 6.2 Gender differences (m - f) in incidence of eight indicators for work intensity by country, 2015, five countries and EU28

		FR	GE	NL	SE	UK	5 c.	EU28
working at very high speed	1/4 of time or more	-1	4	3	-8	-3	-1	2
	3/4 of time or more	0	1	-1	-6	-2	-2	0
working to tight deadlines	1/4 of time or more	10	9	6	1	9	7	9
	3/4 of time or more	5	5	4	2	7	5	5
enough time to get job done	sometimes + rarely or never	-5	2	-2	6	-2	0	1
	rarely or never	-4	1	-2	-3	-3	-2	0
frequent disruptive interruptions	yes	-8	-2	-2	0	4	-2	-4
work pace determinants	three or more	13	11	1	6	0	6	7
hiding feelings at work	always/most of the time	-14	-9	-4	-5	-2	-7	-8
handling angry clients	1/4 of time or more	-13	-5	-11	-16	-6	-10	-8
	3/4 of time or more	-10	-1	-3	-2	0	-3	-4
emotionally disturbing situations	1/4 of time or more	-12	-13	-16	-10	-8	-12	-10
	3/4 of time or more	-3	-1	-2	1	1	-1	-2

Source: website Eurofound / EWCS

The basic data for Table 6.2 (using the low threshold) shows exceptionally high French scores as regards female work intensity for three indicators in particular: 53% for ‘hiding feelings at work’, 49% for ‘handling angry clients’, and 41% for ‘emotionally disturbing situations.’ Although changes in the survey questions hamper comparability with older Eurofound figures, we cannot overlook the indications that French workers, and French female workers in particular, have been experiencing significant and growing problems with customer contacts. For example, in the French banking sector insults, verbal and physical attacks on staff increased by 15% in 2017 according to the French Banking Association (AFB). Other sources have also pointed to a lack of improvement with regard to work intensity and work-related stress in France. For instance, a French survey in 2018 confirmed that seven out of ten respondents assessed their work as mentally stressful which was the same outcome as had been reported a decade earlier. Of particular concern in this survey was the high share of respondents indicating they had to work in a concentrated mode over a longer time span (76% -- an issue not asked for in the EWCS; Malakoff Médéric 2018: 12). Interestingly, the outcomes of a worldwide survey in 2016 indicated that, compared to their counterparts elsewhere, employees in France were more likely to have asked their employers for more proactive policies in the area of wellbeing at work (Edenred-Ipsos 2016). No doubt the high work speeds and tight deadlines not to mention the confrontations with angry clients and other disruptions seemingly experienced by many employees in France, were the driving forces here.

6.2.3 Work intensity by industry

The incidence of work intensity also differs considerably across industries. Table 6.3 and Figure 6.2 (both next page) show such differences for 2015 for six industries and

the five countries as well as averaged for the EU28 as a whole. Manufacturing as representing the secondary sector is contrasted with five industries from the service sector, namely: commerce and hospitality; finance and other services; construction and transport; public administration, and health and education. In the table we have again shaded the scores that were above the EU28 average; in the figure we once more left out 'enough time to get job done' and, where relevant, opted for the '3/4 of time or more' values.

Table 6.3 Incidence of eight indicators for work intensity by industry, 2015, five countries averaged and EU28

		A	B	C	D	E	F	5 c.	EU
working at very high speed	<i>3/4 of time or more</i>	22	32	22	28	19	24	25	23
working to tight deadlines	<i>3/4 of time or more</i>	29	29	27	38	20	28	29	27
enough time to get job done	<i>rarely or never</i>	10	9	12	10	10	19	12	10
frequent disruptive interruptions	<i>yes</i>	22	19	21	15	22	31	22	16
work pace determinants	<i>three or more</i>	37	35	28	34	25	30	32	33
hiding feelings at work	<i>always/most of the time</i>	19	33	29	25	33	43	30	31
handling angry clients	<i>3/4 of time or more</i>	4	11	9	6	9	14	8	11
emotionally disturbing situations	<i>3/4 of time or more</i>	2	3	3	4	8	9	5	5
<i>unweighted average (8 issues)</i>		18	21	19	20	18	25	20	20
Work intensity index (13 issues)	<i>13 indicators</i>	35	34	35	36	32	37	-	33

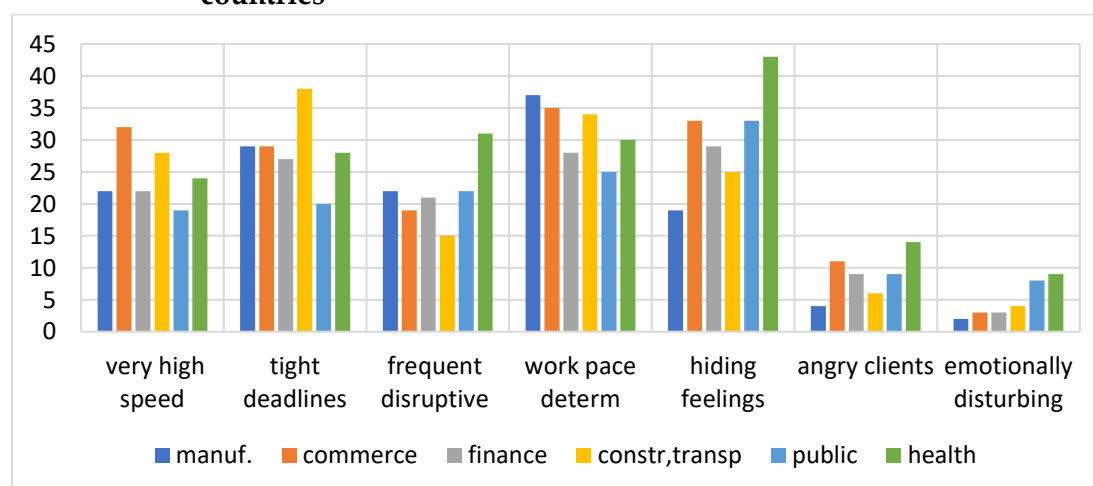
Key:

A: Manufacturing industry; B: Commerce and hospitality; C: Finance and other services; D: Construction and Transport; E: Public administration; F: Health and education

Sources: website Eurofound / EWCS; Work intensity index: Eurofound 2017: 47

xx = higher than EU28 average per cell

Figure 6.2 Incidence of seven indicators for work intensity by industry, 2015, five countries



Key: see Table 6.3

Sources: website Eurofound / EWCS; Work intensity index: Eurofound 2017: 47

Health and education clearly posted the most above-average scores (seven) followed by commerce and hospitality (five) and manufacturing industry, construction and

transport, and public administration all with three of such scores. Somewhat surprisingly, finance and other services had only two above-average scores. The unweighted averages over the eight issues showed the highest outcome (25) posted by the health and education sector, with commerce and hospitality (21) in second place and construction and transport (20) next. The '5 country'-averages revealed that the incidence of the first four indicators in these particular countries was higher than for the EU as a whole though in the five countries on average less work pace determinants were involved.

The scores at country-industry level show interesting patterns, which to an extent are reflected in the case studies presented in this and the next chapter. Concerning 'working at very high speed (3/4 of time or more)', a score of over 40% could be seen for commerce and hospitality in Sweden. We found more scores at this level with regard to 'working to tight deadlines (3/4 of time or more)': in France this was the case for commerce and hospitality and construction and transport, and in the UK even for three industries: manufacturing, financial and other services, and again for construction and transport. As regards 'enough time to get job done (rarely or never)', the public administration showed remarkable high scores, with the British (43%) on top followed by the Swedish public administration (40%) while German construction and transport also tipped the 40%-rate. With nearly 40% responding 'yes', French health and education, British manufacturing and British health and education shared the highest scores on 'frequent disruptive interruptions'.

The French figures were the highest regarding 'hiding feelings at work' except for commerce and hospitality where again Germany and the UK topped the list. As could be expected given the findings reported in Table 6.1, the French scores were consistently highest for 'handling angry clients (3/4 of time or more)' and 'emotionally disturbing situations'. The scores for 'handling angry clients' for commerce and hospitality and health and education (both 27%) in France suggest a persistence of these worrisome conditions.

Not surprisingly, taking the EU28 as a whole health and education also recorded the highest score in Eurofound's Work intensity index comprising all 13 indicators (37 points), followed by construction and transport (36), and both manufacturing industry and financial and other services (35): see the last row of Table 6.3. The Work intensity index score was far higher in bigger companies (250 and more employed, score 38), followed by SMEs (34) and micro companies (less than 10 employed, 29). With scores of 34 and 33 respectively, men and women seemingly had a very similar level of work intensity. Whereas men reported more quantitative demands, women reported more pressure linked to meeting customer requests (Eurofound 2017: 47).

6.2.4 *Work intensity through time*

Of course, it is important to provide more in-depth analysis of the changes in both the *intensity* and the *intensification* of work. However, we are constrained in providing

such insights due to the fact that the EWCS figures on work intensity only allow comparisons for the decade between 2005 and 2015. In Table 6.4 we present the available figures for the EU28 as a whole using Eurofound's Work intensity index to the full with 10 indicators for quantitative demands and determinants of work pace (five of which were included in Tables 6.1, 6.2 and 6.3), and the three indicators for emotional demands that Eurofound integrated more recently in the EWCS.

First of all, Table 6.4 shows that work intensity across Europe has remained at a rather high level. Between 2005 and 2010 the values of eight out of 10 indicators decreased somewhat followed by a re-intensification of work in the next five years. This movement was reflected in the overall Work intensity index fluctuating from 34 to 32 and then back to 33. The crisis and the related slump in economic activity experienced by many companies appears to have had more of an impact on the decrease in the first period than the widespread restructuring we reported in earlier chapters which seem to have had a minor impact on these outcomes. Clearly, during the economic recovery work intensity increased over a broad front. Beyond the Work intensity index the two indicators for emotional demands that allowed comparison over time showed a strong upward movement between 2010 and 2015 – a rather disturbing development.

Table 6.4 Incidence of indicators for work intensity, 2005/EU27, 2010/EU27, 2015/EU28 (mean scores)

		2005	2010	2015
Quantitative demands	working at very high speed	33	32	33
	working to tight deadlines	37	35	36
	enough time to get the job done	12	9	10
	frequent disruptive interruptions	13	14	16
Pace determinants and interdependency: work pace dependent on.....	direct demands from customers etc.	68	67	68
	the work done by colleagues	42	39	39
	numerical production or performance targets	42	40	42
	automatic speed of a machine or movement of a product	19	18	18
	the direct control of your boss	36	37	35
	three or more determinants of work pace	34	32	33
	Trend score Work intensity index (10 indic.)	43	41	42
Emotional demands	hiding your feelings at work		23	31
	handling angry clients, customers, etc.		10	16
	emotionally disturbing situations			30

Measure of incidence:

Working at very high speed, working to tight deadlines, handling angry clients, customers, patients, pupils, etc.: three-quarters of the time or more

Enough time to get the job done: rarely or never

Frequent disruptive interruptions, work pace dependent on (): yes

Hiding your feelings at work: no

(Being in) emotionally disturbing situations: a quarter of the time or more

Source: Eurofound 2017: 48

Note: for unknown reasons the values for Working at very high speed, working to tight deadlines, and handling angry clients etc. in the last column differ from those found on the Eurofound website and included in Table 6.1

We now add another eight indicators used in the EWCS to assess job content. Table 6.5 presents the incidence of the resulting 11 indicators for work intensity and job content for 2005 and 2015, based on frequency divisions. Except for the first two indicators (working at very high speed, to tight deadlines) the indicators can be regarded as indicating the extent of autonomy at work (also named discretion or decision latitude, see Chapter 7) and the room for competence development. Of course, for the first two indicators lower numbers indicate positive developments between 2005 and 2015 while for the other nine indicators higher numbers are associated with positive outcomes. We have shaded all cells with positive outcomes.

Table 6.5 Incidence of 11 indicators for work intensity and job content, five countries and EU, 2005 (EU27) and 2015 (EU28)

	FR	GE	NL	SE	UK	5 c.	EU27/28
working at very high speed 2005	50	72	61	85	47	63	60
<i>working at very high speed 2015</i>	54	63	64	77	55	63	60
working to tight deadlines 2005	54	71	61	72	64	64	62
<i>working to tight deadlines 2015</i>	59	67	57	79	75	67	64
enough time to get the job done 2005	73	61	65	68	70	67	69
<i>enough time to get the job done 2015</i>	73	70	72	68	66	70	73
work involves complex tasks 2005	57	72	65	67	56	63	59
<i>work involves complex tasks 2015</i>	64	69	58	67	68	65	63
work involves no monotonous tasks 2005	59	71	77	77	45	66	57
<i>work involves no monotonous tasks 2015</i>	52	74	75	74	42	63	54
work involves learning new things 2005	72	66	84	89	69	76	69
<i>work involves learning new things 2015</i>	84	66	80	91	82	81	72
able to apply own ideas in work 2005	65	50	71	73	59	64	58
<i>able to apply own ideas in work 2015</i>	63	40	69	66	62	60	54
choose/change order of tasks 2005	72	52	79	85	66	71	63
<i>choose/change order of tasks 2015</i>	75	60	77	77	72	72	68
choose/change speed / rate of work 2005	70	62	75	66	69	68	67
<i>choose/change speed or rate of work 2015</i>	69	70	80	59	74	70	71
choose/change methods of work 2005	68	71	74	79	63	71	69
<i>choose/change methods of work 2015</i>	71	76	73	83	70	75	69
can take a break when I wish 2005	52	58	57	60	51	56	45
<i>can take a break when I wish 2015</i>	58	40	53	49	54	51	48

Measure of incidence:

working at very high speed; working to tight deadlines: 1/4 of time or more

enough time to get the job done; able to apply own ideas in work; can take a break when I wish:

always or most of the time

work involves complex tasks, monotonous tasks, learning new things; choose/change order of tasks, - speed or rate of work, - methods of work: yes;

Sources: 2005: Eurofound 2007: 103 (country data); 2015: website Eurofound / EWCS

xx = positive developments 2005-2015

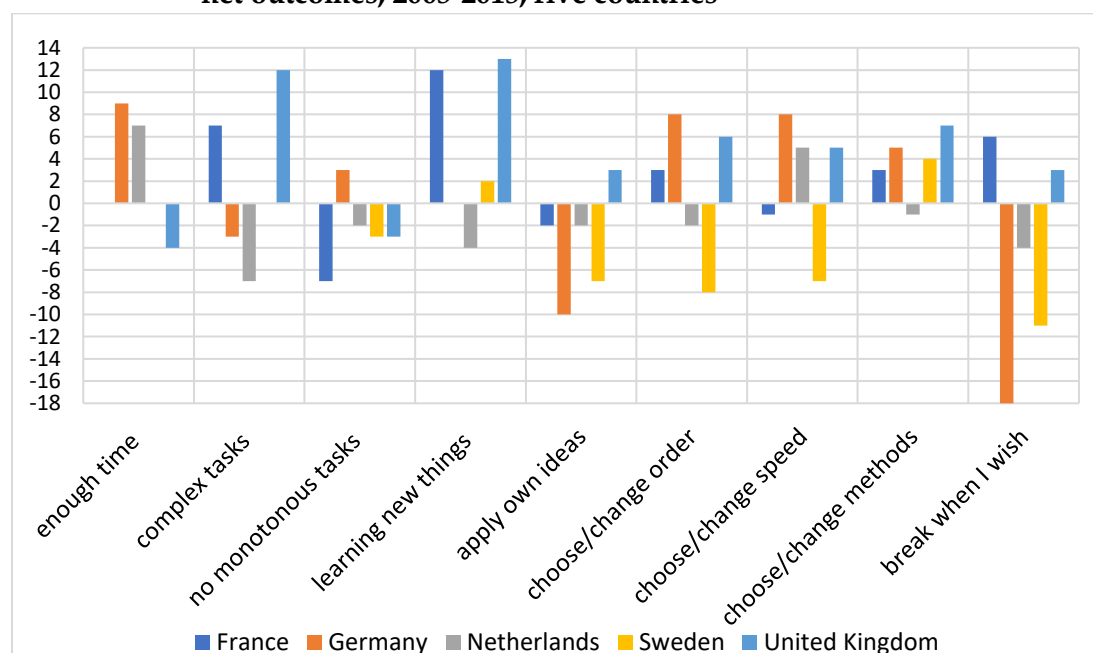
Overall, Table 6.5 provided a mixed and slightly negative picture: 25 of the 55 country cells showed progress between 2005 and 2015, four kept the same value while 26 cells pointed to deteriorating conditions. With seven cells shaded Germany and the UK showed the most positive overall development, followed by France with five and the Netherlands and Sweden each with three cells shaded. Yet, for Germany and Sweden

strong decreases showed up in the shares of respondents stating they were able to apply their own ideas in work and could take a break when they wished. Equally remarkable were the decreases in the shares of Swedish respondents stating they were able to choose or change the order of tasks and the speed or rate of work. By contrast and rather surprising, the Swedish net response regarding control over methods of work was positive.

As the two most right-hand columns of Table 6.5 indicate, the averages for the five countries under scrutiny and those for the EU27/28 as a whole ran in tandem except for the last two indicators. Whereas in the five countries the strongest progress was visible for ‘(able to) choose/change methods of work’, the European average of that indicator stayed the same. By contrast, ‘opportunities to take a break’ at will diminished in the five countries taken together whereas the EU average of that indicator indicated progress.

Figure 6.3 simplifies the presentation by showing the net outcomes for the nine indicators for autonomy and competence development over 2005-2015.

Figure 6.3 Incidence of nine indicators for autonomy and competence development, net outcomes, 2005-2015, five countries



Measure of incidence: see Table 6.4

Sources: 2005: Eurofound 2007: 103 (country data); 2015: website Eurofound / EWCS

Reliable data allowing comparisons of work intensity across EU countries for longer than a decade is scarce. Here the large heterogeneity in the national surveys measuring work-related stress is a major handicap (Broughton 2010: 8-9). For the six countries with more or less comparable data available for the earlier 1991-2005 period, four (Belgium, Denmark, Germany, Spain) showed a continuous growth of work intensity (combining the shares ‘working at very high speed’ and ‘working to tight deadlines’)

but in the Netherlands and the UK work intensity diminished after 2000 and 1995 respectively (Van Klaveren and Tijdens 2008: 173-175; Parent-Thirion *et al.* 2007: 60).

6.2.5 *Physical working conditions*

When exploring the intensification of work, physical working conditions plainly cannot be omitted; they matter both negatively and positively. Working conditions can be particularly burdensome where physical hazards coincide with psychosocially strenuous factors at the workplace. On the other hand, a good physical work environment can help mitigate the negative effects of psychosocial stress (cf. Hassard and Cox 2013, regarding noise). It is no surprise then, that the links bad physical conditions might have with psychosocial stress have indeed been one of the first areas of OSH activity, and was very much to the fore when computers were first introduced for administrative purposes.

In the course of the 1970s, the spread of automation through a growing range of administrative functions gave rise to trade union demands for 'systems development by negotiations' in order to ensure computers could be embedded into organisations in ways benefitting the employees involved. The absence of such negotiations had led to the emergence of rather dismal 'working behind the screens' conditions that had scant regard for the ergonomic characteristics of the computer screens used. Scandinavian unions, supported by researchers and consultants, were the first to point out these issues (Sandberg 1979). They were swiftly followed by their colleagues in the UK, the Netherlands, Germany, and France (cf. Levie and Moore 1984; ARETE 1983). These early warnings were soon vindicated as a growing incidence of repetitive strain injuries (RSIs) and musculoskeletal disorders that characterized the 1980s provided hard evidence of the consequences of poor ergonomic design. One positive outcome yet worthy of note was that workplace design and ergonomics grew into respected and much needed disciplines at a number of technical universities.

Table 6.6 (next page) shows the incidence of nine indicators for physical working conditions derived from the EWCS 2015, based on frequency divisions. We added three indicators to those already used in Table 5.9 in Chapter 5, namely: (are you exposed to) vibrations from tools or machinery; low temperatures, and chemical products / substances. The last row in the new table, based on unweighted averages, shows that construction and transport had the highest level of physical working conditions, followed by manufacturing. As could be expected the other three industries displayed much lower averages. Nevertheless, for all five industries the average incidence of (work involving) repetitive hand or arm movements remained above 50% and for financial and other services that incidence was even higher than the EU28 average. On average the frequency of (work involving) both tiring or painful positions and of carrying or moving heavy loads ended up rather high as well, with construction and transport posting outcomes again higher than 50%. Remarkable too, was the finding that public administration in the five countries showed higher scores on average than the EU28 averages for noise, high temperature and carrying or moving heavy loads.

Overall, the figures suggest that in all industries and for all five countries there is considerable room for improvement in terms of reducing the burden of physical working conditions and curbing the dangers of RSI and musculoskeletal disorders.

Table 6.6 Incidence of nine indicators for physical working conditions by industry, 2015, five countries averaged and EU28

		A	B	C	D	E	5 c. *)	EU28
are you exposed to	vibrations from tools or machinery	35	12	7	44	7	17	20
	loud noise	45	23	14	45	22	27	28
	high temperatures	31	14	13	36	17	22	23
	low temperatures	25	24	13	25	14	20	21
	breathing in vapours	19	6	1	15	5	9	11
	chemical products / substances	23	15	10	21	16	15	17
does your work involve	tiring or painful positions	44	44	31	55	36	40	43
	carrying or moving heavy loads	39	35	15	54	23	31	32
	repetitive hand or arm movements	62	52	63	72	51	61	61
<i>unweight. average</i>	<i>9 indicators</i>	36	25	19	41	21	27	28

Measure of incidence: all items: 1/4 of time or more

Key:

A: Manufacturing Industry; B: Commerce and hospitality; C: Financial and other services; D: Construction and Transport; E: Public administration;

Source: website Eurofound / EWCS

xx = higher than EU28 average per cell

*) industries A-E do not cover total economy

Using the nine selected indicators, we can now examine the development of physical working conditions between 2005 and 2015 for the five countries that concern us most in this book. In this respect Table 6.7 and Figure 6.4 (both next page) show a mixed although on balance slightly positive picture: 23 of the 45 country cells indicated progress, six kept the same value while 16 cells pointed to deteriorating conditions. This picture was also somewhat better than that regarding the development of work intensity and job content in the same period of time, their scores being respectively 25, four and 26.

As regards physical working conditions, Germany with all nine seven cells shaded and some considerable decreases clearly experienced the most positive development in the decade preceding 2015. Following on at quite some distance, were France and the Netherlands with four cells shaded and Sweden and the UK each with three. As regards the indicators in the five countries the strongest progress was visible for reductions in vibrations from tools or machinery, loud noise, and carrying or moving heavy loads: three issues where the EU28 average showed similar or even stronger progress. EU-wide progress could also be noted for four indicators where the 5-country average remained the same: high and low temperatures, tiring or painful positions, and repetitive hand or arm movements. EU member states other than the five we have singled out showed a varied pattern, albeit that for three countries, Italy, Hungary and Romania, between 2005 and 2015 decreases for all of these four indicators between 2005 and

2015 could be traced. It is disquieting though to see the broadly dispersed increase of the scores on (exposed to) chemical products / substances.

Table 6.7 Incidence of nine indicators for physical working conditions, five countries and EU, 2005 (EU27) and 2015 (EU28)

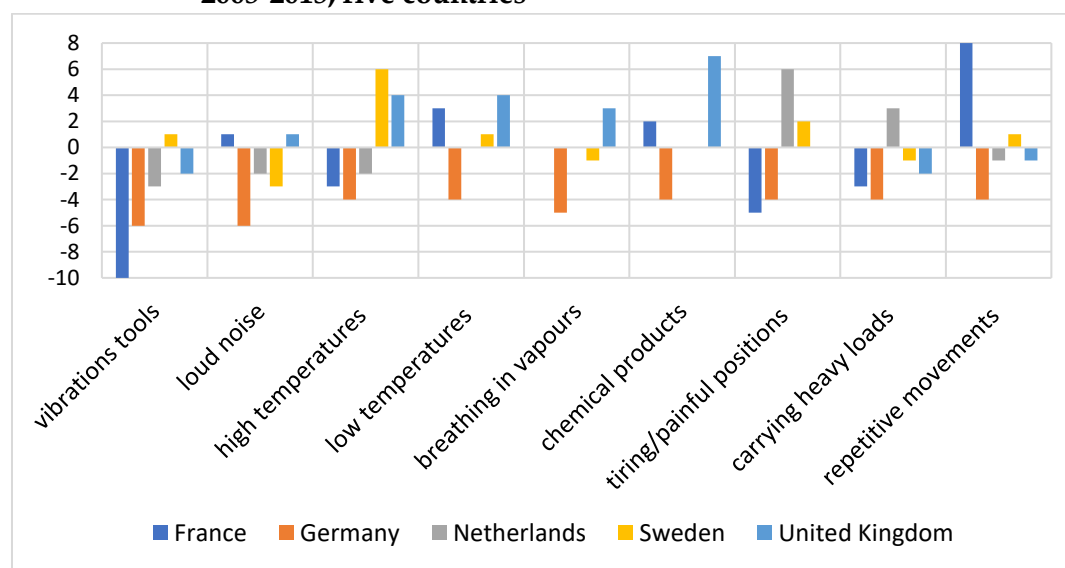
	FR	GE	NL	SE	UK	5 c.	EU27/28
vibrations from tools or machinery 2005	22	29	16	15	15	19	24
<i>vibrations from tools or machinery 2015</i>	19	23	13	16	13	17	20
loud noise 2005	32	33	20	34	24	29	30
<i>loud noise 2015</i>	33	27	18	31	25	27	28
high temperatures 2005	27	24	24	18	16	22	25
<i>high temperatures 2015</i>	24	20	22	24	20	22	23
low temperatures 2005	24	18	17	19	20	20	22
<i>low temperatures 2015</i>	27	14	17	20	24	20	21
breathing in vapours 2005	14	14	7	6	6	9	11
<i>breathing in vapours 2015</i>	14	9	7	5	9	9	11
chemical products / substances 2005	17	16	9	16	12	14	15
<i>chemical products / substances 2015</i>	19	12	9	16	19	15	17
tiring or painful positions 2005	53	46	25	44	31	40	46
<i>tiring or painful positions 2015</i>	48	42	31	46	31	40	43
carrying or moving heavy loads 2005	39	32	22	37	34	33	35
<i>carrying or moving heavy loads 2015</i>	36	28	25	36	32	31	32
repetitive hand or arm movements 2005	61	57	61	64	60	61	62
<i>repetitive hand or arm movements 2015</i>	69	53	60	65	59	61	61

Measure of incidence: all items: 1/4 of time or more

Sources: Eurofound 2007: 103 (country data); website Eurofound / EWCS

xx = positive developments 2005-2015

Figure 6.4 Incidence of nine indicators for physical working conditions, net outcomes, 2005-2015, five countries



Measure of incidence: all items: 1/4 of time or more

Sources: Eurofound 2007: 103 (country data); website Eurofound / EWCS

6.2.6 Job (in)security revisited

We already came across the issue of job (in)security, in section 4.2.5 where we discussed the connection with digitalization, and in section 5.3.1. The EWCS 2015 data allows to clarify some relationships in this respect more generally, notably between workers' experiences and their perceptions of a possible loss of employment versus those of their labour market prospects.

Table 6.8, below, shows that on average nearly one-third of the EWCS respondents had experienced a restructuring or reorganisation at the workplace during the last three years. A remarkably high share was posted by respondents in Sweden whilst respondents in France, the Netherlands and the UK all experienced an incidence of workplace reorganization that was above the overall EU average. However, this did not appear to have undermined their confidence either in keeping their present job, or, of being able to find a new one should the need arise. For example, correlating the statement 'I might lose my job in the next 6 months' with respondents' experience of reorganisation yielded a rather modest correlation ($R=.45$) at country level. More surprising though, was the finding at country level that the 'I might lose...' statement showed a higher correlation with the positive statement on perceived 'good prospects for career advancement' ($R=.64$). This was not at all the case when comparing the 'I might lose...' statement with the other positive statement, 'If I were to lose or quit my current job, it would be easy for me to find a job of similar salary' ($R=.06$). The Netherlands produced the clearest example of outcomes that are far from easy to interpret. With high scores in all three response categories, 'I might lose...', 'good prospects....', and 'easy to find job...', Dutch respondents were perhaps reflecting the laid-back attitudes for which the country has some notoriety. In this respect the picture in Sweden was more coherent, though even here the high share that experienced a reorganisation seemed at odds with the low share confirming 'I might lose...'.

Table 6.8 Incidence of four indicators for labour market prospects, 2015, five countries and EU27/28

	FR	GE	NL	SE	UK	5 c.	EU27/28
restructuring / reorganisation workplace during last 3 years	30	18	33	42	30	31	23
might lose my job in next 6 months	14	10	25	15	13	15	16
good prospects career advancement	37	32	43	35	43	38	39
easy to find job with similar salary	40	39	43	52	49	45	37

Source: website Eurofound / EWCS

xx = higher than EU28 average

On the next page, Table 6.9 takes the statement 'I might lose my job in next 6 months' as the clearest indicator of job insecurity and breaks the responses down by gender, employment (contractual) status, skill level and sector.

Table 6.9 Incidence of positive responses on statement ‘I might lose my job in next 6 months’, by gender, employment status, occupation, and sector, 2015, five countries and EU27/28

		FR	GE	NL	SE	UK	5 c.	EU27/28
gender	male	14	9	24	16	12	15	16
	female	14	10	25	13	13	15	16
empl. status	employee, permanent	8	7	16	9	10	10	11
	employee, other contract	41	28	46	44	27	37	39
	self-employed	12	6	23	13	15	14	13
occupation	high-skilled, clerical	11	10	22	10	11	13	14
	high-skilled, manual	13	9	25	14	11	14	18
	low-skilled, clerical	14	8	26	18	13	16	15
	low-skilled, manual	15	13	27	15	16	18	20
sector	agric., manufacturing	13	10	15	14	15	13	17
	commerce, hospitality	19	10	24	11	8	14	17
	construction, transport	18	8	23	18	12	16	18
	finance, other services	17	9	32	19	15	19	19
	public adm., educ., health	8	10	25	12	13	14	13

Source: website Eurofound / EWCS

xx = higher than EU28 average

It should be noted that the consistently high scores posted for the Netherlands may have been unduly influenced by the questioning in Dutch language. Leaving this aside, the results remain to be of interest. Clearly, men and women experienced job insecurity at virtually the same level. As could be expected, employees with other than permanent contracts showed by far the highest scores. Many of them would anyway have to leave their jobs in the next six months. As for occupational categories, the differences can be seen to be rather small. Although with the exception of Sweden, the highest scores were for low-skilled manual workers, confirming the dominant view from both the literature and trade union circles that this category is most hurt by both automation in manufacturing and by offshoring. Finally, turning to sectors, the highest shares can be seen in finance and other services, followed at some distance by construction and transport. Remarkable is the relatively high French score for the commerce and hospitality sector. For workers in the retail (sub)sector older French research showed a rather close relationship between work-related stress, high labour turnover and absenteeism, and high job insecurity (Askenazy *et al.* 2008). Without further recent research, we can do no more than flag up the possibility that this relationship has actual and also, in France, wider relevance.

6.2.7 Intensification of work: a multi-factorial explanation

In recent years it is plain that a number of socio-economic changes have significantly transformed working life and contributed to the intensification of work in the service sector. Even without a complete analysis, we can identify the influence of a multitude of factors, listed here in no particular order:

- the pressure arising from the widespread corporate compunction to maximise shareholder value through restructuring and downsizing of companies in

which fewer employees are expected to carry out the same (amount of) work in less time but with no loss of output quality;

- the expansion of global value chains into previously untouched parts of the service sector, resulting in growing competition for customers and resources bringing increasing pressure on management and employees to attain higher efficiency levels;
- the refinement of rationalization models similar to 're-taylorisation' in manufacturing that tend to subdivide and specialize work while automating or outsourcing the most routine activities, such practices have led to banks being dubbed 'credit factories';
- the penetration of lean management methods that focus on eliminating 'waste' in work organisations and on 'efficiency battles' aiming to maximise profits in dedicated consumer segments;
- the perceived need for management to introduce auditing and control mechanisms thereby adding to the administrative burden of professional service providers;
- the availability of information technology (IT) and related tools, including the Internet, smartphones and tablets that speed up the circulation of information as well as facilitating continuous monitoring -- placing pressures on employees to respond quickly to questions and issues arising that blur the boundaries between work and private life;
- the spread of target-oriented management in many companies, leading to increasing individualization at work and undermining the social compensations of the workplace;
- continuous customer pressure to buy at the lowest prices possible while increasing the demand for high quality services creating a tension and increasing emotional demands on front-line employees with a growing incidence of stressful and confrontational situations.

In the rest of this chapter we will return to most of these factors, albeit sometimes under different headings.

6.3 Developments in the organisation of work

6.3.1 *Information technology and job quality*

When analyzing the impact of IT on job quality, we have to recognize both the positive and negative outcomes that arise from the way IT is used to support management's technical and organisational choices in both private and public organisations. There are many ambivalent and even contradictory forces at play here for the individual worker to cope with. For instance, increasing access to data and more autonomy can exist alongside more management control and a greater risk of intrusion into private life. This is all highly dynamic and IT continues to influence both the transformation of existing jobs and the creation of new types of jobs.

Combining our experience as labour consultants with assessments from the relevant literature enabled us to shed some light on the possible advantages and constraints IT has brought to the service sector as regards job quality. Most obvious here is the tendency for managers of companies and public organisations to pursue dual and possibly conflicting objectives: on the one hand seeking more automation and streamlining of processes, whilst on the other hand aiming at flexible and agile organisations that allow greater responsiveness and individualization of services.

Tensions between these objectives often generate contradictory outcomes that prove difficult to reconcile in practice. This is frequently apparent in larger organisations where options are simultaneously applied effectively reducing the autonomy of employees on one hand whilst attempting to enlarge it with the other. It is no wonder under such conditions that employees can become confused, disenchanted and demotivated which of course is diametrically opposite to what management have set out to achieve. From a management viewpoint the financial justification may also be questionable. For example, in a study by the major Swedish white-collar union in the private sector the constraints just mentioned, defined as an 'IT muddle', were estimated to have an annual cost to Swedish companies of about Euro 4.5 billion (Unionen 2017).

Scheme 6.1 Consequences of information technology for job quality

Possible advantages	Possible constraints
Access to more information (cloud, big data)	Information overload, 'proceduralisation'
Fluid circulation of information	Process interruptions
Automation of worker-unfriendly tasks	Work intensification
Information storage	Excessive control
Procedural standardization	Isolated workplaces
Activity quantification and modification	Loss of job content
Telework: less commuting	Infringement on private life
Identification of training needs	Worker-unfriendly surveillance, tools, bugs, malfunctions

6.3.2 *Re-engineering: division in sub-processes*

In our introductory chapter we referred to the Business Process Re-engineering (BPR) approach, promulgated by Michael Hammer and James Champy in their influential 1993 bestseller. Significant numbers of managers appear to have taken their cue from the BPR concept. At its most extreme, the concept implies the complete and top-down overhaul and rebuilding of processes. Only then, the argument goes, can an organisation achieve its full potential. BPR has definitely boosted the outsourcing of 'non-core' activities. As noted in Chapter 2, these outsourcing processes have in turn developed into one of the main drivers of change at least in companies of a certain size. The pattern typically manifest in BPR entails activities, conceived in terms of processes, being divided up among different actors. The most routine activities are usually automated, subcontracted or even relocated, while the remaining activities, such as control and error correction, are handled by specialized employees.

However, the knock-on effects of re-engineering, with its strong division into sub-processes, are often far from positive from a business viewpoint. In particular when outsourcing develops into offshoring, the different links in the manufacturing and administrative chains often lose sight of the overall process, leading to a loss of versatility and delays in the value chain affecting the other links. At the same time employees commonly experience feelings that they are losing control of tasks. As a result, the remaining activities are frequently freighted with more complexity that requires greater concentration while the pace of work may also be increasing. Quite a number of examples, notably from the finance sector, have made clear that the subdivision of processes has resulted in a rigid 'proceduralisation' of work organisation with negative effects on employees' autonomy and workload. Case 6.1 (next page) provides an illustration in this respect.

Case 6.1. The impact of relocating back-office activities in banking (France)

For many years, an international banking group was involved in the gradual relocation of its back-office activities. According to the bank's management, one of the advantages of this relocation would be to improve the working conditions of French operators. They would be freed from the constraints of volume variability, since large volumes would be handled offshore which would allow French staff to develop skills related to higher added-value tasks.

Some years later, labour consultants from ARETE assessed the impact this relocation had had on the concerned operators. It transpired that the remaining activities were not necessarily those with high added value, but rather were the most difficult to relocate because of local regulatory requirements and the difficulties of standardizing documents. In the meantime, operators had commonly lost the broad understanding of their job and had become confined to scattered and meaningless tasks. Moreover, the continuous offshore relocation of client relationship activities, which had originally been entrusted to the French employees, resulted in those employees no longer having any identification with the banking profession. This situation led directly to a significant deterioration in job satisfaction. To make matters worse, the processes were not always as fluid as initially planned, resulting in an increased workload. Topping this off was the fact that because they were employees of a subsidiary of a large international group the possibilities for staff to mount any meaningful resistance to these changes were limited.

6.3.3 *Lean management: continuous improvement?*

As globalisation has cranked up competitive pressures, more and more companies have followed continuous change philosophies in pursuit of productivity growth and constant improvements to their cost base. Most notable here, at least in the last thirty years or so, has been the application of 'lean management.' This practice was initially developed in the Japanese automobile industry, in particular by the Toyota Motor Corp. (known as Toyota Production System or Lean Production), before becoming a

worldwide phenomenon with applications in a growing range of industries and services. Despite the existence of extensive literature on the subject, the concept of lean management is not easy to define. Its key components seemingly include:

- promoting continuous improvement and zero-defect production; eliminating unnecessary tasks;
- involving employees in immediate problem solving;
- becoming a learning enterprise through systematic thinking;
- standardizing tasks, and setting up 'just-in-time' delivery structures and processes.

Across Europe, and notably in the service sector, lean management has been deployed differently. To some extent the concept obviously had to be adapted to national corporate governance and industrial relations practices. In France, for example, trade unions have pointed out that in everyday practice lean management was often far away from the original Japanese approach. They have argued that the 'lean' philosophy has frequently been reduced to a search for short-term performance enhancement and rationalisation measures, with a consequent risk of work intensification and job losses. In FNV, the largest union federation in the Netherlands, similar assessments have circulated. FNV officials have emphasized that practices involving employees in problem solving in particular seem to have largely disappeared under lean management regimes. By contrast, Scandinavian unions have taken a more favourable attitude towards lean management. In 2009 the Norwegian union confederation LO, for instance, even participated in the creation of a Forum to promote the lean approach. According to LO Norge, such an approach could be a means to restore the competitiveness of the Norwegian economy after being weakened by the financial crisis. Their idea was to adapt the lean approach to national conditions and have it practised in accordance with the norms of the country's industrial relations system. To this end, LO developed standards for leading consulting firms that advocated the use of lean methods in Norwegian companies.

6.3.4 *The agile organisation*

Whilst the optimization of processes, re-engineering and continuous change are widely considered to be necessary to cope with the vagaries of modern capitalism, they are not seen as being sufficient to ensure the long-term viability of any organisation. Large organisations too often suffer from bureaucracy and slow decision-making and it is to these diseconomies of scale that management innovators have returned their attention. As far back as the 1970s and 1980s we could observe companies attempting to reduce the number of hierarchical levels in their management structures. A so-called 'flat organisation' was said to offer several advantages including better information flows, more flexibility in work organisation and an easier distribution of workloads. At the same time though, it also required employees to be more self-reliant and in many cases this was where the big gaps between theory and practice began to emerge. For example, some companies attempted the creation of a flat organisation by simply

stripping out layers of middle management. They evidently assumed these management functions could either be redistributed, without any attribution, to employees lower down the organisation or, that the functions would continue to be performed by the former middle managers despite having lost the title (and status) of manager. Either practice was certain to demotivate the latter and intensify the work of the former.

More recently, finding ways to shorten the 'time to market', has becoming another managerial holy grail and is commonly cited as a critical competitive factor. It was first observed within the IT sector where companies innovated by implementing a new method for software development called Agile. This promised to combine the advantages of flat organisation with greater flexibility and strong customer orientation based on teamworking with strong autonomy for front-line employees. The Agile method advocates setting short-term goals with projects accordingly divided into several sub-projects. Once the immediate goal has been reached, the next step is completed until the final goal is achieved. This approach is advertised as being more flexible than earlier change approaches as it builds in room for tackling unforeseen events and changes. In addition, it claims to allow adaptation to customer demands throughout the process.

Many companies beyond the IT sector are now looking to develop an Agile-type organisation. Early adopters of the Agile methodology include the Dutch ING bank and Spotify, the Swedish music streaming start-up. Bart Schlatmann, the former Chief Organisational Officer (COO) of ING observed that: *"Agility is about flexibility and the ability of an organisation to rapidly adapt and steer itself in a new direction"*. Interestingly enough, Schlatmann emphasized that according to the Agile methodology ING's direct competitors (other banks) were no longer regarded as the main benchmarks. He referred in this regard to Amazon, as *"the behaviour of clients is actually set by digital innovators"* (website INSEAD Knowledge). The dangers inherent in following this Agile road, despite the potential for increased job quality of some front-line workers, is the equal likelihood that other banking staff will be plunged into a race to the bottom in terms of wages and job quality as exemplified by the gig economy: see below, for our section on that subject.

6.3.5 *Sophisticated work control*

Whilst the monitoring of employee activity has always existed, current IT tools allow management to control not only the quantity an employee produces but also *how* he or she does it. The employee is thereby bound not only to produce but also to follow the work procedures prescribed by management. The results of such activity control can be remotely accessed in real time and at any organisational level. For those within the managerial hierarchy, it is plainly an effective way to see what is happening 'on the ground' – which, in view of the complexity of many large organisations, has not always been easy. However, for employees this type of remote monitoring has given

rise to the perception that they are constantly being spied upon. For organisations trying to build and sustain better trust relationships with their employees this is not a good outcome.

The counter-arguments management put to employee representatives frequently emphasize that monitoring data can be used in a positive way, for example, to better identify employees in difficulty or those in need of additional training or support. Detailed activity statistics are also said to allow local management to create a more equitable distribution of work. Having said that, it is also clear that quantitative data are often used to justify cuts to activities seen to be 'non-profitable' in order to increase work efficiency. Such practices frequently result in the decrease of recovery and collaborative time, ending up in the intensification of work. After all, the fact remains that many employees suffer from a feeling of excessive supervision that pressurizes them to increase their work pace and focus more intensely on the way work is handled.

The development of remote workplace monitoring can also reduce the autonomy of local managers who find themselves increasingly having to justify themselves to higher management levels. These factors to a considerable extent can undermine approaches using Agile methodology. Moreover, organisational policies which emphasize the continuous monitoring of individual tasks tend to erode the sense of collective effort. As far as job quality and employment relations are concerned, this is not a trivial issue since it is at the collective level where social support and interactions between workers are at their most effective and may be at the basis of collective interest representation.

Case 6.2. Salespersons, agenda and work control (France)

The company has long been a leader in the business of selling advertising space, initially in the telephone directory and currently (mainly) on the Internet. It operates throughout France. For a long time, the company flourished and its employees enjoyed an elevated status. However, management were slow to anticipate the advent of digital technology which subsequently weakened the company's position. It also more or less lost its monopoly position and was close to filing for bankruptcy. Management took refuge in several reorganisation and restructuring projects, which were accompanied by 1,000 dismissals. Finally, a major modernization project was presented aimed at introducing a CRM (Customer Relationship Management) system. This involved a complete overhaul of the IT system, the organisation of work and work methods as well as the status of employees. All employees were affected but salespersons in particular were required to make a major change. Up to this point sales staff had enjoyed a decent measure of autonomy and to a large extent had been in control of their own work organisation.

This was the context in which all the CHSCTs of the group's branches throughout France requested ARETE to analyze the effects of the proposed IT system in terms of organisation and working conditions. Among the sales staff the debate quickly focused on the impact the CRM project would have on their work planning. It became

a symbol of their loss of autonomy. Until then, their agendas or schedules were personal tools which went largely unseen by those higher up in the managerial hierarchy. However, the project put an end to all this with the introduction of a shared electronic agenda, which was, by definition, visible to all. The expert's report highlighted the sales staffs' fears and questions, notably: would the use of CRM be mandatory or not? To what extent would sales people retain control over their agenda in the future? What risks might be associated with the use of CRM, the concern here was about the questionable use of individual statistics? Sales staff were not only reluctant to accept the introduction of the shared electronic agenda because of the feared loss of autonomy but also because they felt that the tool was incompatible with the nature of their activity. Given their frequent car journeys for work, the paper agenda was important: *"To make an appointment on the phone, nothing is more convenient than a paper agenda. I immediately have an overall view of my schedule and I can quickly write down information,"* one mobile salesperson observed.

Though significant for the salespersons, the agenda itself was only a limited issue in the strategic IT project, as the ARETE consultant's report acknowledged. Faced with the opposition of the salespersons though and given the importance of the introduction of the project as a whole, management decided to remove the mandatory use of a shared schedule. This was a small victory for the salespeople though it was uncertain how long this situation could hold particularly as the viability of the company itself had been the subject of much speculation.

6.3.6 Call centres

Call centres are examples par excellence of the adoption of sophisticated IT-based controls of work flows and tasks. Since their first appearance in the mid-1980s, they have been recognized as workplaces where advances in digitalization have allowed employers to deploy algorithms to rationalize and control workers' interaction with customers. This holds true for both inbound (customer services) and outbound (telemarketing) calls. The deregulation of national markets for utilities, telecoms and financial services in the EU has been a major impetus for the expansion of call centres. Their development as an important source of employment in the 1990s serving an even wider variety of industries (including transport and tourism and public services), has thoroughly transformed administrative and front-line sales jobs. As call centre work is rather 'footloose' it also prompted relocation, outsourcing and offshoring.

Relocation was initially pushed by governments like those of Sweden and Germany who regarded call centres as assets for regional development. Offshoring usually involved 'nearshoring' to CEE countries and Ireland. Such spatial decentralisation was also related to contractual and numerical flexibility, linked to the fact that most call centres were '24/7' businesses operating year-round. Thus, a considerable amount of call centre workers operates in shifts with part-time working and temporary contracts, notably in Germany, the Netherlands and the UK accounting for between 25 to 50% of

their workforce. It should also be noted that call centre employment in the five countries we are particularly concerned with, was skewed towards young women aged under 30 who made up between 60 and 70 % of all call centre employees.

Already by the turn of the century, the integration of telephone, software, and data retrieval in CRM applications meant the call centre ‘industry’ had reached technical maturity. By then, it had become a focus of interest for EESUN embracing the individual assignments of EESUN members as well as the four joint seminars and other forms of knowledge exchange EESUN facilitated. In the course of the 2000s EESUN members took part in a number of related research projects such as a multi-country project including Sweden, in which customer service was one of the selected business functions (Meil *et al.* 2009), and a five-country project on low-wage work covering four of ‘our’ five countries (Denmark replacing Sweden) with call centres as one of the five industries studied (Van Klaveren and Sprenger 2008; Lloyd *et al.* 2010). The authors have drawn on these projects as well as on the experience they gathered as labour consultants.

Research outcomes and consultancy experience confirmed that the new forms of customer interaction focussed on high-volume, low-cost solutions inevitably put wages under pressure, particularly where tasks were outsourced to subcontractors’ call centres. Across countries the percentages of call centre workers employed by the latter varied widely, from about 50% in Germany in 2004-05 to about 10% in the UK. In the five countries that concern us the most, subcontractors paid hourly wages 7 to 25% lower than the in-house centres did and call centre wages were already mostly below the national median wage.

Two explanations for these differences can be adduced. First, as a rule the ‘independents’ were less embedded in national industrial relations structures and hence less covered by collective labour agreements (CLAs) that specified decent pay scales. Second, because parent companies outsourced the most routine activities, in-house centres tended to offer more jobs with higher levels of discretion, less use of scripted texts and less IT monitoring. Examples of the latter, even involving efforts to redesign and enrich jobs, could be seen in France and Germany but less so in the Netherlands and the UK. It seemed that the majority of Dutch and British call centres adhered more slavishly to a Taylorist form of work organisation where the segmentation of work flows was split into low-discretion tasks. Nevertheless, even here managers and employee representatives were frequently tasked with the need to find sustainable solutions to ameliorate the tension between low-cost servicing and customized approaches that characterised much of call centre activity (See Case 6.3 below).

It remains to be seen whether the differences across countries will survive in the 2020s. In the course of the 2010s the advance of Internet sites presenting ‘FAQ’s’ to customers, the increasingly multi-channel approaches of CRM and stricter official (and since 2016 through the GDPR Europe-wide) privacy rules have all changed the composition of traffic, reducing the share of outbound calls to some 10 to 20%. By contrast, customer complaints seem to account for an ever-growing share of inbound calls. These trends

may coincide with higher levels of work-related stress and an overall deterioration in job quality. Recent information on labour turnover rates and perceived work-related stress levels derived from trade union contacts suggests that in all five countries a clear majority of call centre employees are currently inclined to leave their jobs after one to two years of duty, often citing the mental strain involved.

Case 6.3. A mortgage bank going its own way (Netherlands)

The board of a large international bank decided that the mortgage bank it had acquired some years earlier had to be integrated into the greater whole. This meant integration of the mortgage banks' call centre into the large overall call centre. This was easier said than done, in particular as parts of the administrative processing of mortgages proved to be not well documented. In the mortgage bank a working group was installed to improve documentation and to re-design mortgage processing where needed.

The Works Council of the mortgage bank, supported by an STZ labour consultant, succeeded in having the activities of the working party included under its duty to provide advice while one councillor was appointed as a working party member in his own right. Discussions focused on the composition of the new input and assessment teams and the resources needed by three groups, namely: all-rounders, the lower skilled and higher-level specialised employees. Management representatives in the working group were less optimistic than the rank-and-file representatives about the potential of the incumbent workforce to contribute enough all-rounders and specialists. According to the rank-and-file representatives this followed from management underestimating the tacit knowledge of large parts of the staff. They argued convincingly that dismissing some existing staff and hiring highly-educated-but-not-yet-trained individuals such as students, would be both costly (severance payments) and risky (too many initial faults).

Finally, the proposal from the working party for a new organisational structure including training programmes for incumbent staff, was accepted by the mortgage bank's management and got the consent of the Works Council. However, the management of the parent bank's call centre at that point came up with objections. They argued that the newly designed structure and process were too specific and would frustrate the future integration into the central call centre. They obviously preferred a stronger division of labour and more specialist teams which fitted in with their rather Taylorist call centre concept. The mortgage bank management reacted by emphasizing the bank's strong market position and high client ratings. They also pointed to a number of misunderstandings in the parent bank's reaction. It was agreed to discuss the points of contention in a one-day joint seminar of the two management teams. This seminar, jointly chaired by the STZ consultant and a management consultant, together with some follow-up talks cleared the air. Basically, the structure and pro-

cess designed in the mortgage bank were accepted and that bank got the room to operate relatively independently. This was to last for another 13 years until, in the aftermath of the banking crisis, the mortgage bank was dissolved.

6.3.7 *Always connected?*

One fairly recent consequence of the advance of IT has been the blurring of the distinction between private and professional time as work has increasingly spilled over into private life. The increased penetration of IT through Internet advances, the smart phone, laptop and tablet have all speeded up the circulation of information and intensified administrative processes in large parts of the service sector. As a result, employees' workloads have tended to increase in line with expectations they will use these technologies to the utmost, in particular to provide answers to all possible questions and issues as and when they arise. Clearly, the concept of a good work-life balance has come under pressure from such developments. Just one survey result may suffice to illustrate these worries. The EWCS 2015 outcomes showed that working in one's free time was associated with a poor work-life balance. While in the EU28 only 14% of the group *not* working in their free time reported difficulties with that balance, the comparable figure for those who worked in their free time on a daily basis came out at 39% (Eurofound 2017: 61).

A French survey as of 2018 presented further proof that a growing number of employees found it difficult to reconcile work and private life 'because work always infringes in the private sphere'. By then, 35% of the employees questioned answered in this way against 27% in 2009. According to the same 2018 survey, 51% of higher staff said they regularly checked their work emails when away from work, some 10% more than indicated in the 2013 survey edition. Nearly half of respondents in the most recent survey agreed with the statement that 'even during their holidays, one remains reachable'. However, 32% of all (20% in 2013) answered they were worried about the 'porosity' between the world of work and private life (Malakoff Médéric 2018: 11). Obviously, out-of-hours emails and checking phones and tablets for these and messages from Whatsapp and other messaging applications has become a compulsive act for many employees -- not just the higher ranks of managers. Moreover, this is definitely not only to be found in France. For example, according to the 2018 National Survey on Working Conditions in the Netherlands 47% of all employees were 'always' or 'mostly' reachable outside working hours; for managers this share was 76% and for those with a pedagogical occupation 61%. Remarkable also was the fact that lower educated respondents, with 26% posted a higher score in this survey than did the higher educated (20%) to the question of whether they were 'always' reachable (website CBS). Ultimately, the obvious work-life question arises: should one always be connected?

In France, the right to disconnect, that is to say, not to answer professional emails outside office hours, was included in the Labour Code in January 2017. The article in question in the so-called El Khomri law left the responsibility to the social partners to negotiate the application of this principle at company level. In organisations with more

than 50 workers employers must ensure their employees have the possibility of disconnecting from communication tools and should implement work and rest-time tracking tools. In turn, employees need to be fully disconnected from work during their rest periods and employers must forego any reproach over this disconnection time. As a result, several agreements or charters of good conduct have been concluded. It remains to be seen whether such arrangements can reduce employee concerns such as those cited above.

Across Europe, firms have initiated their own 'disconnection policies'. For example, the French tyre manufacturer Michelin has installed a tool for monitoring electronic behaviour. Employees who send mails late at night or during the weekend are reminded of their right to disconnect. In 2011 the German car manufacturer Volkswagen went one step further. Following complaints that the work and home lives of their staff were becoming blurred, the Volkswagen management agreed to stop its servers sending emails to most employees (not senior management) when they were off-work. The agreement was concluded with VW's Works Council. Under the arrangement servers stopped routing emails 30 minutes after the end of employees' shifts, and then started again 30 minutes before the return to work. In Germany other 'disconnection' regulations have been arranged at BMW, Daimler, Puma and the federal Ministry of Labour. Throughout Europe similar ideas were raised in other companies but measures were often considered to be too drastic. A main counter-argument has been that higher placed managerial staff should be left free to manage their own working hours.

6.4 A rupture in the unity between time and location

In the last three decades a number of developments have revealed a rupture in the unity between the temporal and physical location of work, with potentially adverse consequences for job quality for those working in and outside of classical organisational settings. In the course of the 1990s telework, partly driven by the trend for 'open (space)' or 'flex' offices attempted to replace personal with communal ('hot desking') office space. This was perhaps the first sign of this rupture. The recent rise of the 'gig' or 'platform' economy building on advanced IT infrastructures is a second-stage manifestation of this change, the effects of which on job quality, wages and employment relations are still to be fully recognized.

6.4.1 'Open space' or 'flex' offices

From the 1970s on, the advance of information technology (IT) has played a key role in the development of forms of flexible work organisation using 'open (space or plan)' or 'flex' offices. In all five countries we came across these innovations in banking and insurance companies and more recently also in government organisations. They have all implemented flex office concepts in attempts to optimise the occupation rate of offices. In the absence of personalized office spaces or workstations, employees are expected to move around 'hot desks'. A combination of factors has driven this development, namely:

- economic challenges deriving from the rising cost of real estate in most cities. Thus, reducing and optimizing work spaces and rethinking office layouts has become a pressing issue for many managers;
- organisational policies that seek to ensure that new workspace designs create and facilitate exchanges of views between divisions and departments and, more broadly, between employees;
- 'image goals' that aim to use new workspace design to boost the organisation's attractiveness as an employer.

Several studies have confirmed our experience as labour consultants that 'open space' and 'flex' workplaces carry with them a range of health risks arising from ambient noise, weariness, concentration difficulties, and the feeling of being overheard or observed. In particular medium-sized and large 'open space' offices, containing 10 or more employees, scored high on these risk factors – outcomes that were rather independent of age, gender, hierarchical level and sector (for example Bodin Danielsson and Bodin 2009). Working in these offices was also associated with relatively high sick leave rates (Pejtersen *et al.* 2011; Bodin Danielsson *et al.* 2014). In the 'hype' accompanying the creation of these new offices, the functional requirements for 'good jobs' have been seriously neglected. After summarizing a large number of studies in this field, prominent US authors characterized the 'open office' trend as the 'the open-office trap' (Konnikova 2014) and emphasized "that the benefits of open office design for collaboration are typically offset by myriad distractions and possibly even health concerns" (Burkus 2016). The Swedish case below indicates practical problems and possible solutions regarding working in 'open spaces'.

Case 6.4. 'Free seating' in an open space environment (Sweden)

In a large IT company office where employees undertook development work, marketing and customer support, corporate facility management had initiated a cost-saving strategy that included the introduction of 'free seating'. This was done simultaneously with the closure of an adjacent office and moving some employees. The considerable union opposition to this highlighted the negative consequences for the resulting work environment such as hearing difficulties, lack of concentration, and not enough 'silent rooms'. Development work which needed concentration and close cooperation in teams (agile work) was seen to be an especially problematic area where free seating would be counter-productive. Time study consultants came in as to measure the frequency of 'empty seats'. This led to a union initiative where union members were encouraged to hang their coats and jackets over their chairs in order to imply the seat was taken and could not be counted as empty. A test with free seating in one department was carried out. Whilst the evaluation did not offer any direction for future development it was clear that the pressure from corporate headquarters was not going away.

The unions called upon ATK as a labour consultant, who undertook research on the matter and interviewed workers and occupational safety and health (OSH) representatives involved. ATK's report suggested a more diversified strategy with measures to improve the acoustic environment, increasing the amount of quiet rooms close to the open space, and the avoidance of free seating for agile teams. After negotiations most suggestions were taken up by management. The labour consultant's recommendation to create a joint steering committee to monitor and decide on layouts and OSH measures was accepted as well. ATK also called into question how a worsening work environment might influence the need for employees to work from home. However, both unions and management were reluctant to discuss this issue and there was no agreement on how and when telework would be implemented. In part this appeared to be a reluctance to discuss how the responsibility for occupational safety and health and linked insurances for work from home could be arranged. By default this was considered a matter between the line manager and the individual employee.

6.4.2 Telework

After a first appearance in the 1990s, the incidence of telework has evolved considerably, as Table 6.10 and Figure 6.5 (both next page) indicate. If we start by looking at the incidence of 'persons usually working from home' as a reasonable proxy for teleworkers, we can see that by 2010 France and the Netherlands became the forerunners with proportions in this grouping reaching 11% of the total employed in 2010 -- though thereafter the French figures decreased while the Dutch continued to increase. This form of telework remained less widespread in the other three countries with 2018 shares oscillating around 5%. However, the picture changes if we include occasional teleworkers, in statistical terms 'persons sometimes working from home'. This category accounted for the majority of all teleworkers. The UK appeared as the early leader here, only recently surpassed by Sweden and the Netherlands. In the latter country, around 2000 the example of an insurance company combining an open office architecture and 'hot desking' with policies of actively stimulating teleworking gained significant public attention (Van Klaveren and Tijdens 2003: 10-13).

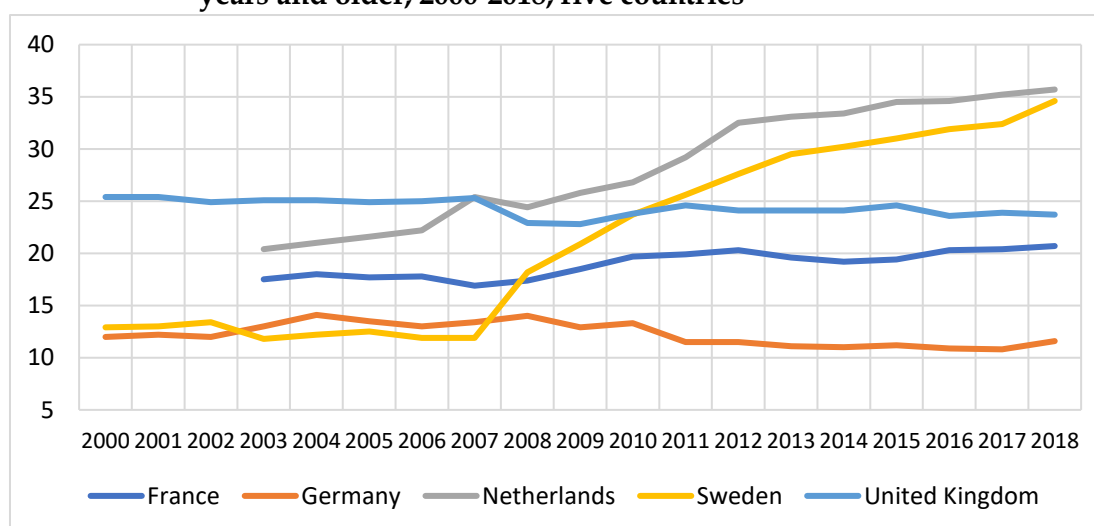
Table 6.10 Teleworkers (persons working from home) as a percentage of total employment, 15 years and older, 2000-2018, five countries and EU28

	frequency	2000	2005	2010	2015	2018		
		TOT	TOT	TOT	TOT	TOT	M	F
France	usually	4.0	10.4	11.0	7.2	6.8	5.5	8.3
	sometimes	x	7.3	8.7	12.2	14.1	15.3	12.8
Germany	usually	4.4	4.2	3.5	3.2	5.3	5.2	5.3
	sometimes	7.6	9.3	9.8	8.0	6.3	7.7	5.3
Netherlands	usually	6.0	7.1	11.2	13.8	14.3	16.0	12.5
	sometimes	x	14.5	15.6	20.7	21.4	20.6	22.4
Sweden	usually	4.8	3.5	4.8	5.1	5.6	6.1	5.1
	sometimes	8.1	9.0	18.9	25.9	29.0	29.9	26.7
United Kingdom	usually	2.7	3.0	3.2	4.3	4.9	4.2	5.6
	sometimes	22.7	21.9	20.6	20.3	18.8	19.1	18.5
EU28	usually	x	4.6	4.9	5.0	5.2	5.1	5.4
	sometimes	x	8.4	8.0	9.8	9.8	10.2	9.3

x = no data available

Source: Eurostat lfsa_ehomp

Figure 6.5 Teleworkers (usually & sometimes) as a percentage of total employment, 15 years and older, 2000-2018, five countries



Source: Eurostat lfsa_ehomp

In 2018 in the Netherlands and Sweden around one-third of all employed could be categorized as teleworkers in one form or another. They were followed by the UK with nearly one quarter and France with over one-fifth of all employed. Germany lagged behind with just 12% teleworking and hardly any recent growth in this category. The gender composition shown by the two most right-hand columns of the table reveals a diversity of experience. Both categories of telework were more marked among male Swedish employees. In France and the UK, females were more inclined to usual telework and men to occasional telework while the opposite was the case in the Netherlands. In Germany a larger share of men could be found in occasional telework whereas the gender shares in usual telework were about equal.

‘Usual’ teleworking took off as a result of pressures from three groups:

- potential teleworkers wanting to avoid commuting and to reconcile work with domestic chores;
- European and national authorities aiming to bring down traffic congestion but also supporting employment in remote areas, and
- IT suppliers and telecom providers.

With many telework applicants, discussions in organisations concentrated on the ‘teleworkability’ of functions. ‘Trust’ and ‘control’ proved to be the key issues here, with employees wanting to work from home (and HR officers allowing this) repeatedly meeting resistance from top and line management. Research showed that the greater the hierarchical distance between management and potential teleworkers, the less likely were management to agree to telework practices. In the end, building trust and getting rid of ‘control reflexes’ proved crucial for the expansion of telework (Van Klaveren and Tijdens 2003).

Job quality problems have not been reduced by the growth in *occasional* teleworkers, nor have concerns with work-life balance. In fact, the EWCS 2015 showed that in the EU28 23% of survey respondents in this category reported having a poor work-life balance, as against only 18% of the rest of the workforce. Overall, according to the Eurofound survey, both categories of teleworkers jointly experienced greater work intensity but more autonomy at work and better career prospects (Eurofound 2017: 87). It remains to be seen whether the ‘greater work intensity’ result would persist if ‘usual teleworkers’ were isolated here. Quite a lot of research has indicated that such workers showed rather high scores on job quality, notably recording less fatigue and work-related stress while attaining relatively high productivity levels. A caveat should be added here that teleworkers deploying more than half of their working hours at home often experience problems, in particular through a deterioration in their relationship with colleagues at the formal workplace and in connecting with employee representatives (Eurofound / ILO 2017).

6.4.3 *The gig economy*

The recent growth of the ‘gig’ economy can, in large part, be regarded as a next step in the development of telework albeit that this ‘new digital economy’ has some features that deserve special attention. In our view its development fuels the broader shift towards more precarious labour and may also lead to a further intensification of work. The business model that underpins the gig economy has emerged as a result of the conjunction of several IT developments, namely:

- the increasing availability of high-speed Internet access including the growing power and accessibility of cloud and big data computing;
- the related decrease in the connection costs of digital technologies;
- the development of authentication systems, and
- the proliferation of online payment systems.

All of this has enabled digital platforms to deploy complex interactions between the provider or client and the consumer or worker.

In the late 2000s the leading online platforms reached technical maturity. Digital labour platforms⁵ allowed organisations or individuals ('requesters' or 'clients') to gain access through the Internet to other organisations or individuals to solve problems with the supply of services or products in exchange for payment. Such platforms started to outsource tasks either to an undefined crowd or directly to individuals. Emblematic in this respect are Amazon Mechanical Turk (AMT or MTurk), Clickworker, Upwork and Testbird, all of whom break down jobs into tasks to be performed in 'microtasking crowdwork' in areas such as web development, software testing, data replication, translating, data-based research, design and other creative tasks. In the course of the 2010s these crucial technologies trickled down and helped create a second category, providing tasks to *selected* individuals. These platforms strengthened the trend to outsource tasks to self-employed workers that could be observed in an ever-increasing range of industries, occupations and tasks, including 'real-life' tasks such as elderly care, childcare, household tasks, and maintenance work.

Algorithmic management of the workforce is a defining feature of not only of digital labour platforms, but also of 'location-based' platforms directing workers to deliver local services. Examples of the latter can be found in taxi transport where Uber has established strong market positions in a number of European countries. Similarly, in food delivery Deliveroo, Just Eat and Uber Eats have all come to the fore, and in house-keeping services Helpling and care.com have emerged as significant players. In the case of Uber the most transformative innovation is the automation of the taxi dispatch role through algorithms. Another common feature of digital labour platforms is the use of trust-building mechanisms. For this, they mostly deploy reputation-rating mechanisms whereby customers rate individual workers. Higher ratings are associated with higher prices and more transactions. Equally, a low customer rating, for example, of an Uber taxi driver, may well reduce that driver's chances of picking up customers. The negative consequences for workers of these instant and unregulated feedback mechanisms are hardly mitigated by the low entry barriers to many gig economy jobs. Overall, the gig economy relies less on formal qualifications and formal recruitment but much more on control through the use of algorithms (for characteristics of the *gig economy*: Valenduc and Vendramin 2016; Wobbe *et al.* 2016; Berg *et al.* 2018; Eurofound 2018).

6.4.4 *The gig workforce*

It is not easy to assess the size and characteristics of the *gig workforce*. Not all registered workers are regularly active whilst an individual worker may be simultaneously registered on several platforms. It is no surprise then that estimates of the share of the wage-dependent workforce performing 'weekly' or 'regularly' tasks on web-based labour platforms vary. For the five countries highlighted in this book, estimates ranged

5 We have left out platforms where the main traded 'good' is not labour, such as eBay and Airbnb; work mediated by agencies, and activities in the social-oriented collaborative economy such as crowdfunding and all kinds of lending activities.

from 1 to 4.5% of the total workforce of 107 million in 2018. Currently a magnitude between 5 and 6 million people seems most likely. Recent research indicates considerable variation in age, educational background, personal situation and motives for taking on platform work. Young people, below the age of 35, remain overrepresented but the share of workers over 50 seems to have increased to between 15 and 20%. Most figures on gender indicate that on web- and location-based platforms men accounted for 60 to 80% of all jobs. It is also significant that in 2017, 54% of 200 platforms operational in the EU28 required low skills, 20% low to medium skills, and 10% medium to high skills. Two types of motives to perform platform work were most prominent in surveys: on the one hand flexibility required for personal reasons and on the other, the wish to earn money in order to supplement one's income (data overall: Eurofound 2018 and OECD 2019; on skills: Fabo *et al.* 2017; on income: Spencer *et al.* 2018).

The development of the gig economy has been seen by some commentators as heralding potentially positive effects for employment whilst providing opportunities to integrate people existing beyond even the periphery of the labour market. However, closer scrutiny reveals that the effects are mixed in terms of labour market segmentation and job quality. The risk that vulnerable parts of the workforce --in particular young, low-skilled and migrant workers-- could be confined to precarious jobs with reduced social protection is an increasing reality for many in the gig economy. In a sample of platform workers covering four of our five countries (not France), just over a half in Sweden and a third in the Netherlands were located in the lowest one-third bracket of the income distribution. Moreover, various surveys and reviews have confirmed that the *hourly* earnings of considerable shares of these workers remain very low forcing them to work long hours to gain a decent income from platform work.

In addition, nearly all of those working either for web-based or for location-based platforms have to accept a self-employed status, meaning that they alone are responsible for pension contributions and premiums for sickness and disability insurance. Because platform workers are often in arrangements that can be discontinued without notice or explanation and offer no guaranteed volumes of work, overall earnings tend to be low even when the tasks themselves are relatively well paid. It should come as no great surprise that recent research has linked the insecurities that characterize work and payment in the gig economy with high stress levels among platform workers (Eurofound 2018; Berg *et al.* 2018; Spencer *et al.* 2018; reviews on website Fair Crowd Work; on work stress: EU-OSHA 2017).

As a trade union publication states, “‘Algorithmic management’ (...) allows these platforms to increasingly track and discipline workers, in many cases circumventing or flouting existing labour and health and safety regulations, to the detriment of platform workers’ social protection” (Van Daele 2018: 5). It is clear that by working for *web*-based platforms workers compete with thousands or even millions of low-paid workers across the world. This, in effect, puts rewards for low-skilled tasks that range much wider than the current size of the gig economy under particular pressure. Such pres-

sure can impact negatively on wage rates and job quality in ‘adjacent’ economic activities -- that is, in basically any activities where administrative, IT and creative jobs can be broken down into micro-tasks. Tasks requiring specialised skills appear to be less at risk in this global race to the bottom. The prospects for workers related to *location*-based platforms also seem somewhat better but here developments over time need critical scrutiny. For example, Uber uses dynamic pricing when starting up in a city to attract a critical mass of both customers and taxi drivers but over time growing competition among drivers is likely to put their fees under pressure (cf. Schwellnus *et al.* 2019; also ETUC 2019).

Overall, the conditions summarized here raise many questions about the employment status of workers in the gig economy and the rights they can exercise. A main line of defense platform operators is prone to repeat regarding their responsibility and accountability is that they act simply as an intermediary. In so doing they avoid the role and responsibilities of an employer. This has been contested notably by Uber drivers in a growing number of court cases. The main legal issue here is the self-employment status of gig workers. Outside of litigation, the possibilities for collectively representing workers caught up in the gig economy seem limited although a number of interesting workers’ initiatives have emerged such as ‘platform cooperatives’, grass-roots unions, and union-affiliated guilds (cf. Van Daele 2018).

6.5 Shaping the consequences: change management

6.5.1 *Endangering change: understaffing*

Technological change has developed into a more or less constant feature within companies, the pace and quantity of which creates fragile situations for many of the workforce involved. As stated, our joint experience as labour consultants shows to a considerable extent that the way the change process is implemented frequently determines its success. Thus, in shaping the consequences of the advance of IT in work organisations, socially responsible change management is absolutely essential. Hereafter, we highlight two recurrent problem areas associated with IT and change, namely: understaffing and the poorly planned introduction of technical tools.

Currently, understaffing is one of the main challenges facing employees in both the private and public sectors. It is more than likely that the high scores we encountered in section 6.2 for outcomes such as ‘working at very high speed’, ‘working to tight deadlines’ and ‘not enough time to get job done’ can in large part be ascribed to the mismatch between staffing levels and workloads. It is the common experience of the authors that poorly managed reorganization processes are often rooted in the widespread managerial misapprehension that reorganization and related change processes especially combined with greater digitalization will result in rapid productivity gains. In section 3.4.2 we already questioned the evidence underpinning this assumption for the public sector. Indeed, by contrast we have learned in general that even well-managed and rather modest change processes generally only begin to yield productivity gains and labour savings after some three or four years.

Related experience also suggests that attempts at reversing any imbalances between staffing levels and workloads once they have been established, often meets considerable resistance from middle management in particular. The resulting long periods of understaffing clearly have a negative effect on job quality. Such elements are often connected with regular and long hours of overtime working which in itself has negative effects on job quality, work stress and a worsening work-life balance. Across the five countries studied for this book, we can see that structural understaffing has recently occurred in many parts of the service sector, for instance in health and social care, retail, and in fast food restaurants.

The analysis of workloads and the construction of appropriate staffing levels are complex exercises, and a number of factors need to be taken into account as shown below in the French banking case. In the service sector a mismatch between staffing levels and workloads often emerges as a double-edged sword. It brings not only the risk of fatigue, work stress and demotivation among employees but can also create a 'cascade' of negative organisational effects damaging the quality of customer service, including:

- increased waiting times (on counters, in waiting rooms, on the phone);
- risks of creating customer discontent and incivility related to long waiting times;
- risks concerning the speed and care with which customer requests are processed;
- stricter management of working time including limiting breaks for the employees.

Case 6.5. A problematic workload assessment within a bank network (France)

For several years employee representatives at branches of a large bank had been drawing management's attention to increased work stress and high sickness rates caused by problems reaching prescribed work targets. The debate focused on the number of appointments to be carried out each week. Opinions on this matter diverged strongly between management and employee representatives. For the Sales Manager at the national level, the workload for network employees was deemed to be both acceptable and manageable despite the complexity of commercial activity in the branch office. According to employee representatives, management did not take into account the conditions that made day-to-day tasks more cumbersome. The representatives argued that work-related stress was resulting from a gap between the theoretically calculated time to fulfill a particular task and the time actually required. No results emerged from these discussions. Faced with this stalemate, the Works Council (CE) unanimously mandated the Health, Security and Working Conditions Committee (CHSCT) to commission an assignment, and subsequently called on the ARETE labour consultancy to do the job.

The ARETE consultant produced the following findings. First, salespeople did indeed have a heavy workload. The working hours of a branch manager varied be-

tween 45 and 60 hours, with an average of around 50 hours per week. Branch managers were under a lot of pressure and had only limited powers. It tended to be a solitary position, and seemed to suffer from a loss of prestige and attractiveness. For client managers and advisors, working times fluctuated between 8 and 11 hours per day. A second set of findings concerned the weakened position of some employees. The assignment identified a small minority who were in real difficulty. Contrary to a preconceived idea, these were not necessarily employees with strong seniority. This, in effect, showed that the employer's ability to detect vulnerable employees and then deal with their problems was the real challenge.

ARETE's findings and recommendations were discussed within the CHSCT and their analysis managed to bring the disparate points of view closer together. As a result, management made several commitments including: improving the HR system; promising additional resources from experts on administrative matters to relieve the agencies' sales teams; better replacement in case of absence, and additional support for employees in difficulty. On other points though, commitments remained very limited as the bank was part of a large international group and targets and ratios were defined at group level. Similarly, the group's information system prevailed. Nevertheless, the fact that a shared diagnosis of the situation had been agreed could at least be viewed as a positive result.

(See for an extensive case description Appendix 1, Case A4)

6.5.2 *Endangering change: poorly planned introduction of IT tools*

A second recurrent problem that often bedevils IT-driven change arises when IT tools are introduced before their proper finalisation and testing have taken place. This inevitably forces users to overcome initial development glitches as well as the malfunctions and irregularities that are all too common with new IT systems. The following case study is a good illustration of this type of problem and reminds us that such systems are not beyond the reach of the law of unintended consequences. We can add that it is fairly common for employees experiencing difficulties with IT 'tools' to hide their problems which of course makes them even more vulnerable. Moreover, work invariably becomes more intensive where work tools are not completely mastered. It seems that management circles often overestimate the ease with which 'their' workforce will attain this mastery. Recent survey outcomes may act as a wake-up call here. For example, according to a survey conducted in France in 2018, only 28% of employees surveyed indicated that they were 'at ease with the computer tools and software' in their work; this was 7% less than recorded in 2013. Even among young employees, digital skills appeared to be at a relatively low level, with 34% of the respondents aged below 30 endorsing the 'at ease' option. Overall, in this survey two out of 10 responded they were even overwhelmed by digital tools (Malakoff Médéric 2018: 15).

Another aspect of the timing problem concerns the frequently over-optimistic assumptions made by managers and management consultants regarding the time it takes for

information systems to be implemented with full effect. This often coincides with similarly over-optimistic estimations regarding savings (ie. staff reductions), once again leading to an intensification of work as a reduced workforce has to train on and work with the new IT systems or tools.

Case 6.6. Inappropriate and incomplete work tools (France)

An insurance company decided to replace the laptops of its mobile salespeople with a digital tablet fitted with new sales software and an electronic signature. For salespeople, the tactile tablet seemingly represented a significant advance in their ability to make real-time, customer facing sales as well as facilitating, better collection of customer data. However, the salespeople soon encountered technical problems, ranging from crashes to slowdowns and repeated data loss. In addition, the electronic signature proved to be unreliable and the new sales software was more restrictive than in the past. Apart from these bugs and malfunctions, the salespersons were left with less autonomy.

What had not been foreseen was that their new software required the salesperson to put an undue focus on the smooth running of the sales interview because each step in the process had to be carried out to the letter of the software algorithm before access to the next step was allowed. The compulsory use of tablets clearly generated stress for salespeople, many of whom were left with the feeling of not having the means to do their job correctly, or were concerned at wasting time and losing wages. On top of this came the intensification of work arising from the more precise tracking of their appointments, which added to their loss of autonomy. Overall, the situation entailed a loss of credibility with customers and consequently a loss of earnings. Unions and employee representatives repeatedly alerted management to the sharp deterioration in salespeople's working conditions. They were critical of management for minimizing the situation and failing to take action.

It was in this context of high tension that the CHSCT voted to call on an ARETE labour consultant paid for by the company. The expert's task was to carry out an audit of the conduct of change, to assess the adequacy of the technical tools to meet salespeople's needs, and to suggest improvements. Management disputed the merits of this request but nevertheless authorized the commissioning of the assignment. ARETE conducted interviews with a sample of salespeople backed up by a survey and finally by observing a number of workstations. In addition, interviews were conducted with management representatives and technical teams.

Against expectation, management largely shared ARETE's observations and recommendations. It acknowledged that the new tools were deployed without being sufficiently tested beforehand and that the accompanying measures could be improved. The expert's analysis showed that some salespeople had become very vulnerable, partly because the deployment of the new tool had emphasized pre-existing problems and partly because the pace and magnitude of the changes were difficult to keep up with. In addition, the mass of information to be assimilated imposed a heavy

mental burden on most salespeople, already confronted by simultaneous changes in technical tools, sales targets, regulation, products and pricing policy. The available training and support measures were clearly not adequate and the fact that training took place when the software was not properly developed seriously compromised learning. For instance, in the event of a technical problem the user was often unable to know if the bug had been caused by their own inexperience or by malfunctioning software. Either way, here was an obvious source of stress and uncertainty that affected some people more than others. It also went some way to explaining the wide disparity in the use of the tablets.

The expert's findings and recommendations led to a debate within the CHSCT between elected officials and management which ultimately allowed them to share a diagnosis. The majority of these recommendations were approved by management, identifying as priorities:

- the populations at risk;
- adapting training and support measures;
- developing the sales tool to make data collection more meaningful while providing users with flexibility;
- staying alert to the conduct of change (stabilizing the work tool, limiting the frequency of delivery of new versions and testing them further);
- strengthening the support capacity of local management.

6.6 Good practice

We now present good practice suggestions aimed at involving employee representatives and achieving a meaningful social dialogue concerning the intensification of work.

In our view it is vital

where work organisation is an issue, that

GP26 employee representatives, union officers and labour consultants should question all management decisions aligned with Business Process Re-engineering (BPR), lean management, target-oriented management or methods aiming at flexible and agile organisations. They should raise in particular the implications for wages, job quality (autonomy, workload and work-life balance) and employment levels;

GP27 employee representatives, union officers and labour consultants should encourage the design of office space that optimises the occupation rate of offices and enhances job quality and should explore psychosocial risks connected with the design issues just noted;

GP28 employee representatives, union officers and labour consultants should question the need for workers to be connected continuously with work through

smart phones, laptops and tablets have and consider the viability of arrangements to be disconnected during holidays and rest periods,

and widening to focus on connected institutions and policies:

- GP40 trade unions should invest in building the capacity of their officers and employee representatives to assess and negotiate socially and economically acceptable alternatives to the introduction of Business Process Re-engineering (BPR), lean management, target-oriented management or methods aiming at flexible and agile organisations;
- GP41 trade unions should consider opportunities and work actively to build support mechanisms and collective interest representation for so-called 'gig workers', including as a priority securing legal clarity with regard to their contractual status;
- GP42 trade unions must strive to ensure that appropriate arrangements in sectoral collective labour agreements (CLAs) are in place to mitigate any occupational safety and health (OSH) consequences flowing from changes in the use of control mechanisms.

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CHAPTER 7. NEW CHALLENGES FOR HEALTHY WORK: WORK-RELATED STRESS AND RISK ASSESSMENT

7.1 Introduction

In this chapter we broaden out from our analysis in Chapter 6 to take a more general look at psychosocial risks and the challenges posed when assessing these risks. The need to assess both the incidence and severity of work-related stress is compelling. Quite apart from the obligations imposed by European Directives and national laws, the massive costs of work-related illness, for employers and society as a whole, means that achieving and maintaining ‘healthy work’ is a rational demand for all concerned.

It is though essential to first of all discuss the methodological foundation upon which the assessment of work-related stress can be built. The primary requirement here is to ensure that the surveying of psychosocial risks is logically linked with the prevention of these risks and, one step further, with the redesign of tasks associated with stress. Therefore, section 7.2.1 is devoted to a brief history of the methods used by European and American researchers to assess psychosocial risks. We highlight the inspirational contributions from Karasek and Siegrist and other key researchers from the United States, Sweden and Germany who developed survey questionnaires that continue to prove their value day-to-day in risk assessments. We follow this with a brief description of the development of the Socio-Technical Systems Design (STSD) paradigm that we as authors contend has been essential for ensuring that organisational changes stimulate competitiveness and technological innovation as well as enable to improve job quality. Section 7.2.2 goes into the ISO 10075-1 standard that reflects the minimum consensus existing concerning the concepts ‘mental strain’ and ‘mental stress’. Section 7.2.3 is dedicated to the international legal framework that emerged in the 1980s, in particular the European Commission’s Framework Directive 89/391 on occupational safety and health (OSH).

In section 7.3 we review the practice of psychosocial risk management in the five countries scrutinized, drawing on the 2014 ESENER-2 survey of EU-OSHA. We go on to evaluate the incidence of workplace risk assessments and discuss in particular the positive (drivers) and negative (barriers) factors involved in risk assessment. The next sections outline the practice of risk assessment in the five countries on which we concentrate. In spite of the European Framework (Directive), these countries showed quite divergent patterns. Obviously, differences in industrial relations legislation and practices have played a role here but so have the national academic traditions that have influenced the risk assessment and intervention options researchers, (labour) consultants and employee representatives have sought to implement.

7.2 Psychosocial risks: backgrounds

7.2.1 A brief history of methods

To a considerable extent the methodology used by European researchers to assess psychosocial risks at work has been inspired by analyses of organisational or occupational stress developed in the United States, Sweden and Germany. In the US, following studies of leadership at Michigan University, Robert Kahn and colleagues launched a social research project in the late 1950s that focused on the links between the workplace environment and mental health. The resulting pathbreaking book: *Organizational Stress* (Kahn *et al.* 1964) set out four key components leading to work stress, namely: organisational characteristics and their subjective translation into role conflict, role overload and role ambiguity; stress reactions, and long-term health effects. Personal characteristics and social support were, by contrast, seen as mediating factors. In later publications Kahn emphasized the importance of objective job demands as stressors (cf. Katz and Kahn 1978).

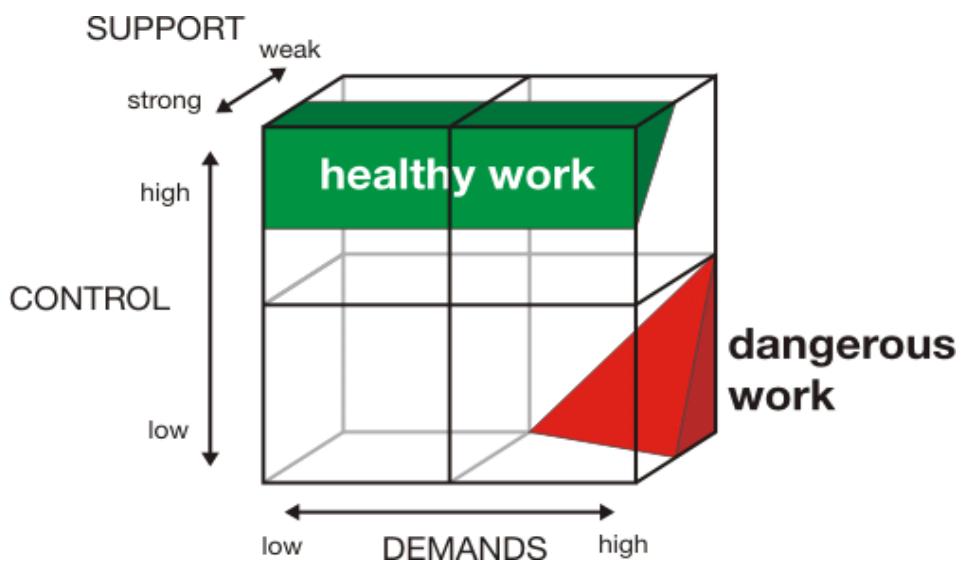
In the 1960s, Lennart Levi and colleagues at the Karolinska Institute, the renowned medical university near Stockholm, also carried out research on psychosocial factors and health. The originality of their research lies in the way they utilized biomedical research, such as physiological studies measuring stress hormones levels in urine, combined with inputs from social medicine and social research, in particular from occupational psychology. In Sweden this line of research clearly underpinned the idea of a reformist social policy and prompted political and trade union debates. The researchers involved stimulated legislation, notably the Swedish 1976 Co-determination at Work Act (MBL) and the 1978 Work Environment Act: both at the time unique in Europe in pioneering the codification of labour rights, working conditions and participatory management practices. Kagan and Levi (1974) paved the way for further research by systematically mapping the psychosocial stimuli working at the interface between the work environment and health. They divided illness-generating stimuli into four categories: cognitive, emotional, behavioural, and physiological. However, in their model job demands were central whereas the relationship between these demands and the level of control the worker could exert in his/her job remained rather unspecified.

Instead, the American sociologist Robert Karasek, in his seminal 1979 article *Job demands, job decision latitude, and mental strain: implications for job redesign*, developed a more comprehensive approach that considered the level of control a worker has over his or her work situation (a psychosocial dimension) to be crucial as opposed to simply considering job demands. Based on empirical studies undertaken in Sweden in the 1970s, Karasek suggested job strain resulted from a combination of high psychological job demands with little room for personal decision-making (little control, discretion, autonomy or decision latitude), thereby increasing the risk of a range of safety and health consequences for the individual workers concerned. By contrast, if high job demands could be combined with a high level of decision latitude, stress could emerge as a more positive and stimulatory force for personal development. Crucial in what gained fame as the 'Job Demand-Control' or JDC model, was Karasek's assumption

that the dimensions of demand and control might reflect different mechanisms of physiological activation.

Karasek went on collaborating with his Swedish colleague Töres Theorell at the Karolinska Institute to apply the JDC model to predict cardiovascular disease. At the same time they extend the model to consider the issue of support at work and created the 'Job Demand-Control-Support' or JDCS model (Karasek and Theorell, 1990; Theorell and Karasek 1996). Figure 7.1 presents the Karasek - Theorell model in stylized form. In fact, a few years earlier the American researchers Jeffrey Johnson and Ellen Hall (1988) had elaborated the importance of social support by incorporating social isolation, which improved the predictive ability of the model. At a later stage, Theorell and Karasek (1996: 14) agreed with Johnson and Hall's conclusion that the social dimension might be gender differentiated. For instance, for women the 'high demand -- low social support' combination seems to work out more negatively than for men. Until the turn of the century at least, the JDC and JDCS models dominated research on occupational stress (cf. Van der Doef and Maes 1999).

Figure 7.1 The Karasek - Theorell model



In the 1990s Johannes Siegrist, a German professor of medical sociology, observed that Karasek's approach to control was overly focused on objective task characteristics (Siegrist 1996). He pointed out that this seemed to neglect personal coping and reward that were both key factors identified by the American psychologist Richard Lazarus in his masterpiece *Psychological Stress and the Coping Process* (1966). Subsequent studies also showed that variations in personal responses to ostensibly similar situations were important. It was no surprise then that Siegrist *et al.* (1990; 2004) proposed and tested a model of Effort-Reward Imbalance (ERI) that included these psychological categories. Their model identified effort and social reward as crucial dimensions. According to their tests high effort without concomitant social reward would spark strong nega-

tive emotions and strain with long-term negative health consequences. In a work context, reward can be transmitted through three categories: financial; social-emotional (esteem), and through prospects (career opportunities and job security). The 'social reward' concept seemed to merge the ideas of decision latitude and social support though the Siegrist model focuses mainly on the cost-benefit features of the job, rather than the more diverse approach of the JDCS model. Nevertheless, Theorell and Karasek (1996: 14), in a journal article preceding Siegrist's, regarded his approach as a valuable addition to their model and suggested the ERI model be used as a supplement to theirs.

Along with their colleagues, Karasek and Siegrist were also active in developing survey questionnaires. Karasek's Job Content Questionnaire (JCQ), for example, is well-known with its sub-scales covering physical and psychological job demands, decision latitude, personal insecurity and social support in the work place. Though amended, the EWCS questionnaire used in Chapters 5 and 6 derived many of its questions from the JCQ. Recently for psychosocial risk assessment a number of tested methods, questionnaires and E-tools have become available on the Internet. These are mostly in English although some other languages are also catered for and are either for sale or, to a limited extent, are free. As far as can be ascertained, these instruments appear basically to go back to the foundations laid by Karasek and Siegrist and their predecessors. In the last two decades the pressure of legal obligations has created a substantial market for risk assessment procedures and practices. At country level, commercial publishers, government departments or agencies, employers' associations, and trade unions have all been involved in such activity.

Efforts to connect psychosocial risk assessment with the prevention of a stressful work environment have, to a considerable extent, coincided with the development of the Socio-Technical Systems Design (ST or STSD) paradigm. STSD combines analytical and process tools. The paradigm can be regarded as a reaction to the earlier schools of thought that either emphasized the technical (scientific management: Taylor) or the social aspects (human relations: Mayo) of work organisation. The progenitors of STSD tried to integrate these two approaches into a single 'joint optimization' paradigm aimed at bringing about sustainable change at work, innovative work organisations and good job quality. For over seven decades the theoretical foundations of STSD have continued to evolve along the pathways that emerged in the 1950s, 1960s and 1970s. The findings from a wide array of change and action projects (Hackman and Oldham 1980: 62) enabled a continuous dialogue to refine and consolidate both the theory and practice of STSD -- even through the harsher economic and political conditions that unfolded in the 1980s and 1990s (cf. Mumford 2006). By the turn of the century understanding the effects of new developments like artificial intelligence (AI) on the organisation of work had become crucial in terms of maintaining the relevance of STSD to the challenges posed by the rapid organizational shifts apparent in many contemporary workplaces (cf. Hesketh and Graco 2015).

Thus, current STSD approaches can claim to have had various ‘fathers’. First in line are the British coal mine studies and experiments with (semi-) autonomous groups the Tavistock Institute undertook from 1946 on. Following on from this, we can locate the Norwegian Industrial Democracy Programme (1962-1969) and its diffusion into the Swedish car industry and Swedish legislation. Thereafter, in the course of the 1960s and 1970s, various forward-looking entrepreneurs, researchers and consultants throughout Europe and North America recognised that strengthening competitiveness, facilitating technological innovation and improving job quality were all positively connected. Some of these individuals may have had only the sketchiest knowledge of STSD but obviously had witnessed the mounting limitations of Taylorist organisation concepts. As a result, in Northwestern Europe, at least, the search for new, sustainable forms of work organisation rose up the societal agenda whilst the frameworks of organisational learning and change were widened to cope with this task. In this search the central message became apparent that though the assessment of psychosocial risks is a logical first step in their prevention unless there is a clear follow through in terms of the (re)design of jobs and organisations, work-related stress often is likely to persist.

Three modern STSD variants are worth a mention here, namely (for overviews: Van Eijnatten 1993; Fricke and Totterdill 2004):

- Participative (or Participatory) Design (PD) developed from 1969 onwards in Australia and broadly applied in Denmark, the UK, the US and Canada;
- the Collective Design Approach, a trade union-oriented action and training strategy developed in both Norway and Sweden from the 1970s onwards to stimulate the involvement of end-users in the (re)design of computing systems (Ehn and Kyng 1987; Bjerknes and Bratteteig 1995);
- Integral Organisational Renewal (IOR) developed and applied since the early 1970s in the Netherlands by Ulbo de Sitter and colleagues.

The essence of IOR theory combines explanatory, design and organisational development functions within participative (re)design processes. Notwithstanding its robust theoretical underpinning, STSD as a practice had up to the beginning of the 1980s suffered from an ‘implementation deficit’ (Gustavsen 2004: 21). This changed in the following decade to some extent. For example, in the Netherlands from around 1984 onwards thousands of managers and workers were trained in IOR to enable them to turn complex organisations with simple jobs into simple organisations with complex jobs. These training courses and a growing number of interventions at company level also clarified the weaknesses of the then mainstream ‘classical’ STSD approaches such as the lack of integration of technical production and IT systems in organisational and workplace design; the rather exclusive expert-based approach; the neglect of the often subtle power relations at workplace level, and the disregard for (changes in) competitive conditions (cf. Van Klaveren 1989).

On the other hand, prominent adherents of STSD in Europe learned from interventions about the need to build trust relations in the early stages of change projects in particular where the Collingridge dilemma (section 2.4.1) was likely to arise. A number of the case studies presented in this book draw attention to this dilemma and the 'twilight zone' that often characterizes the early stages of change processes. Here, a tangle of various kinds of knowledge (general, local, technical, social), interests and roles has to be untwisted before members of the organisation can even start searching for a 'common language' to communicate and build trust relations (De Sitter *et al.* 1997; Gustavsen 1996). Fortunately, the terminology of STSD has proved to be a quite appropriate language of communication throughout trajectories of change. Interestingly, in spite of all practical complications the crucial instruments to assess job quality, even the newer approaches such as the Dutch IOR toolboxes, have remained close to Karasek's 1979 model creating 'active work with learning opportunities' as a major underpinning theme (Van Eijnatten 1993: 94; Van Klaveren 1994).

Clearly, one of the strengths of STSD has been its development of a dialogue within research and action projects aimed at bringing about sustainable and human-centred work organisations. Authors of this book and their colleagues have been involved in research contributing to this dialogue, for instance in the German INQA and the Dutch TAO initiatives and, in international cooperation, in SALTSA projects (cf. Huzzard *et al.* 2004; Gregory and Nilsson 2004; Fricke and Totterdill 2004) and in the European ADAPT and IRENE frameworks. Based on this experience we would strongly urge a new generation of labour consultants and trade union-oriented researchers to continue (and even expand) this type of participation in European research programmes.

7.2.2 ISO 10075 and the concepts of strain and stress

There are no binding rules on *how* mental stress should be evaluated within psychosocial risk assessments. As can be seen from the debates in occupational psychology, the models of Karasek and Siegrist in particular have emerged as leaders in the field. Both models separate the terms 'mental strain' and 'mental stress' reflecting the minimum consensus also to be found in ISO 10075-1, *Ergonomic principles related to mental workload*. This ISO standard embodies the dual concept of stress and strain and is supposed to have its origin in the technical and scientific descriptions of material properties. The concept can be elaborated as follows. A strain put on an object has an impact. How this object reacts depends mainly on the duration and the strength of the strain, the quality of the material and the surrounding environmental conditions. Plainly, material can react in different ways: it can bend or break, swing back elastically or change shape, or it might become progressively more fatigued. We should note here that occupational psychologists have rightly criticized this approach as being too mechanical and determinist to be applied to human behaviour. Be that as it may, ISO 10075-1 persists as the basis for most ergonomic analyses of mental stress.

‘Mental stress’ has been defined in the ISO 10075-1/2000 version as “The total of all assessable influences impinging upon a human being from external sources and affecting it mentally”. The term is used in a neutral way here, whereas in the more recent standard ISO 6385 (2004), work stress is defined negatively (“The sum of those external conditions and demands in the work system which act to disturb a person’s physiological and/or psychological state”). The first part of the standard differentiates between four groups of mental strains:

- requirements set by the task, e.g. demands on concentration;
- physical conditions like noise;
- social and organisational factors, notably work organisation and leadership;
- societal factors like unemployment.

The definition (“The total of all assessable influences....”) recognizes that single stress factors have to be analyzed in this wider context.

Next, the ISO 10075-1/2000 version describes and defines ‘mental strain’ in the following way: “Mental stress has an impact on human beings, it *strains* them. The nature, strength and duration of strain are specified by individual and situational features. The strain (hence the effects of mental stress on human beings) is defined by the standard as the immediate effect of mental stress within the individual (not the long-term effect) depending on his/her individual habitual and actual preconditions, including individual coping styles”. Thus, the stress-strain model can be expanded by individual factors with positive or negative effects on the relation between the two components. According to ISO 10075-1, the short-term consequences of stress can be divided into positive (stimulating) and negative (impairing) effects. Stimulating effects include:

- the *warming up effect*: whereby an activity can be carried out with decreased effort soon after the beginning;
- the *training effect*: whereby learning processes improve the individual’s performance and ability to cope with repeated mental stress.

By contrast, ISO 10075-1 sets out impairing effects as follows:

- *mental fatigue*: temporary impairment of mental and physical functioning that may lead to tiredness, adverse relations between performance and effort, and frequent errors;
- *monotony*: the possibility that monotonous, repetitive activities may lead to sleepiness, decreases in and fluctuations of performance, reduced ability to adapt and react, and unsteady heart rate; additionally, monotonous monitoring activities may lead to reduced vigilance;
- *mental satiation*: a state of nervous-restlessness, strongly influencing the activity or situation, that may lead to a feeling of stalling and being stuck, in turn provoking irritation, drops in performance, fatigue, and a tendency towards withdrawal.

Characteristically such strains disappear after the triggering stress has ended. If this does not occur because a stressor (for example excessive demands) is permanently present or decision-making leads to persistent feelings of powerlessness or irritation, a

higher risk of work-related illnesses becomes probable. The nature, duration and intensity of the consequences of stress depend on the *interaction* of specific stressors with other influential factors such as workload and supportive conditions as well as the characteristics of the individual worker, such as gender; age; contractual position; competence and experience; health; confidence, motivation and individual attitudes to life. The fact that stress may have different effects on individual workers does not obscure the fundamental harmfulness of monotonous, tiring, mentally exhausting or burdensome working conditions or the fact that they basically need to be avoided.

As emphasized by Karasek and Siegrist, 'stress' and 'strain' should be related to resources. The availability of resources, whether physical, psychological, social or organisational, and their effective use may reduce the adverse consequences of work-related stress and may even stimulate personal learning and competence development. From the stress-strain models various strategies to tackle mental stress can be derived, namely:

- situational prevention: the evaluation and optimization of working conditions and work organisation;
- behavioural prevention: the strengthening of individual resources, for example through measures of health promotion.

7.2.3 *The international framework*

A 1984 report of a joint ILO (International Labour Organization) / WHO (World Health Organization) committee mapped 'psychosocial risk factors at work' and brought the notion to the attention of a wider audience. The report concluded with recommendations that currently still look up-to-date and highly relevant. For example, its final remarks read as follows: "In reviewing the various recommendations made at the national and international level, the Committee finds that particular attention should be given to the following main areas: (a) the survey and collection of data to indicate the types and magnitude of occupational psychosocial factors and their effect on health in various parts of the world; (b) the transfer and exchange of information on psychosocial factors at work and their effect on health; (c) the development of educational material on the recognition of problems and on the implementation and evaluation of control and preventive measures" (ILO/WHO 1984: 77).

Lennart Levi, vice-chair of the committee just mentioned, was among the researchers and practitioners boosting dissemination of the awareness of (methods of tackling) work-related stress at the European level. Levi co-authored the European Commission's 1999 *Guidance on work-related stress*, and was involved in preparing the Commission's *Green Paper Improving the mental health of the population* (2005) and the European Social Partners *Framework Agreement on Work-Related Stress* (2004). The later emergence of a *Framework Agreement on Harassment and Violence at Work* (2007), and the signing of both these agreements showed that the European social partners, at least formally, recognized the importance of assessing and preventing psychosocial risks at work.

Prior to these developments the European Commission had, in 1989, launched the *Framework Directive 89/391 on Occupational Safety and Health*. This Directive sets out the principles concerning the prevention of risks, the protection of safety and health, the assessment of risks, the elimination of risks and accident factors, as well as the informing, consultation and balanced participation and training of workers and their representatives. It laid down basic obligations for employers and workers, with the general provision “The employer shall have a duty to ensure the safety and health of workers in every aspect related to the work” while “The workers’ obligations in the field of safety and health at work shall not affect the principle of the responsibility of the employer” (Art. 5: 1,3). Measures to be implemented by the employer based on the general principles of prevention included (Art. 6: 2) “(a) avoiding risks; (b) evaluating the risks which cannot be avoided; (c) combating the risks at source; (d) adapting the work to the individual, especially as regards the design of work places, the choice of work equipment and the choice of working and production methods, with a view, in particular, to alleviating monotonous work and work at a predetermined work-rate and to reducing their effect on health (.....).”

Concerning the obligatory protective and preventive services, the Directive (Art. 7: 1,3,5) refers to “designated workers in the undertaking and/or establishment”; however: “If such protective and preventive measures cannot be organized for lack of competent personnel (...), the employer shall enlist competent external services or persons.” The latter “(...) must have the necessary aptitudes and the necessary personal and professional means.” Clearly, the formal foundation for a practice of workplace risk assessments across Europe was articulated here. Its guidance lasted seven years until the Commission published *Guidance on risk assessment at work* (EC 1996). This set out the basics of how to carry out a risk assessment. It also included a chapter on “Selection, involvement and use of external services as consultant health and safety specialists to make risk assessments”. In 2012, EU-OSHA, the European Agency for Safety and Health at Work based in Bilbao launched a useful Internet tool in this respect, the *E-guide Managing stress and psychosocial risks*.

As is obligatory for EU member states, the Framework Directive 89/391 has gradually been transposed into national OSH legislation. In common with other Directives, this has been a gradual process (see website Eurlex). We summarize here the progress of this transposition in the five countries we have focused on in writing this book, before taking stock of the general situation of psychosocial risk assessment in these countries. Between 1989 and 2009 the French government enacted 20 laws and decrees related to the Directive. Up to 2002, eight German laws were adopted or changed as a consequence of the Directive. In October 2013 the German Occupational Safety and Health Act was changed clarifying that psychosocial strains have to be included in risk assessments. In 1994, the Dutch Working Conditions Act of 1980 was subject to a major overhaul in order to become in line with the Framework Directive. In Sweden prior to 2006,

eight decrees or ministerial decisions had been adopted related to the Directive. Finally, in the UK, between 1989 and 2013, 26 often quite detailed regulations for industries or occupations were changed or adopted in the OSH field.

The transposition across countries varied considerably, with significant differences arising on legal aspects related to the nature of the employer's liability and whether the process was mandatory or not. In most EU countries employers can be fined in cases of occupational risk assessment failure. In France the legislation is notably strict. If an accident (or a suicide) happens in or related to the workplace and the employer has not taken the necessary preventive measures as defined by law, the employer can be held legally responsible because 'inexcusable negligence' is considered to be the cause (see Case 3.4 in Chapter 3). Differences in academic traditions and industrial relations have also influenced the divergence in national rule-setting. For example, in French academic circles psycho-sociological oriented approaches to occupational risks have received a much warmer welcome than the approaches aimed at (re)designing organisations that prevailed in Sweden and the Netherlands and to some extent also in Germany and the UK. In these four countries STSD-based approaches were much more in evidence. It seems likely that the predominantly adversarial industrial relations in France have pushed the application of psychosocial risk assessments into a more legalistic framework, possibly to the detriment of developing tangible improvement tools.

7.3 Psychosocial risk assessment: taking stock

7.3.1 Our main source: the ESENER-2 Survey

Similar to Chapter 6 where we largely relied on Eurofound's EWCS, we use one main source to capture the practice of psychosocial risk management in the five countries scrutinized, namely, the Second European Survey of Enterprises on New and Emerging Risks (ESENER-2). ESENER-2 was undertaken in 2014 by EU-OSHA. The results were reported in 2016 (Irastorza *et al.*) and analysed in-depth by, among others, Walters and Wadsworth and in 2018 by Van den Heuvel *et al.* Recently in 2019, the ESENER-3 survey has been carried out but its results are not yet ready for publication. It should be noted that a number of issues included in the ESENER surveys, notably those on policy barriers and drivers, are related to general occupational safety and health (OSH) management and not specifically to *psychosocial* risk management. However, there is a close connection. Management commitment to OSH in general has been identified as the strongest driver of psychosocial risk management. Moreover, the drivers of psychosocial risk management were to a large extent similar to the drivers of general OSH management (Van den Heuvel *et al.* 2018: 5-6).

Two observations on comparability are relevant here. First, due to the different phrasing of questions together with a changed definition of 'target respondents' and a lower boundary for establishment size (five instead of 10 employees), direct comparisons cannot be made of the results of ESENER-2 with those of ESENER-1, held in 2009 (Irastorza *et al.* 2016).

torza *et al.* 2016: 13). Instead of addressing managers only as in 2009, ‘target respondents’, though mostly managers, could in 2014 also include employee representatives or, in small establishments, just employees. Therefore, we could not properly analyse *developments in risk management*. Second, a number of questions on safety and health risks overlap with those of the EWCS. However, due to the frequently different phrasing of these questions a comparison of the outcomes of the ‘Dublin’ and ‘Bilbao’ surveys was similarly beyond our power. In the next sections, we present outcomes of ESENER-2 on risk assessment and management broken down by country, industry and establishment size.

7.3.2 Risk assessment by country: drivers

First though, we devote two sections to presenting four tables, for 2014 for the five countries and averages for the EU28 that set out the incidence of workplace risk assessments (WRAs) at establishment level, and the drivers and barriers for addressing OSH risks. In all tables we have shaded cells where the scores per were higher than the EU28 averages.

Table 7.1 and Figure 7.2 (both next page) show that the incidence of WRAs –a first indication of the extent to which management have taken up psychosocial risk management – was rather high. In the EU28 around three quarters of establishments indicated they regularly carried out such assessments. This outcome suggests most enterprises addressing OSH tend to do so in line with the EU Framework Directive 89/391 (Irastorza *et al.* 2016: 15). Further analysis shows that with 92% of enterprises apparently fulfilling their WRA monitoring obligations, the UK was by some distance the most conscientious of the five countries we have studied closely in this book. By contrast, the table shows relatively low WRA percentages for France and Germany, and also to a lesser extent for the Netherlands – all of whom were lower than the EU28 average. It is noteworthy that for the five countries low WRA rates were to quite some extent correlated with a relatively heavy reliance on external WRA providers, suggesting that internal management’s efforts remained rather limited ($R=.55$; although we found a lower correlation ($R=.17$) if all 28 EU countries were included in the equation). Sweden and the UK clearly had the highest shares of WRAs mainly conducted by internal staff, Germany and the Netherlands the lowest though in this respect all five country averages were considerably above the EU28 average.

We should also warn against painting too much of a rosy picture here particularly insofar as of the involvement of rank-and-file employees in workplace risk assessments is concerned. In various countries trade union surveys have suggested that this type of involvement remains problematic. In the section below on the UK approach (7.4.4) we cite a union survey providing evidence in this respect.

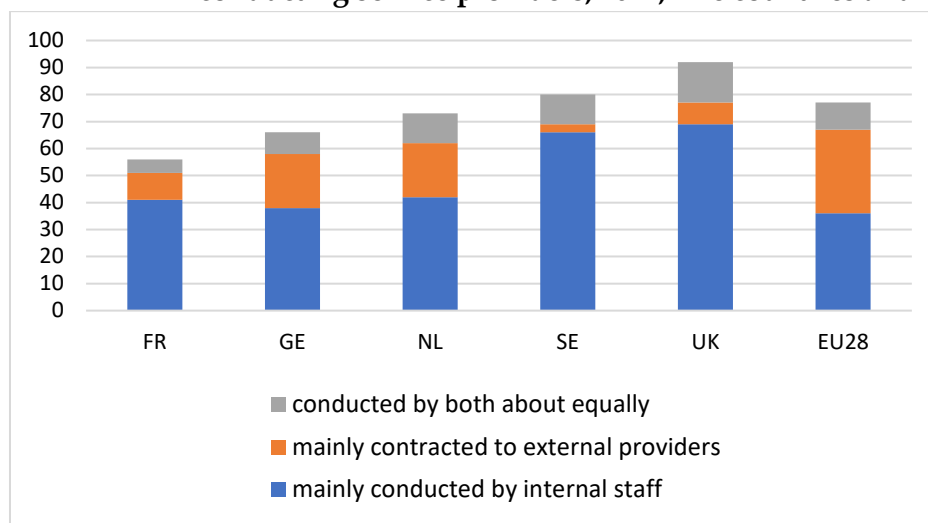
Table 7.1 Incidence of workplace risk assessments at establishment level, 2014, five countries and EU28

		FR	GE	NL	SE	UK	5 c.	EU28
Regular WRAs		56	66	73	80	92	73	77
of which	WRAs mainly conducted by internal staff	74	57	57	83	75	69	47
	WRAs mainly contracted to external providers	17	30	27	4	9	18	40
	WRAs conducted by both about equally	9	13	16	13	16	13	13

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.2 Division of workplace risk assessments at establishment level according to conducting service providers, 2014, five countries and EU28



Source: website EU-OSHA / ESENER -2

Next, we focus on the major reasons (drivers) for addressing OSH at establishment level. Table 7.2 and Figure 7.3 (next page) depict the outcomes regarding the five drivers ESENER-2 respondents could choose from here.

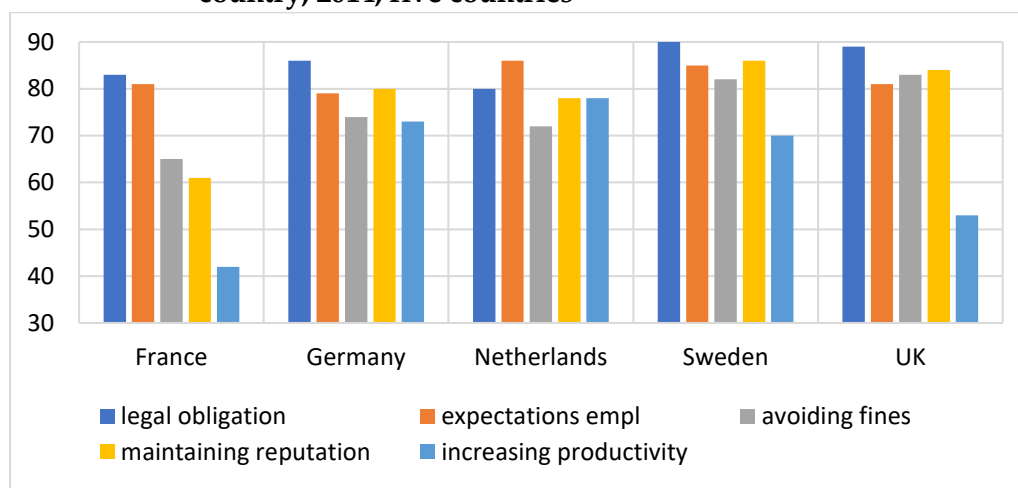
Table 7.2 Major reasons for addressing safety and health at establishment level by country, 2014, five countries and EU28

	FR	GE	NL	SE	UK	5 c.	EU28
Fulfilling a legal obligation	83	86	80	90	89	87	86
Meeting expectations from employees (-reps)	81	79	86	85	81	82	80
Avoiding fines from Labour Inspectorate	65	74	72	82	83	75	79
Maintaining the organisation's reputation	61	80	78	86	84	78	77
Maintaining or increasing productivity	42	73	78	70	53	60	65
<i>Unweighted average</i>	66	78	79	83	78	77	77

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.3 Major reasons for addressing safety and health at establishment level by country, 2014, five countries



Source: website EU-OSHA / ESENER -2

With the exception of the Netherlands, ‘fulfilling a legal obligation’, scored highest, followed by ‘meeting expectations from employees or their representatives’ and ‘avoiding fines from the Labour Inspectorate’. ‘Reputation management’ was an issue across Europe and nearly four out of five respondents considered ‘maintaining the organisation’s reputation’ a major reason to act on OSH. ‘Maintaining or increasing productivity’ closed the ranks but remained a driver for about two in three respondents. However, the French scores on the last three reasons were out of line generally and were remarkably low on the productivity issue. Based on the country averages, the intensity of arguments in favour of addressing OSH seemed to be considerably weaker in French establishments than elsewhere, and for three issues were also below the EU averages. At the other extreme Sweden stood out with scores that persistently came in above the EU average.

Additional statistical analyses linking the reasons mentioned in the table with fundamental drivers, produced interesting results. Clearly, management commitment came out as the strongest driver of psychosocial risk management. Among the five reasons, three (‘meeting employee expectations’, ‘the organisation’s reputation’ and ‘increasing productivity’) were the most positively associated with risk management. Employee involvement also appeared to be a rather strong driver, both through formal representation channels (Works Council, OSH committee, trade union or safety representatives) and through what the researchers called informal employee involvement, defined as being involved in the design and implementation of measures after a risk assessment. The ESENER-2 results appeared to confirm those of ESENER-1, emphasizing the important role of worker participation in defining and implementing measures for managing OSH in general and psychosocial risks in particular (Irastorza *et al.* 2016: 9; Van den Heuvel *et al.* 2018: 25-26, 32).

7.3.3 Risk assessment by country: barriers

Table 7.3 and Figure 7.4 (next page) depict the eight major difficulties (barriers) that can constrain OSH being addressed at establishment level. Clearly, the complexity of legal obligations in this field across the EU was the most frequently reported barrier with a related issue, ‘the paperwork’, ranked third. Both scores may point at the fact that bureaucratic procedures may often stand in the way of effective workplace assessments. Here, France and the Netherlands showed the highest scores, thus confirming the main characterization of the official OSH approaches as well as workplace experience aired out by practitioners in both countries (see sections 7.4.2 and 7.4.3).

Second was the ‘reluctance to talk openly about these issues’. Beyond these the other specific barriers to action all scored lower. However, at individual country level one or two turned out to be substantial hurdles for effective OSH management. Respondents from France and the Netherlands notably reported above-average difficulties. In France, this included the lack of time or staff, of money and expertise or specialist support, whereas in the Netherlands the lack of awareness of OSH both among staff and management showed up as the problematic areas. Respondents from Germany, Sweden and the UK reported less barriers except for a ‘reluctance to talk openly about these issues’. Between Germany and the Netherlands, in spite of the similarities in the system of industrial relations (see Chapter 8), remarkable differences of over 10% points can be seen for no less than five issues.

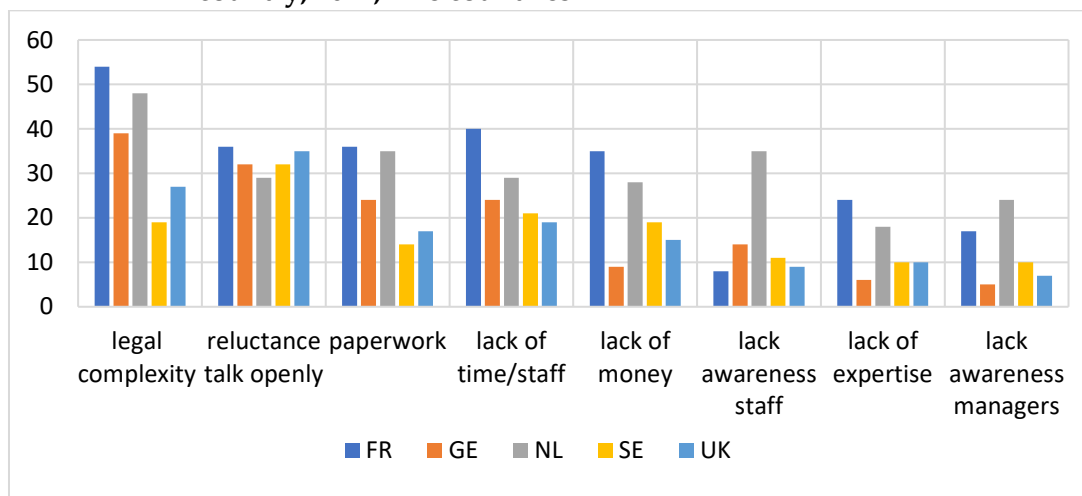
Table 7.3 Major difficulties in addressing safety and health at establishment level by country, 2014, five countries and EU28

	FR	GE	NL	SE	UK	5 c.	EU28
The complexity of legal obligations	54	39	48	19	27	37	40
Reluctance to talk openly about these issues	36	32	29	32	35	33	30
The paperwork	36	24	35	14	17	25	29
A lack of time or staff	40	24	29	21	19	27	26
A lack of money	35	9	28	19	15	21	23
A lack of awareness among staff	8	14	35	11	9	17	18
A lack of expertise or specialist support	24	6	18	10	10	14	13
A lack of awareness among management	17	5	24	10	7	13	12
<i>Unweighted average</i>	31	19	31	17	17	23	24

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.4 Major difficulties in addressing safety and health at establishment level by country, 2014, five countries



Source: website EU-OSHA / ESENER -2

Table 7.4 and Figure 7.5 (both next page) chart the use of OSH services at establishment level, including the different professions involved in OSH activities. Across countries, a wide variety showed up. The only question resulting in a large majority answering in the affirmative asked whether ‘A document explaining responsibilities on health and safety was available to workers’. This is not a particularly surprising result given the responsibilities and the risks of non-compliance, laid down in European directives and in national law on this requirement. The two other questions related to organisational conditions resulted in widely diverging scores. The response to the question about a specific annual OSH budget showed, rather surprisingly, the German score to be about half that posted by the Dutch. Also, the Swedish and British scores on whether the establishment had a plan of action to prevent work-related stress were about double those of France, Germany and the Netherlands. In the latter three countries the incidence of such plans appeared to be less than one third – a disquieting outcome.

The use of specific OSH professionals diverged even more across countries, showing that in France the use of occupational health doctors was near-universal whilst in Sweden a majority of establishments used psychologists. The very low scores for most of these professional groupings recorded by UK respondents provided a sharp and worrying contrast. With the exception of France, establishments in the other four countries with varying degrees of intensity used ergonomic experts (‘dealing with the ergonomic design and set-up of workplaces’), safety and health generalists, and experts on accident prevention. The low percentages posted in France for these professions suggest a strong division of labour in the OSH field at a rather low level of intensity. National averages calculated over the eight items revealed a similar pattern to those of Table 7.2 and Figure 7.3 with France clearly possessing the lowest average level of ‘drivers’ and Sweden the highest.

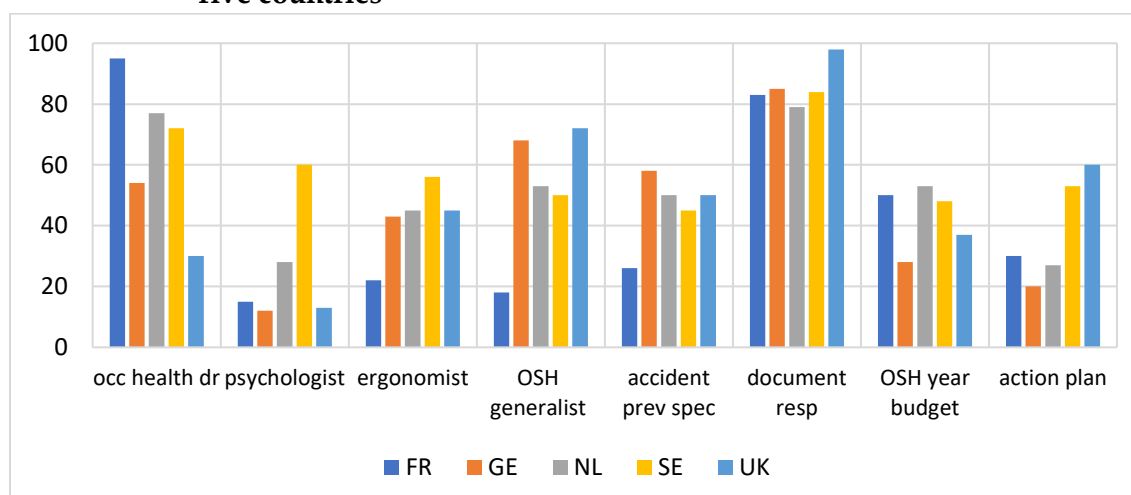
Table 7.4 Use of safety and health services at establishment level, 2014, five countries and EU28

	FR	GE	NL	SE	UK	5 c.	EU28
An occupational health doctor	95	54	77	72	30	66	68
A psychologist	15	12	28	60	13	26	17
An ergonomic workplace expert	22	43	45	56	45	42	34
A generalist on safety and health	18	68	53	50	72	52	64
An expert on accident prevention	26	58	50	45	50	46	53
Document on responsibilities	83	85	79	84	98	89	91
Specific OSH budget set each year	50	28	53	48	37	43	43
Action plan to prevent work-related stress	30	20	27	53	60	38	34
<i>Unweighted average</i>	42	46	52	59	51	50	51

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.5 Use of safety and health services at establishment level by country, 2014, five countries



Source: website EU-OSHA / ESENER -2

7.3.4 Risk assessment by industry

Looking at industries and the EU as a whole, ESENER-2 showed that workplace risk assessments (WRAs) were most widespread in the manufacturing industry (86%), followed by construction, waste treatment and utilities (83%) with the education and health sectors (80%) together just above IT and financial services who posted the lowest incidence of WRAs (77%). With only a few exceptions this EU-wide order of the WRA incidence across industries could also be found in the five countries under scrutiny. In the EU, manufacturing establishments also had the highest share of WRAs contracted solely to external providers (47%), while education and health contracted out the least (32%).

An ESENER-2 report pointed to the existence of a strong correlation between the incidence of WRAs and other OSH activities at sector level on the one hand and the reported prevalence of psychosocial risks on the other (Van den Heuvel *et al.* 2018: 4). Based on the EWCS, however, we found imbalances for various industries here, particularly for IT and finance. For these latter industries a rather low incidence of WRAs

combined with a low sense of urgency measured by the incidence of drivers contrasted with the high levels of work intensity found in the EWCS 2015. The analytical report correctly observed the importance of sectoral organisations and the level of support they may offer in this area. However, it did not in any way detail the matter (Van den Heuvel *et al.* 2018: 25-26, 32). Neither did the main ESENER-2 report shine any light here; it only referred to national sectoral agreements agreed in France (Irastorza *et al.* 2016: 40). This seems to have been a missed opportunity.

It is important to recognise that collective labour agreements (CLAs) at industry level that refer to OSH, according to the *AIAS-ETUI Collective Bargaining Newsletter*, also have been concluded in Germany, the Netherlands and Sweden. In the Netherlands, these CLAs were to a large extent built on the tripartite OSH covenants arranged between 2003 and 2010 in many (sub)sectors. Neither should we overlook the role played by sectoral employer organisations or business associations in this respect. Brandl and Lehr (2016) noted that many of these bodies after the turn of the century ‘rose from the dead’ throughout Europe to help reach binding agreements on such non-wage issues. The same authors identified both a growing need among employers for assistance in employment and work-related practices, and how employer organisations had developed supportive practices for their members regarding OSH issues. We have evidence from across Europe that this has been particularly the case in manufacturing industry, construction and transport. As the next section amplifies, there is considerable scope to provide further OSH support for small and medium-sized organisations, and employer organisations or business associations could well expand their offers here in the years to come. Similarly, trade unions might consider the need to ramp up their attempts to have appropriate clauses or covenants included in more sectoral collective agreements.

Table 7.5 and Figure 7.6 (both next page) depict the industry scores for the five major reasons (drivers) the ESENER-2 respondents gave for addressing OSH in their establishment. The ranking of these reasons showed rather limited differences across industries. ‘Fulfilling a legal obligation’ ranked highest in public administration and in education and health. ‘Maintaining the organisation’s reputation’ scored highest in construction, waste treatment and utilities which are all activities where reputation is a significant factor in winning tenders and contracts. Again, we shaded the cells in the table where the averages for the five countries were higher than those for the EU28. In all six industries ‘meeting expectations from employees and their representatives’ reached higher scores than the EU average, indicating that employees’ pressure in the five countries had seemingly pushed management to invest more in addressing OSH than elsewhere in Europe. The higher average union density and collective bargaining rates in the five country-group may have contributed here (cf. Van Klaveren and Gregory 2019). By contrast, the sense of urgency that can be assumed behind the ‘meeting expectations’ response seemed overall to be lacking when it came to ‘avoiding fines from Labour Inspectorate’ and ‘maintaining or increasing productivity’.

Table 7.5 Major reasons for addressing safety and health at establishment level by industry, 2014, averages for five countries and EU28

	A	B	C	D	E	F	5 c.	EU28
Fulfilling a legal obligation	87	88	82	85	92	90	87	86
Meeting expectations from employees (-reps)	82	81	81	83	81	85	82	80
Avoiding fines from Labour Inspectorate	78	79	70	82	63	66	73	79
Maintaining the organisation's reputation	78	85	73	81	65	69	78	77
Maintaining or increasing productivity	67	65	62	68	49	50	60	65
<i>Unweighted average</i>	78	79	74	80	70	72	75	77

Key:

A: Manufacturing Industry; B: Construction, waste and utilities; C: IT, financial services; D: Trade, transport, food/accommodation and recreation services; E: Public administration; F: Education and health

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.6 Major reasons for addressing safety and health at establishment level by industry, 2014, averages for five countries



Source: website EU-OSHA / ESENER -2.

The ranking of the reasons for addressing safety and health showed rather limited differences across industries. 'Fulfilling a legal obligation' ranked highest in public administration and in education and health. 'Maintaining the organisation's reputation' scored highest in construction, waste treatment and utilities which are all activities where reputation is a significant factor in winning tenders and contracts. Again, we shaded the cells in the table where the averages for the five countries were higher than those for the EU28. In all six industries 'meeting expectations from employees and their representatives' reached higher scores than the EU average, indicating that employees' pressure in the five countries had seemingly pushed management to invest more in addressing OSH than elsewhere in Europe. The higher average union density and collective bargaining rates in the five country-group may have contributed here (cf. Van Klaveren and Gregory 2019). By contrast, the sense of urgency that can be assumed behind the 'meeting expectations' response seemed overall to be lacking

when it came to ‘avoiding fines from Labour Inspectorate’ and ‘maintaining or increasing productivity’.

Table 7.6 and Figure 7.7 show the use of OSH services by industry for the five countries in which we are primarily interested. Public administration ended up with the biggest overall average, showing the highest rates by far of the use of professionals; seven of eight public administration averages were higher than those for the EU28. Only the education and health sector made relatively more use of psychologists while this sector could also boast the highest share of action plans. Overall the largely private industries A-D performed less in this respect and their performance was less or (on average) not at all superior to that of their colleagues in the wider EU.

Table 7.6 Use of safety and health services at establishment level by industry, 2014, averages for five countries and EU28

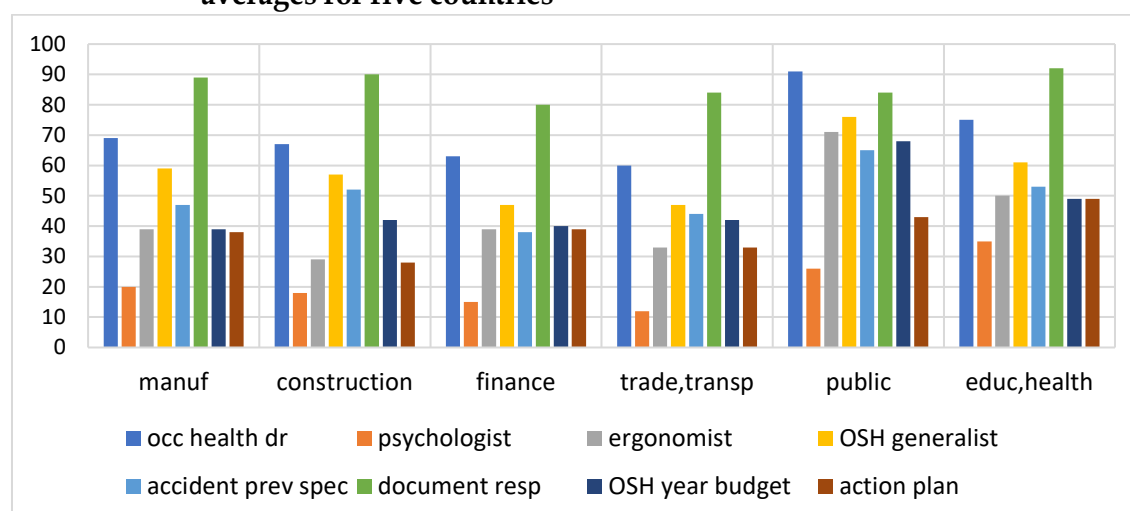
	A	B	C	D	E	F	5 c.	EU28
An occupational health doctor	69	67	63	60	91	75	71	68
A psychologist	20	18	15	12	26	35	21	17
An ergonomic workplace expert	39	29	39	33	71	50	44	34
A generalist on safety and health	59	57	47	47	76	61	58	64
An expert on accident prevention	47	52	38	44	65	53	50	53
Document on responsibilities	89	90	80	84	84	92	87	91
Specific OSH budget set each year	39	42	40	42	68	49	47	43
Action plan to prevent work-related stress	38	28	39	33	43	49	38	34
<i>Unweighted average</i>	<i>50</i>	<i>48</i>	<i>45</i>	<i>44</i>	<i>67</i>	<i>58</i>	<i>52</i>	<i>51</i>

Key: see Table 7.5

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.7 Use of safety and health services at establishment level by industry, 2014, averages for five countries



Source: website EU-OSHA / ESENER -2

7.3.5 Risk assessment in small and large establishments

As could be expected, ESENER-2 data showed a positive correlation between regular WRAs and establishment size. Whereas 70% of micro enterprises (5-9 employees) and

82% of small enterprises (10-49 employees) in the EU28 regularly carried out WRAs, this share increased to 97% in the largest establishment category (250 and more employees). It could also be expected that most WRAs in the smaller firms would mainly be contracted out. It was a surprise then to find that across the EU nearly half of the small firms surveyed indicated they mainly conducted WRAs using internal staff. Questions though should be raised concerning the quality of part of these assessments.

The fact remains that large organisations have more resources at their disposal to deal with psychosocial risks; ESENER-2 evidence confirms that this is both a matter of larger budgets and a higher level of knowledge and risk awareness (cf. Walters and Wadsworth 2016: 3). For example, whereas 36% of the micro enterprises surveyed in the five countries scrutinized indicated that they set an OSH budget each year, this percentage doubled for those establishments with 250 or more employees. The hiring or contracting out to professionals diverged widely as well – sometimes was even more extreme. As regards the use of an occupational health doctor, the shares were 55% for micro enterprises and 99% for establishments with 250 or more employees, as regards a psychologist 17 and 58%, and for ergonomic workplace experts 28 and 85% respectively (EU-OSHA website/ESENER-2).

Tables 7.7 and 7.8 and Figure 7.8 (all next page) together show that it was not so much a lack of drivers for micro and small enterprises but rather the intractability of the barriers they had to overcome that was the problem. Table 7.7 and Figure 7.8 indicate that the incidence of drivers did not, per se, constrain these smaller establishments; indeed, their scores on ‘avoiding fines’, ‘maintaining reputation’ and ‘maintaining or increasing productivity’ were higher or at least equal to those of the largest category. By contrast, looking at the barriers for OSH management, Table 7.8 shows that complexity of legal obligations was the factor most frequently reported by the smallest size classes. This result was to be expected. Some outcomes though appear to be counter-intuitive, notably the rather low scores micro enterprises posted for ‘lack of time or staff’, and for ‘expertise or specialist support’. This may well reflect the nature of small organisations where typically a great deal of knowledge resides, by definition, in very few hands. As we suggested in the preceding section, the inclusion of clauses on WRA in sectoral collective agreements or covenants pointing at (existing or new) support facilities at sectoral level may in particular strengthen OSH activities in small and medium-sized organisations, and reduce the lack of awareness on available support in this regard among their management and staff.

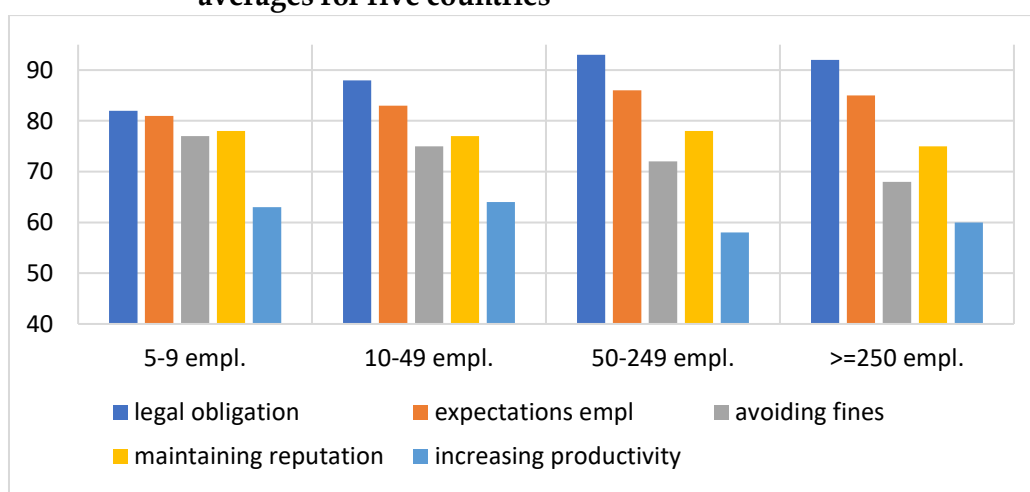
Table 7.7 Major reasons for addressing safety and health by establishment size, 2014, averages for five countries and EU28

	5-9 empl.	10-49 empl.	50-249 empl.	>=250 empl.	5 c.	EU28
Fulfilling a legal obligation	82	88	93	92	87	86
Meeting expectations from employees (-reps)	81	83	86	85	82	80
Avoiding fines from Labour Inspectorate	77	75	72	68	73	79
Maintaining the organisation's reputation	78	77	78	75	78	77
Maintaining or increasing productivity	63	64	58	60	60	65
<i>Unweighted average</i>	76	77	77	76	75	77

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

Figure 7.8 Major reasons for addressing safety and health by establishment size, 2014, averages for five countries



Source: website EU-OSHA / ESENER -2

Table 7.8 Major difficulties in addressing safety and health in the establishment, 2014, averages for five countries and EU28

	5-9 empl.	10-49 empl.	50-249 empl.	>=250 empl.	5 c.	EU28
The complexity of legal obligations	38	38	35	30	37	40
Reluctance to talk openly about these issues	25	32	48	57	33	30
The paperwork	27	24	19	18	25	29
A lack of time or staff	24	29	29	33	27	26
A lack of money	22	21	22	23	21	23
A lack of awareness among staff	14	21	24	27	17	18
A lack of expertise or specialist support	14	15	11	9	14	13
A lack of awareness among management	12	13	12	17	13	12
<i>Unweighted average</i>	22	24	25	27	24	24

Source: website EU-OSHA / ESENER -2

xx = higher than EU28 average

7.4 Country models of risk assessment

7.4.1 *The German model: a joint construction of risk assessment*

The need to tackle psychosocial risks and work-related stress remains urgent in Germany. Chapter 6 showed that, in spite of decreases after 2005, the country's EWCS scores on 'working at very high speed' and 'working to tight deadlines' remained substantial. Particularly disquieting here was the decrease in the share of German respondents stating they are able to apply their own ideas in work. Some small comfort though can perhaps be drawn from the 2018 edition of the review of 'Good Work' (*Gute Arbeit*) carried out annually by the German Union Trade Confederation (DGB, *Deutscher Gewerkschaftsbund*). This showed that since 2016 the average rating of job quality among a representative sample of the working population had been constant (DGB 2018: 15).

On a similar positive note it should be acknowledged that a combination of German industrial relations and the country's Works Constitution Act have stimulated a joint approach to the field of psychosocial risk prevention. German Work Councils can initiate risk assessments and enforce their co-determination rights on nearly every aspect of an assessment including its scope and methods. As explained in Chapter 8 (section 8.2.), works councillors form the backbone of the German trade union movement. They have been particularly influential in large organisations where unions and Councils often cooperate closely. Therefore, it is important to recognize that the mainstream German trade unions have generally seized their opportunities to diminish work-related stress, both in policy making and in raising awareness on psychosocial risks.

It has helped that the unions have a tradition of exerting influence on technological change, work organisation and the quality of work. For example, as early as 1973, IG Metall, the metal workers' union, concluded a CLA in Baden-Württemberg that contained minimum demands on the organisation and structure of work, including rest times for stressful jobs. In 1979 the same union in the same *Land* had been able to conclude CLAs with more comprehensive rules protecting workers against rationalization and loss of job quality (Evans 1982). Currently IG Metall, with around 2.3 million members is Europe's largest single union. The union regards fighting abundant stress and strain as a strategic field of action and has, for several years, run anti-stress-campaigns. In 2012 IG Metall launched a plea for an 'anti-stress law', arguing that many employers in the industries covered by the union either blocked broad assessments of psychosocial risks or refused to live up to assessment outcomes (IG Metall 2012: 2). To date, this plea has not been successful.

Over the years ver.di, the German united services union with some 2 million members, has also been active in this field. In 2018-19 ver.di organized membership seminars throughout Germany in order to discuss the health risks of tangible stress for example in health and elderly care and in emergency services to consider the options for a union response. Other unions affiliated with the DGB confederation have also undertaken activities concerning job quality and work-related stress. As already mentioned, the

DGB annually publishes the ‘Good Work Index’ in which psychosocial aspects like work intensification figure prominently. Even BDA, the Confederation of German Employers’ Associations, has recognized the relevance of combatting work-related stress in a common statement they signed along with the federal state and the trade unions. Furthermore, the official German Health & Safety Strategy has defined psychosocial strains as a main issue for their current work program.

Useful lessons here can be drawn from BIT’s experience. In the mid-1990s BIT decided to have a closer look at work-related stress. Taking part in a European research project (1996-2000) within the ADAPT initiative framework, the consultancy developed a method that combined the use of a questionnaire, group discussions and a full consulting process. The method’s acronym is BAAM, which in German stands for assessment, job content, work organisation and leadership. The first issues to be assessed as potential risk factors through BAAM were job content, work organisation, leadership and social atmosphere within a company or department. This was in keeping with the findings of the research elaborated in section 7.2 that formed the basis for ISO 10075. The main features and steps of the BAAM method are set out in Cases 7.1 and Case 7.2, below. From the start the method has been designed to be applicable to both manufacturing and service companies, big or small. It also has had to be flexible enough to address each profession and task. A publishing company (in 1998) and a local supplier of energy and water (in 1999) were the first companies in which work-related stress was assessed using the BAAM method. To date, BAAM has been applied in over 150 companies and other organisations (schools, police, et cetera) (website BIT/BAAM).

The issues assumed to be possible stress factors in jobs are always assessed, namely: task requirements, work equipment, work environment, work organisation, leadership and social relationship as well as health. Depending on the jobs to be assessed, working with customers, software ergonomics, target agreements and role as superiors can also be added as possible stress factors. In 2012 the module ‘corporate culture and change processes’ was added because BIT found that the permanent state of change in many companies or departments constituted a major stress factor for significant numbers of workers. The risk assessments undertaken aim to provide analyses differentiated by working area, occupation and (where relevant) age, gender or other characteristics such as working under permanent or fixed-term contracts. The explanation in Case 7.1 shows that detailed assessment in groups is crucial in the BAAM method. However, for issues like software ergonomics, frequently regarded as too complicated to be solved through group discussions, expert-driven analyses may be called for. Similar solutions may be applicable for leadership problems where mediation attempts need the co-operation of managers. Case 7.2 demonstrates the BAAM methodology BIT use in their consultancy work.

Case 7.1. BIT’s BAAM method (Germany)

Project definition

The framework of a project that is, the scope of the analysis; the methodology used; rules of data protection; information management, and the role of the consultant are defined by a project organisation, consisting of management and Works Council members.

Information

From the beginning management and employees get face-to-face-information (employee meeting) about the project including the aims of the risk assessment and the content of the questionnaire.

Rough analysis with questionnaires

As a first step, every employee receives a questionnaire. The subsequent survey response produces an overview that highlights the issues and the work areas or groups that are regarded as a problem and must be tackled. For an issue to be defined as a widespread or structural problem at least 40% of employees must specify it as being unfavourable. Such a threshold is used first, to ensure that the risk assessment tackles problems that a significant number of employees have recognized and second, to check that appropriate priorities are formulated. In the absence of this, a mass of single problems and measures would very likely emerge and overload the project. The results of the survey form the basis for the following steps, that should lead to measures to enhance the quality of work, reduce stress or improve the availability of resources.

Detailed assessment in groups

External consultants lead focus groups of employees (without their superiors) from the problematic work areas through the following tasks:

- defining exactly what the problem/ stressor is and what might be the causes ("45% of your colleagues suggested that they are often disrupted in their work – what are these disruptions?");
- describing the consequences of the stressor in question for work, well-being and health;
- developing ideas and proposals as to how that stressor could be avoided or mitigated;
- setting priorities for the issues that are most relevant for employees' well-being.

Where small work units are involved the whole team of employees may participate. In bigger units, however, employees will send delegates to these group discussions. On average four hours are needed to discuss the issues listed above. The results of the group discussion (definition, descriptions, ideas and priorities) are recorded. These minutes form the basis for discussion for management and Works Council when it comes to decide on appropriate measures.

Case 7.2. Going further – Q&A interview with a labour consultant from BIT (Germany)

Q: Who mostly takes the initiative when undertaking a risk assessment in German companies? Are there big differences between large and small companies?

A: There is no consistent information on this. In our experience, in large companies it is mostly the Works Council that calls for a risk assessment. In smaller companies who often do not have a Works Council, the assessment of psychosocial risks is sometimes triggered by their occupational health advisor or, in some (quite rare) cases it is the management or, in a family business, the owner. The public authorities have the responsibility to evaluate the risk assessments – and they are beginning to ask companies for psychosocial risk assessments. That increases the pressure on companies to provide such documents.

Q: Work-related stress is often related to 'bad' management or inappropriate leadership. It is therefore important to have an independent assessment. Do German Works Councils have the possibility to ask for such an assessment (paid by the company) even where the employer does not agree?

A: It is right that work-related stress is often related to poor leadership. Often this is not because the direct superiors are bad people, but rather that they are not properly trained for their job or, that the management structure itself pre-empts good leadership. Management and leadership are in any case included in risk assessments.

Q: In practice, what improvements to working conditions have you achieved through risk assessment? What is the scope for action when it comes to job design or work processes?

A: Sometimes the process of the risk assessments is a useful intervention in itself. Many improvements are linked to basic aspects of the working environment (such as reducing noise or improving lighting conditions for older workers) or the equipment. Often it is the co-operation within the team and between the team and their supervisors where improvements can be achieved. Job design or shaping work processes are measures that usually cannot be changed in the short term, although sometimes it is possible. We often begin a) by assessing the problem, b) evaluating the capabilities and skills of the workers involved, c) comparing these with the capabilities and skills needed for the new work systems, in order to establish a sound basis for a new job design.

Q: You refer to ISO 10075, is that important for your method? In France, models such as those of Karasek and Siegrist are more likely to be known and referred to.

A: The Karasek and Siegrist models are certainly also important backgrounds for our risk assessments and our data support these models. The reference to ISO 10075 however is in our view a strong point, because the standard it uses requires the production of so-called assured ergonomic findings, which have to be taken into account in risk assessments.

The work-related stress evaluation used in the BAAM approach is inevitably qualitative since –unlike noise for example – stress cannot be measured objectively. All those involved, employees and managers alike, are asked to evaluate the effectiveness of measures using a 'traffic light model': 'green' means that the measure has been implemented and is effective in reducing stress, whereas 'yellow' indicates the measure has

been implemented partially or is partially effective and 'red' that the measure was either not implemented or was ineffective. The case below presents an example of the sort of processes inside organisations that stress evaluations commonly have to deal with.

Case 7.3. Improvements following a stress assessment in metal processing (Germany)

In a metal-processing company a workshop was held with a group of supervisors after a stress assessment survey had showed some critical results. One crucial aspect was the time pressure which a majority of this group felt was a burden, accordingly they prioritized combating this problem. As a first step, the group explained the reasons behind the time pressures: *"Employees and managers assume that you always have to be there, have time, be available anytime - they don't ask if you have time. In addition to everyday work, there are always additional projects that have to be worked on. There is pressure to justify yourself to colleagues and superiors when there is not enough time. If you make mistakes due to time pressure, bosses react with often strongly emotional criticism."* Obviously, highly individualized pressurizing tactics were being referred to here.

As a second step, the group proposed a meeting at department level with all managers in order to discuss what they regarded as two main solutions, namely: a better distribution of tasks along with enhanced possibilities for mutual support in case of mistakes and problems. The decision-makers agreed with the proposals and the meeting was arranged at short notice. Similar meetings subsequently took place on a regular basis. About six months later, a workshop was held to review the effectiveness of the approach taken. The main outcomes were assessed as positive and the approach was rated 'green'.

It was also agreed to continue the regular meetings of supervisors and managers. In these meetings a number of improvements were agreed that were subsequently implemented, leading to more time allocated for projects and fixed times for training. Also, mistakes were analyzed constructively and were regarded as learning opportunities. As a result of these changes time pressure issues disappeared. However, measures in related fields received a more critical assessment. For example, although the IT equipment, which had received a very negative rating, could be partially improved, problems with IT support remained and here the assessment rating was 'yellow'.

The major lesson to be learnt here is that stress assessment is not as complicated as often feared by practitioners. Ultimately, the aim is to identify work-related stressors and assess them in a participatory process that enables practical solutions for better work design to be developed and implemented. This requires pragmatic approaches. A further lesson can be taken from the fact that the participation of shop-floor workers, as the main source of workplace expertise, is a critical factor in bringing about successful solutions. Their input in risk assessments has to be taken seriously when identify-

ing what causes stress, anger, disturbances, fatigue, boredom, demotivation or conflicts associated with their work. Similarly, their ideas on how this can be avoided or at least reduced have to be given full consideration. Their involvement, through a constructive dialogue, is in itself a motivating factor.

With regard to decision-making, we should remind ourselves that in Germany management and Works Councils have a procedural obligation to take all proposals into consideration. This offers strategic opportunities for the Councils to play important roles in designing a better organisation and improving job quality. At the same time, they can be instrumental in ensuring these results are cemented in to the decision-making strategies and procedures of the organisations in question. Such pressures can be strengthened by information disclosure and including evaluation feedback to employees on survey results and measures. The central questions in the evaluation process are whether the agreed measures have been implemented and if so, whether they effectively reduced stress. If they are answered negatively ('red'), the pressure continues to develop for new, more effective measures to be implemented and evaluated.

7.4.2 *The French model: risk assessment regulated by law*

In recent years a strong awareness of psychosocial risks at work has, for good reasons, spread over France. Chapter 6 showed that in the EWCS 2015 the overall French scores on work intensity were high compared to the ratings in both the EU28 and the other four countries scrutinized. The country's scores on 'hiding feelings at work', 'handling angry clients' and 'emotionally disturbing situations' were quite disconcerting. For example, in commerce and hospitality and in health and education the French 2015 percentages for 'handling angry clients' were as much as double or triple those of the other four countries. Earlier, in 2008 and 2009, the suicides of workers at two major French companies, France Télécom (rebranded Orange Group) and Renault, had provoked massive media and public attention. In 2012 a Court of Appeal found executives at Renault guilty of gross negligence with regard to suicides committed in 2006 and 2007 whilst the France Télécom case ended in 2019 with the conviction of former directors (see Chapter 3, Case 3.4). By contrast, around 2010 social dialogue efforts at La Poste, which had also become a symbol of suffering at work, enabled the social partners to sign a framework agreement for the improvement of working life (see Case 3.5).

In July 2008 a cluster of suicides prompted the French social partners to conclude a national (multi-industry) agreement on work-related stress at the workplace. In May 2009 this agreement, by decree, was given the force of law. It compelled every company to have a stress protocol. The employer has a threefold obligation in this respect: to identify work-related stress factors by means of indicators and take actions to prevent or avoid such factors, or, failing that, to reduce them by means of appropriate measures. The agreement / law acknowledges the roles here of work organisation, working conditions, environment and communication as well as subjective personal factors. In spite of governmental threats to publish the list of companies (naming and shaming) which did not comply with the obligations mentioned, the effects of this

agreement / law have proved to be limited. Table 7.1 showed that in 2014 with 56% France had the lowest incidence of workplace risk assessments (WRAs) of the five countries. More detailed figures proved that only half of all companies in France with less than 50 employees complied with the WRA obligation.

In France, the 'single document' approach has become the universal tool for all types of occupational risks assessments, including psychosocial risks. The single document was put in place by decree on 5 November 2001 which at the same time transposed the EU Framework Directive 89/391 into French law. Each French employer, regardless of the size of the company, has to identify at least once a year any type of occupational risk employees face. These risks must be accounted for in one single document, hence the name given to this tool. Once they have been identified, occupational risks should be assessed using indicators (on severity, frequency, extent, et cetera) for rating purposes. This step usually leads to a ranking of risks according to urgency and is useful for prioritizing actions to be taken. As far as psychosocial risks are concerned, a color code, as in Germany, is often used instead of numerical rankings. The single document tool derives its value in that it helps with tracking and monitoring risks over time. It is also the basic tool for piloting prevention processes. In this regard, it is worth noting that small companies seem to benefit more from the regulatory obligation to initiate a prevention process based solely on the use of the single document. Here, these documents are frequently better drafted and more specific than is the case in larger organisations. The latter usually have multiple 'in-house' tools at their disposal which, on the face of it, might seem advantageous but evidently can also result in confusion and a lack of clarity.

Following the report of a high-level expert committee (Gollac 2011), the assessment of psychosocial risks in France has been mostly based on the following six criteria: working time; emotional requirements; autonomy; quality of social relations at work; ethical suffering/value conflict; safety/insecurity of the work situation, and change management. As main models for surveys this committee referred to Karasek and Siegrist while adding references to the organisational justice questioning of Moorman (1991). Nevertheless, it should also be recognised that many other tools and initiatives to assess psychosocial risks have circulated in France and continue to do so. For example, ARETE has adapted BIT's BAAM methodology to the French situation and has made that available to the country's trade unions.

Due to these different tools circulating and the variety of industrial relations within French work organisations the ways in which risk assessments are carried out can differ quite markedly. Whilst assessments can be conducted in a participatory way, they might equally take place against a much tenser set of social partner relations with less room for trust building. French employee representatives are often confronted with management's lack of urgency and negative reactions when employees report stressful situations or deteriorating working conditions. Indeed, this is a main reason why representatives frequently request an external organisation to carry out risk assessments.

Furthermore, until now CHSCTs have been entitled to call on external labour consultants in cases where employees face serious health risks (see more elaborately Chapter 8). Not surprisingly, the assessment of a risk's severity is often a matter of debate among social partners. To help break the deadlock that can often ensue, an external assessor can be called for although this appears to be a rather under-utilised option.

Case 7.4. Limiting workload in the finance department of an international bank (France)

The finance department of a major international bank, with approximately 150 employees, had recently experienced a number of changes, including: the offshoring of part of the activity; an internal reorganisation; changes in the information system; increased regulatory complexity, and a heavier reporting workload. Employees came under pressure to achieve their targets within ever-shorter deadlines. The changes resulted in a deterioration of working conditions, leading the members of the CHSCT to express serious concerns. Thus, the CHSCT commissioned an external expert to "analyse the resulting workload, working conditions and potential psychosocial risks. The aim was to recommend prevention measures and ways to improve working conditions." The expert relied on interviews with management representatives and with a sample of employees as well as on a Karasek-type survey covering all employees. The participation rate in the survey was excellent, with 75% of employees responding. Workshops were organised to discuss improvement measures.

The expert's findings were presented to and discussed by the CHSCT. The findings confirmed the heavy workload and time pressures to which employees were subjected. They also criticised the open space architecture and the resulting noisy work environment. Furthermore, the job increasingly asked for the use of the English language but since this had only partially been mastered by employees, it caused time to be wasted and was a source of errors. Senior management only partly agreed with the expert's diagnosis. Nevertheless, being aware of its responsibilities in terms of safety and working conditions and also of the risks of neglecting the outcomes, they adopted several measures to limit schedule overruns and better manage the workload. This involved better planning and prioritisation of tasks and activities; prohibiting scheduling meetings after 6 PM, and requiring permission be sought from local management to stay at the office after 9 PM. Managers received specific instructions to limit and control workloads. Though not all problems that came to the surface were solved, the expert report raised the awareness of senior management to the challenges posed by developments in working conditions and working hours.

7.4.3 The Dutch model: risk assessment and organisation (re)design

In the Netherlands the risk assessment and prevention obligations embedded in the 1989 Framework Directive were transposed in the 1994 Working Conditions Act (*Arbowet*). This Act introduced four so-called system obligations for employers: a general duty of care; carrying out an annual assessment called Risk Inventory and Evaluation

also in Dutch (abbreviated *RI&E*, also in Dutch); support given by a certified Working Conditions Service (*Arbodienst*), and cooperation with the Works Council. The two latter obligations are specific to the Netherlands. In 1990 a joint revision of the Works Council Act (WOR, *Wet op de Ondernemingsraad*) and the Working Conditions Act followed by a 1998 Explanatory Memorandum to the latter, gave Works Councils the right to approve the employer's choice of a Working Conditions Service, together with the use of risk assessments and any consequent plan of action. However, unlike German Works Councils their Dutch equivalents cannot, on their own, initiate risk assessments that have the force of law. Trade unionists and government officials alike ascertained another weakness in the new official control and compliance system. The obligation for Working Conditions Services to be certified followed the government's wish that assessments should be combined with deregulated control mechanisms. Certification is carried out by a small number of private firms (only two in October 2019, Lloyds and DNV), supervised by a foundation made up of the Dutch social partners and the organisation of Working Conditions Services. This 'self-regulating system' operates according to ministerial guidelines based on the Working Conditions Act.

Under de-regulatory pressure, two more revisions of the Working Conditions Act took place in 1998 and 2007. Bearing a neo-liberal signature, they were designed to simplify the law, shift the burden of responsibilities from the authorities to employers and employees, and in so doing bring rule-setting down to the EU level thereby getting rid of 'the Dutch exception'. In this new set-up risk assessments were connected with collective bargaining. For example, in companies with up to 25 employed, the Working Conditions Services no longer control the company's *RI&E* if the sectoral CLA refers to an assessment instrument. In everyday practice this set-up has caused a deal of confusion and except for a few cases, has not strengthened the position of unions and Works Councils at all. Instead it has boosted power to the Working Conditions Services. By October 2019 260 external Services and 22 internal Services, the latter mostly in large organisations, could be accounted for (website SBCA).

Already before the turn of the century there were clear indications that the Working Conditions Services mainly focused on bringing down absenteeism. Preventive policies, including interventions to change the design of organisation and jobs, were seemingly of much less importance (cf. Popma *et al.* 2001: 45, 89). This situation seemed to have continued in the 2000s and beyond. Table 7.3 provides some evidence of this regard with nearly all the data for the Netherlands concerning difficulties in addressing OSH at establishment level ('A lack of....') in 2014 ending up above the average. As disquieting in particular showed up that over one-third of Dutch respondents indicated 'A lack of awareness among staff', a share even doubling the EU28 outcome.

As a result of union and parliamentary pressure, in 2017 the Working Conditions Act was changed once more to boost preventive and corrective employer policies. All employers were now obliged to enter into a basic contract with a Working Conditions Service or a company doctor. It remains to be seen whether these changes will prompt

more interventions by HR departments or HR officers. In spite of the successive revisions aiming at simplifying the Working Conditions Act, many employers and trade unionists still regard the current law as highly bureaucratic and impracticable. Moreover, its enforcement through the Labour Inspectorate is widely recognized as a weak spot. Since the 1990s the Dutch Labour Inspectorate has suffered from drastic budget cuts, and in 2014 and 2016 the ILO took the unusual step of criticizing its small size and weak reporting (website VHV). Nevertheless, it must also be noted that many experts have characterized the approach of a majority of Works Councils as being too passive and have under-utilized their statutory rights in the OSH field.

The above description by no means covers the full story of the efforts made in the Netherlands to reduce psychosocial risks at work. From the early 1960s until 1990 Dutch employers had initiated some 40 STSD-inspired projects aimed at redesigning organisations (Van Eijnatten 1993), while 50 efforts by union groups and/or Works Council undertaken between 1975 and 1990 to influence technological and organisational change at company level could be documented. The latter efforts gained impetus when in 1985-86 six FNV-affiliated unions with government funding managed to get 'technology training' programmes off the ground. These programmes triggered the joint development and application of STSD-inspired 'social design demands' by Works Councils, union officers and labour consultants.

A statistical analysis of 67 documented efforts of Dutch union groups and Works Councils between 1975 and 1997 to influence technological and organisational change showed that where union density was lower than the sample average, employee representatives tended to focus more obviously on joint problem solving (JPS) with management. The group of cases where representatives had relatively high JPS scores also scored above average on advances achieved in the quality of working life / work organisation (QWL). Conversely, this group scored low on achieving a better position vis-à-vis the own constituency or vis-à-vis management (POS) and on developing their own activities (OWN). By contrast, the high-density category scored relatively high on POS and OWN but, contrary to the expected pattern, besides low on JPS also low on QWL. One explanation, derived from internal union debates, was that high scores on POS might –in early project stages at least – have stood in the way of finding the combinations of 'dancing and boxing' most likely to be effective for improving QWL. Rather often Dutch works councillors have tended to use strong positions for highly procedural but not particularly effective approaches in terms of achieving win-win situations. This changed in cases of longer duration where trust relations could be built up and higher scores on JPS were indeed related to higher scores on QWL (Van Klaveren and Sprenger 2005). Most of the assumptions derived from two earlier and larger surveys among Dutch Works Councils (Tijdens and Van Klaveren 1997) were confirmed. Case 7.6, below, combines descriptions of projects that took place at container terminals in the port of Rotterdam in which some of the dynamics just described became visible.

In the Netherlands the methodological basis for STSD-oriented interventions started to be legitimized when in the mid-1980s the Department of Social Affairs and Employment expressed the need to underpin Article 3 of the Working Conditions Act with a definition of 'well-being at work' (in Dutch abbreviated WEBA). The departmental group preparing the revision of the law acknowledged the following key elements:

- the employer is obliged to adapt work and tasks to the characteristics of the employee including his/her competences;
- the employee is entitled to autonomy, room to maintain contacts with other employees, and
- to be informed on the goals and results of his/her labour.

In order to make these elements operational, the group sought to cooperate with three research institutes. Their in-depth report drew up a conditional approach to well-being at work which emphasized combining the creation of opportunities for individual learning and development with the avoidance of stress and strain. The WEBA method detailed prevention and intervention rules. These rules were held to be easily understood and assimilated by all concerned (Projectgroep WEBA 1989). The report clearly drew on the achievements of Dutch proponents of STSD.

After Article 3 became law in 1990, the three institutes continued to co-operate and helped produce guidelines for 'improving jobs and integral design' (1991) and 'analysing and assessing job content' (1992). These publications from the Department of Social Affairs and Employment found a wide audience as well as a ready application in training courses, including the courses initiated earlier by STSD enthusiasts. The WEBA guidance was followed by the NOVA-WEBA guide (Dhondt and Houtman 1996) that focused on identifying the obstacles in the way of achieving well-being at work. Seen from a longer-term perspective, WEBA and NOVA-WEBA have left substantial markers behind that continue to raise awareness in broad circles in the Netherlands about the possibilities of (re)designing and improving jobs and organisations. Yet, in hindsight the rather defensive approach of NOVA-WEBA seems to have anticipated the deregulation pressure that eventually led to the weakening of Article 3 which lawmakers gradually dismantled after the turn of the century. This rather inconspicuous activity was symptomatic of the fact that, in spite of the economic boom at the time, attention on quality of work as a policy field had faded away in the Netherlands.

Against this backdrop a group of disconcerted policy makers and researchers associated in a typically Dutch way, to set up the Dutch Centre for Social Innovation (NCSI) in 2006 as a temporary initiative involving employers' associations, the three main union confederations and three 'knowledge institutes'. The NCSI succeeded in bringing new initiatives to life, not least through pushing social partners in bargaining settings to produce innovative arrangements regarding teamwork and telework. In particular arrangements related to teleworking, labelled '*Het Nieuwe Werken*' (The New Way of Working), became highly popular (Xavier and Pot 2012). However, a few years later, in 2012, the NCSI was true to its temporary status dissolved. The fact that the Dutch

Innovation Platform had also been disestablished two years earlier did not help matters. It soon became evident that the initiators of the NCSI had overestimated the sustainability of quite some initiatives. Unlike in Germany, successive Dutch administrations have not followed up with new programs. With this lack of institutional support and funding, the initiatives for workplace innovation that have survived have done so mainly for technical or labour market reasons, for instance the introduction of robotics and labour shortages in care and education. It has become also clear that the NCSI had not succeeded in bridging the gap between risk assessment and organisational (re)design. It seems that in the 2010s representatives of these approaches have tended to meet only occasionally and the consequent lack of exchange of experience between the two is something of a missed opportunity.

For both the Netherlands and Germany it can be noted that, like their predecessors of the 1980s, the partly government-sponsored development programmes of the 2000s have had positive effects on the numbers of organisations deploying organisational renewal initiatives. Unfortunately, on the labour side of the equation, positive effects on collective bargaining –including a shift of bargaining emphasis towards work organisation and job quality issues – seems to have been rather weak. Our evidence suggests this conclusion can be extended to the contents and patterns of collective bargaining in the other three countries we are most interested in (cf. *AIAS-ETUI Collective Bargaining Newsletter*, 2013-2019, and Van Klaveren and Gregory 2019: 156-7).

To some extent the current lack of active government involvement in the Netherlands is unhelpful but neither can we overlook the fact that both trade unions and employers' associations have become increasingly passive on organisational renewal issues. Indeed, the employers associations' policies seem to have been influenced by the neo-liberal management models that have latterly come to prominence in the Netherlands not only in multinationals but also in domestic firms – a trend teams including two of the current authors already found in research based on *WageIndicator* data in 2004 and 2006-2011 but that recently has come more to the surface (cf. Van Klaveren and Tijdens 2019: 195-7). Dutch trade unions, in the meantime, have been embroiled in a struggle for survival and political recognition, with the FNV additionally having to overcome internal disputes. All of that left them with little room to prioritize the (re)design of jobs and organisations. Moreover, learning from earlier experience in this field seems far from optimal within the union movement and does not appear to have been systematically organized. With the exception of the documentation of collective negotiations and agreements ⁶, a digital 'collective memory' through which such experience can be more in-depth stored, retrieved and evaluated is missing.

Case 7.5. Assessing job quality at container terminals (Netherlands)

6 See the *AIAS-ETUI Collective Bargaining Newsletter* and the *WageIndicator* CBA database.

In the 1980s, efforts by the social partners aimed at modernizing the port of Rotterdam tended to be mutually reinforcing. GHR, the Municipal Port Authority, took the lead proposing the optimisation of logistic chains and the creation of advanced data networks. GHR was well aware that its ambitious programme had to involve the trade unions, who at the time organized around 80% of the Rotterdam dock workers. The leadership of FNV Transport, by far the largest union, decided for its part to democratize its structures and develop new policies. Works Councils spearheaded the union's new main goal, namely: improving the quality of work whilst maintaining employment levels through negotiating technological change – preferably supported by labour consultants proficient in applying STSD-based approaches.

A first opportunity came when container terminal D of firm A, the largest port operator had become operational. A's HR management had presented D as a showcase of 'human automation'. However, after two years in operation, A's Works Council received indications of worrisome job quality. Two rounds in focus groups organized by STZ labour consultants indeed revealed considerable problems associated with one-sided specialization, monotonous tasks, and lack of training and career possibilities. Two years later, A's Works Council and the unions were confronted with the firm's plans to build the highly automated M terminal. The Works Council decided to try to influence the design of the M terminal, supported by STZ. The outcomes of renewed focus group work and in particular the social design demands the labour consultants derived from them left their mark on the successive phases of the design process. Thus, when the M terminal went into operation four years later, it could be seen to be a workplace where, among other achievements, workers were able to advance from operational to process-control tasks while the implementation of teamwork was also evident. An evaluation study and interviews conducted five years later, showed that workers and management still had a positive assessment of overall job quality at the M terminal.

In between the two efforts in company A, the Works Council of the smaller Rotterdam competitor B also called on STZ. Its parent firm planned to invest in a new container terminal but the Works Council questioned whether the existing organization, based on top-down commands and improvisation, could deal with this expansion. Management and Works Council agreed a joint development project in which the Council would be entitled to advise in each consecutive design phase using a 'go/no go' procedure. Whilst STZ supported the Works Council, B's management hired a management consultancy group that adhered to STSD principles. The job quality assessment STZ undertook delivered significant arguments to break with the old model and strive for structured decentralization.

However, a coalition of managers showed themselves unwilling to take any steps in this direction. A clash followed when the management consultants seemed to give in to this resistance. In reaction the Works Council vetoed the start of the next design phase, a veto that the employer accepted. After lengthy deliberations it was agreed the project could be re-started based on a Council proposal. An STZ consultant came

to act as a project leader and, jointly with the firm's HR manager, in the next two years pushed forward the implementation of teamwork with planning tasks attached, the structured rotation of tasks, and improved training facilities. In the second year, unions negotiated a pay and career scheme matched to the new structure and work practices.

(Sources: Van Klaveren and Bouwman 1991, 1993; Bouwman 1998, and underlying reports; see for an extensive case description Appendix 1, Case A5)

7.4.4 The UK model: the importance of safety reps and safety committees

The legal basis for psychosocial risk assessment in the UK derives in the main from the Health and Safety at Work Act (HSWA) 1974, the Safety Representative Regulations of 1977 and the Management of Health and Safety at Work Regulations of 1999. The HSWA imposed a general duty on all employers to provide and maintain safe and healthy systems of work at the workplace. The Safety Representatives Regulations that followed on from this provided wide-ranging rights for locally elected workplace representatives to inspect and monitor risks and hazards at the workplace. This included the right to request and receive information relating to changes at the workplace where such changes might add to existing health and safety risks. It is generally recognized that the combination of the general rights imposed by the HSWA and the active development of safety reps and joint safety committees ((in which TURU had an early involvement) has had a positive impact on workplace safety and health trends in the UK. The incidence of fatalities at work as well as days lost through injury or work-related ill health have all declined to the point where recent EU-wide comparisons show the UK to be one of the best performers. For example, Eurostat data for 2016 posted the UK's standardised incidence of fatalities (deadly accidents) at work at 0.53 per 100,000 employees. This was lower than that of economies such as France (3.32 per 100,000 employees), Germany (0.63 per 100,000 employees), Italy (0.91 per 100,000 employees) and Spain (1.53 per 100,000 employees). Moreover, the UK average of 0.52 fatalities per 100,000 employees for 2013-2015 was the lowest of all EU member states (HSE 2019).

As we have already noted, the high incidence of workplace risk assessments (WRAs) in the UK (92% of firms complying) shown in Table 7.1 might present a too rosy picture of the involvement of rank-and-file employees in these assessments. Indeed, a different picture can be seen from a survey carried out in 2017 by UNISON, the UK's largest union and organizing the public services who surveyed 10,000 members on their experience of workplace stress. It was clear that stress amongst workers in public services in the UK was a severe and growing problem as the government's austerity policy added further negative pressures onto services already squeezed by a decade of expenditure cuts. Around 90% of respondents recorded that they felt more stressed some or all of the time compared to the previous year and around 30% had taken time off work for stress related illness in the previous five years. Remarkably, also given the requirements of the Management of Health and Safety at Work Regulations, 60% of respondents reported that their employer had never spoken to them about stress and

74% reported that they or their colleagues had never been surveyed by their employer about stress.

The TUC, the UK's central trade union body have, since the adoption of the safety reps regulations in 1977, played a proactive role in developing effective and wide-ranging training courses for safety reps. In the last couple of decades they have focused additionally on developing practical tools to enable workplace reps to assess psychosocial risks. With the insecurities in the labour market generated by the rise of various forms of precarious employment on the one hand and the impact of expenditure cuts on public sector jobs on the other, it is clear that such interventions by the TUC and those of the other leading UK unions have been fully justified.

Given the period of uncertainty that now faces the UK as it navigates its way through the post-Brexit economic tides, it seems likely that the union movement will, at least in the short to medium term, be in the frontline dealing the consequential increases in psychosocial stress likely to be found in many workplaces. In this regard, the extent to which current health and safety legislation, particularly the Management of Health and Safety at Work Regulations, manages to escape the attention of any post-Brexit deregulatory drive, will be an important factor for the future well-being of significant numbers of the British workforce.

7.4.5 The Swedish model: national regulations addressing managerial responsibilities

Work-related stress and repetitive strain injuries have become the major reasons for sick leave in Sweden. Since the beginning of the millenium psychosocial malfunctioning amounts to more than half of all sick leave days posted by Swedish employees and has been particularly marked in the public sector. Slimmed down (to the point of anorexia) organisations forced to cope with changes at the workplace at increased speed along with a rise in intrusive management control strategies are some of the reasons behind this trend. Whatever the causal factors, risk assessments with a focus on stress have become a considerable focus of attention from both a public health and organisational efficiency perspective.

As noted in section 5.4.4, the Swedish Work Environment Act has delegated the responsibility to issue regulations on occupational safety and health to the country's Work Environment Authority. Risk assessments are regulated as part of the Systematic Work Environment Management provisions. Among other things, these state that "When changes in the organisation are planned, the employer should assess if the changes will cause risks for ill health or accidents which need to be dealt with." The risk assessment should be written down and risks should be recorded irrespective of whether they are serious or not.

Risk assessments are commonly carried out as projects involving HR, line managers and health officers culminating in a presentation to the organisation's joint health committee. Risks are first of all listed and evaluated in terms of both their probability (from 1 to 5) and the seriousness of their effects (from 1 to 5). To that is added a list of

measures to deal with each risk and responsibilities are assigned for carrying out these measures. In more advanced organisations this OSH risk assessment might be further integrated with a similar assessment for operations that will also evaluate customer reactions, profitability and time horizons. The most valuable feature of this type of risk analyses is that they are mandatory and can ensure that particular issues are brought to the table. As such they provide a good basis for taking proper actions to mitigate the negative effects of changes. However, they very seldom result in changing the proposed decision in a more radical way, and are frequently seen as an instrument to 'sweep up the problems' generated by the change.

In many cases the labour consultant takes part in or at least has access to the final report and can thereafter combine this analysis with any wider economic, market and organisational analysis that is being undertaken. In this way risk assessments can be used both as an instrument linked to a specific change or, on a more contingency basis, as a key component in a more comprehensive organisational analyses. Whilst risk assessments are frequently a feature of the work carried out by HR departments, the general problem remains that they seldom support direct action and organisational change. An alternative risk assessment tool, developed by the Institute for Working Life and Development (IAU, website) is described below. This tool has a multiple use both as an organisational development tool and as a means of getting in-depth information from respondents in specific change situations. It is especially useful for identifying organisational and social issues at the workplace.

Case 7.6. The Human Power Map: developing organisational and social work environment in pre-schools (Sweden)

The Human Power Map provides an open digital enquiry tool for (work, project or management) teams analysing the likely impact of proposed changes at the workplace. The digital enquiry starts with an open question to respondents such as "what characterizes your current work situation" or "what are your thoughts about the upcoming reorganisation". The respondent is then asked to make judgements:

- whether it is a positive or negative answer (on a scale);
- whether the situation can be controlled or not,
- and finally what aspects of the organisation might be most affected, for example, management/leadership; communication; social relations at the workplace; routines; competences; defined roles, et cetera.

The result of this enquiry is then discussed in a workshop that normally would consist of respondents to the enquiry; the project team; employee representatives (for instance a safety and health committee), and appropriate department or divisional managers. The workshop uses the report to help the participants come up with a set of improvement actions.

A local Swedish municipality chose to use the Human Power Map for its pre-school operations (350 employees in 24 single schools) that were suffering from high levels

of sick leave indicating an urgent need for systematic management of the work environment. After completing the survey each single preschool carried out three sequential workshops. The first workshop identified activities over the working day rated red, yellow and green where the 'red' denoted time spent unproductively (waiting time, administrative problems, conflicts etc.), 'green' productive work time, while 'yellow' indicated time spent for development and skill formation. The following workshop came up with suggestions for improvements and activity plans to decrease 'red time'. Suggestions that were beyond the decision-making discretion of the workplace were sent to management. The plans were documented digitally; developments were followed up at meetings held every four months. The management team had a special workshop organised to discuss the situation at their level and to consider the suggestions made by the teams.

The overall process received a positive evaluation from the employees involved and the rate of sick leave decreased from 11 % to 9.5% over the year. The estimated savings were Euro 230,000 compared to the cost for the programme which was said to be Euro 30,000.

7.5 Good practice

We are now finally able to add good practice suggestions aimed at involving employee representatives and achieving a meaningful social dialogue, in particular based on discussing psychosocial risk assessments.

In our view it is vital

where work organisation is an issue, that

GP29 employee representatives, trade unions and labour consultants should, wherever possible together with management and HR staff, promote pilot projects in change processes to indicate and evaluate critical features of any future re-organisation of work or proposed changes to job quality;

GP30 psychosocial risk assessments can only be carried out properly if employees and their representatives are involved; wherever possible they should be linked with the prevention of psychosocial risks and the redesign of organisations and jobs associated with psychosocial stress;

GP31 in accepting assignments for psychosocial risk assessment, employee representatives and (labour) consultants should check whether management is committed to a system-based approach including the conversion of results into a plan of action, and exert pressure on management if these conditions are not met,

and widening to focus on connected institutions and policies:

GP43 trade unions must strive to ensure that sectoral collective labour agreements or sectoral covenants on occupational safety and health include an unequivocal commitment to implement psychosocial risk assessments.

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CHAPTER 8 LABOUR CONSULTANCY: A COUNTRY OVERVIEW

8.1 Introduction

The way in which labour consultants carry out their assignments differs substantially across the five countries scrutinized, partly due to differences across countries in their economic profiles, competitive structures and corporate governance, partly due to varying national legal contexts, and partly due to different national traditions that surround the use of experts in change processes. This chapter covers these three sets of causal factors, though we leave competitive structures and corporate governance largely aside. It is probably worth pointing out to interested readers that two of the current authors have recently explored a considerable part of this group of causes, that is, the relationship between industrial relations and competitive structures, for five sectors including the five countries under scrutiny here (Van Klaveren and Gregory 2019).

First of all, we present economic profiles of the five countries, followed by overviews of the national legal contexts covering legislation and practice concerning employee representation, and regulation concerning working conditions and occupational safety and health. As we will see, some countries have specific rules regarding the involvement of labour consultants, either in one of these pieces of regulation or in both. The third part of this chapter offers overviews of the national markets for labour consultancy.

8.2 Country overviews: economic profiles

8.2.1 *An economic profile of France*

France has a population of 67.1 million (January 1, 2020) and with nearly 3.6 million enterprises in 2016, is home to a relatively large number of firms. Most of these (96%) are small firms with less than 10 employed. Nevertheless, about half of French wage-earners in the private sector are employed by medium-sized and big companies. France is especially competitive in aircraft and spacecraft research and manufacture, car and train manufacture, and the production of pharmaceutical products, perfumes and cosmetics, wine, et cetera. With about 12% of the French wage-earners employed in foreign firms in the private sector, the impact of FDI has been relatively limited. France has a large public sector, accounting for 56% of the country's GDP.

Since the outbreak of the crisis in 2007-08 unemployment in France has remained relatively high with a persistently high level of youth unemployment. In 2018 about one in four French 15-24 aged was unemployed, a particularly disquieting feature of the labour market. In international comparison, the French low-wage sector is not that extensive. According to Eurostat, in 2014 8.8% of employees in enterprises with 10 or more employees had earnings at or below the low-pay threshold, that is, earning less than two-thirds or less of the national median gross hourly earnings.

8.2.2 An economic profile of Germany

Germany with 83.0 million inhabitants (March 31, 2019), is the EU's most populous country. Of its 3.5 million enterprises (2016), 3.1 million or 86% employed less than 10 persons. Germany still has a strong industrial base, particularly R & D-based, with car manufacturing, machinery, chemicals and pharmaceuticals as strongholds. At 24.1% in 2017, the industry's share in total German employment is still relatively large while the service sector employed 74.5%. Inward FDI in Germany has been comparatively limited: in 2016 about 11% of the country's private sector employees worked in foreign-owned firms.

Supported by Germany's continuous current-account surpluses and strong export performance, the country's economic recovery after 2007-08 was strong, and unemployment rates declined regularly. Indeed, in many regions and sectors companies and public organisations currently experience difficulties in finding qualified staff. On the other hand, a large low-wage sector has developed. In 2014, 22.5% of German employees in enterprises with 10 or more employees earned less than the low-pay threshold.

8.2.3 An economic profile of the Netherlands

The Netherlands is a small but densely populated country; in 2019 87% of its 17.3 million inhabitants (by January 1, 2020) lived in urban areas. By 2017, 82.9 of Dutch wage-earners (the second-highest share in the EU) were employed in services. Production and servicing for exports recently contributed nearly 40% of the country's value added. Four clusters have developed into economic powerhouses: commercial services; chemicals; food industry, and Rotterdam seaport and Schiphol airport. Around 17% of private sector employees are working for foreign-owned firms and inward FDI is relatively important.

The 2007-08 crisis hit the Dutch economy seriously, not least because of its export orientation. Since 2010, exports have risen strongly again, but private consumption fell more than in adjacent countries which postponed the recovery. While unemployment fell to below 4%, in 2017-18 labour shortages in most industries and occupations have appeared. As in Germany, the incidence of low wages has increased in the Netherlands with up to 18.5% earning less than the low-pay threshold in 2014.

8.2.4 An economic profile of Sweden

Sweden is large in terms of land mass but a rather small country in terms of its 10.2 million population (by January 1, 2020). As 45% of GDP has been derived from trade in goods and services, its economy to a considerable extent depends on exports, with mining and wood industries prominent alongside global manufacturing companies like Ericsson and Volvo Trucks and globally operating retail companies such as IKEA and H&M. The country also has an expansive IT industry and a large public sector (taking nearly half of its GDP). Given that approximately 23% of Swedish private sector employees work for foreign-owned firms, inward FDI is relatively important.

The 2007-08 crisis hit Sweden heavily but a record GDP growth in 2010 showed the initial recovery to be strong before a 'second dip' took hold of its economy. Since then, unemployment has stabilized albeit at a relatively high level, at least according to historic Swedish standards. By contrast, the country has maintained a relatively equal income distribution and a very low level of *wage* inequality, as shown by a low pay incidence rate for 2014 of 2.6%.

8.2.5 *An economic profile of the United Kingdom*

The United Kingdom is a small, densely populated union embracing England, Scotland, Wales and Northern Ireland. Its population reached 67.8 million in January 2020. The first nation to industrialize, the UK has undergone a rapid process of de-industrialization since the early 1980s. As a result, 83.5% of its labour force are currently employed in services – the highest share in the EU28. The financial sector (banking and insurance) expanded massively after deregulation in the 1980s, and by 2010 was employing about one in six British wage-earners. The UK's remaining industrial base accounts for around 10% of economic output and contributes 15% to the country's employment. Over the years, the UK labour force has seen considerable shares of low-wage earners, and in 2014, 21.3% of British employees earned less than the low-pay threshold.

The UK is the biggest recipient of inward FDI in the EU and around 18% of private sector employees work for foreign firms. By a relatively narrow margin in 2016 the UK voted to leave the EU. Currently the first stage (withdrawal agreement) of 'Brexit' was completed at the end of January 2020 with full separation (with or without EU-UK trade agreement) scheduled for December 31, 2020.

8.3 Country overviews: the legal context

8.3.1 *The legal context: France*

Labour consultants have become an integral part of the French industrial relations system, at least as far as large and medium-sized companies are concerned. The right of the employees' representatives, the Works Council at the time (*Comité d'entreprise*, CE), to call on a labour consultant, paid for by the employer, goes back to 1947, when Works Councils were first created. At the beginning, this right was limited to reviewing annual accounts, to allow councils to fulfill their control function by getting an independent analysis of the economic situation of their company. Since 1982, due to the so-called Auroux laws under the first term of President Mitterand, CE's in companies with over 300 employees have been entitled to request an expert to study the consequences for employment and working conditions of any important introduction of new technologies.

From a purely accounting and economic standpoint, the scope for the intervention of labour consultants has been extended from the late 1970s to cover a large range of issues such as:

- the company's strategic orientation;
- social policy;
- working conditions and employment;
- dismissals for economic reasons;
- the negotiation of a collective agreement in cases of restructuring;
- the threat of the company going bankrupt;
- employees' profit sharing.

Over the years, the employee representatives' right to expertise has been reinforced by extending the field of interest and by the growing influence of the Health, Security and Working Conditions Committee (CHSCT, *Comité d'hygiène, de sécurité et des conditions de travail*). Since 1994 the CHSCTs, in all companies regardless of their size, have been entitled to request expertise (independent of the employer) in two cases: either an important project which modifies health and security conditions or working conditions (e.g. restructuring or reorganizing) or, where serious risks for instance work-related stress situations or other psychosocial risks, might be a consequence. However, neither the CE nor the CHSCT have specific rights in the evaluation process following a risk assessment.

Some labour consultants' assignments have attracted considerable attention in the media, such as those in France Télécom and Renault following suicides at the workplace (see Chapters 3 and 7). The involvement of experts may have had a leveraging effect on union actions at company level. Although in any case for the employer, the stakes were high when it came to CHSCT assessments since neglecting to take an expert's conclusions into account was a serious risk for corporate leaders, particularly in cases involving employee suicide. Liability could be incurred and penal repercussions might well follow to say nothing of the reputational damage to the company. Against this backdrop, CHSCT assessments were sometimes a source of conflict. In the early 2010s the growth in the use of consultants by CHSCTs triggered a great deal of criticism from some employers and many legal disputes in this field have been brought to court.

Since the mid-1990s several forms of staff representation have coexisted within companies, often operating almost independent of each other. Until recently, alongside the CE and the CHSCT, a system of employee delegates (*délégués du personnel*) could be in place. Each 'structure' has its specific fields of intervention. However, one of President Macron's first steps in May 2017 was to pass a new labour law that came into effect on 1 January 2020. The new law embodies major changes for all businesses. The three bodies representing employees have been grouped into one Social and Economic Committee or CSE (*Comité social and économique*). Management will be under a legal obligation to negotiate annually with the representative unions at company level on wage development (NAO). In addition, management will continue to be obliged to inform and consult the CSE annually on the company's economic/financial results, business strategy and employment requirements and skills development. The CHSCT, up till now mandatory in all companies with more than 50 employees, has been replaced by a Health, Safety and Working Conditions Committee (CSST) but only in companies

with more than 300 employees. This new Committee does not have a legal status, it just depends on the CSE; therefore, it cannot decide to call on an expert.

The implementation of the CSE is negotiated company-by-company: a novelty in French industrial relations meaning that, although the functioning of the CSEs will be regulated by law, in this respect differences between companies will soon become visible. For the time being, assessments differ regarding the outcomes for employee representatives and labour consultants. For some, particularly those on the employers' side, the reform will allow employee representatives to get a broad view of the company's situation. Indeed, the creation of the CSE as a single body may open up opportunities for a more comprehensive approach to labour consultancy assignments, connecting strategic and economic assessments with those on working conditions and other social issues. However, on the side of labour it is feared that the specific problems related to work organisation and working conditions may get 'drowned' in the mass of economic and social issues the CSE will have to deal with. Also, with the current tight deadlines of the legally prescribed procedures, it remains to be seen whether a growing remoteness from the shop-floor can be avoided. Time constraints may make it virtually impossible for employee representatives to explore organisational alternatives for management restructuring plans. Moreover, following the abolition of the CHSCT and the employee delegates, it seems logical to expect the new law will lead to a sharp decrease in the number of employee representatives. In consequence, although the CSE members will seemingly have more hours at their disposal many of them may be faced with problems of time and resources. That said, any assessment of the new system is clearly premature. The fact that room has been created for the social partners at enterprise level to negotiate the functioning of the new bodies means that corrections of malfunctions could happen later.

In spite of the changes just discussed the practice of labour consultancy in France remains tightly regulated by the Labour Code. The Code lays down precisely how, when and in what circumstances a labour consultant can be hired. For example, the time limits for expert assignments are limited by law. The new labour law confirms the right to expertise. The CSE will be able to call on an outside expert paid by the company to investigate both economic and social issues. In some cases, this is a full obligation imposed upon the employer. In other cases, the use of expertise paid for by the employer is subject to certain conditions. Finally, it should be noted that the CSE, at least in larger companies, has an operating budget of its own funded by the employer. The CSE can use this budget to call on an external labour consultant but in that case his/her investigative rights within the company will be limited. Also, for certain types of expertise the CSE will have to make a contribution of 20% of the costs involved from its own budget, the rest being paid by the employer.

Since 2000, successive French governments have tried to strengthen negotiations between management and labour at company level. In this context, the advisory role of the labour consultant has grown in importance. Over time an increasing connection

between negotiation processes, which remain the prerogative of trade unions, and information and consultation processes involving employee representatives within companies can be observed. This strong connection can in particular be seen in reorganisation and restructuring projects that can result in redundancies. In case of planned dismissals, companies with at least 50 employees have to draw up and negotiate with the trade unions an Employment Protection Plan (PSE: *Plan de Sauvegarde de l'Emploi*). The Labour Code stipulates, among other things, that redeployment measures be included in PSEs.

By the 2013 Employment Security Act, the lawmakers tried to enlarge the efficiency of the social dialogue within companies by declaring a permanent company database containing compulsory economic and social data. This database replaced a vast number of periodically disclosed documents hitherto used for information and consultation. At the same time, the number of compulsory annual information and consultation rounds on economic and social matters has been drastically reduced. It should be emphasized that this does not call into question the obligation of the employer to inform and consult employee representatives on reorganisations or other change projects.

8.3.2 *The legal context: Germany*

At company level in Germany codetermination is well developed and the Works Council (*Betriebsrat*, or *Personalrat* in the public sector) is a considerable force. The Works Constitution Act (*Betriebsverfassungsgesetz* or BetrVG; adopted in 1989; promulgated in 2001, last amended in December 2018) specifies the co-determination rights of the Works Council, including the right to be informed or the right to be heard by the employer. In addition, the tasks of the Works Council are defined by other regulations such as the OSH legislation, collective agreements between unions and employer organisations at sector level and agreements between Works Council and employer at company level. In Germany, works councillors are the backbone of the trade unions. Over two-thirds of all councillors are members of a union affiliated to the German Trade Union Confederation (DGB), compared to a much lower overall union density (17% in 2018). Also, and unique in the EU, the Codetermination Act (*Mitbestimmungsgesetz*) of 1976 requires companies with over 2,000 employees (1,000 in coal and steel producers) to have half the supervisory board consisting of employee representatives.

According to the Works Constitution Act, the Works Council may call in an expert necessary to fulfill their tasks properly (Art. 80.3 BetrVG). The tasks, subjects and contents on which the Council may call in an expert cover a wide field and are not limited by law. The most relevant topics when it comes to advice from experts are occupational health and safety issues, performance and behaviour control by electronic data systems, systems for data protection and security, working hour systems, and wage plans. It should be noted that several steps are compulsory before the Works Council may call in an expert (to be paid for by the employer):

- advice to be given by the expert has to be ‘necessary’ e.g. where an issue is too complex for the Works Council or specific knowledge is needed to tackle an issue. This necessity is not clearly defined by law and may differ from company to company. Before calling in an expert, the Works Council has to prove that it has done everything to get the necessary information or advice to tackle an issue without resorting to external advice. This is necessary in cases where the employer may disagree an expert is needed and may be reluctant to pay for such an expert. However, the question of whether the advice is necessary is itself a reason for the Works Council to call in an expert (in such cases usually a lawyer);
- a formal decision of the Works Council (as an institution, not just single councilors) to call in an expert is compulsory;
- Works Council and employer have to agree about calling in an expert before he or she begins his/her work. If this agreement is not forthcoming, the Works Council may apply to the Labour Court or to the arbitration committee at company level to enforce a decision.

There is one exception to these rules: an agreement with the employer is not compulsory in cases of planned changes that may have considerable negative consequences for substantial parts of the workforce. This covers developments such as a closure or relocation of important parts of the company, massive reductions of staff, and the introduction of fundamentally new working or management methods, but it is limited to firms with more than 300 employees (Art. 111 BetrVG). As explained in Chapter 7, in Germany the Works Council can initiate a psychosocial risk assessment and can exert its codetermination rights on virtually all aspects of that assessment, including its scope and methods.

8.3.3 *The legal context: Netherlands*

Except for a few periods in the country’s post-war history, industrial relations in the Netherlands can be characterized as consensual. In the early 20th century the Dutch union movement was ‘born outside the factory gates’ and its mainstream has remained highly centralized. Dutch politics has denied union delegates a legal status at company level. Instead, under the 1950 Works Council Act or Codetermination Act (WOR, *Wet op de Ondernemingsraad*) employees were entitled to representation in joint Works Councils at company level, initially chaired by the employer. A 1979 revision of the WOR provided for mandatory councils, independent of the employer, to be elected three-yearly (some four-yearly) by and from the workforce in companies with at least 50 employees (with a special arrangement for companies with 10-49 employed). The councils are endowed with information and consultation rights as well as co-determination rights on personnel policy and working conditions regulations, but –unlike in Germany– they do not have wage bargaining powers. Consultations between Works Council and employer take place in a separate consultation meeting (*Overlegvergadering*), and such meetings are obligatory before an employer can take a decision on any subject required by the law.

The Works Councils and their committees may ask external *and internal* experts for information and advice, including advice in writing (WOR art. 16). Some 15 years ago research found that two in three experts involved were external to the organisation; it is unlikely that this share has changed substantially. All experts are subject to the same confidentiality rules regarding business and industrial secrets as are valid for works councillors, unless agreed otherwise by the employer or deemed to be unreasonable by the Administrative Court. Any costs incurred by the Works Council in consulting experts have to be paid by the employer provided that the latter has been notified in advance (WOR art. 22). The three WOR articles 16, 20 and 22 make up the legal framework for the activities of labour consultants as external experts.

Regarding working conditions and environmental issues, Works Councils often delegate their advisory rights to their Safety, Health, Well-Being (and Environmental) Committee (VGW(M)). Like other articles related to occupational safety and health this Committee's mandate is based on both the WOR (mainly articles 27 and 31) and the 1990 revision of the Working Conditions Act (*Arbowet*). The experts' advice may be underpinned by research, undertaken alone or jointly with other consultants and/or university or other researchers. If so, the confidentiality rules extend to all those involved. Under the same legal framework, large firms may have a Central Works Council (CWC) whilst their divisions may have a Group Works Council (GWC). Similar to Germany, an estimated two out of three Dutch councillors are unionized, a share nearly four times greater than the overall union density of 17% in 2016.

Works Councils and their committees are not the only clients of Dutch labour consultants; trade unions form a second group. We estimate that over the last decade, union assignments made up about one-fifth of the total income of labour consultants. A problem for consultants working solely for unions is that they lack legal protection when dealing with confidential company information. At work organisation level neither individual trade unionists nor union groups have a legal status. This is a major reason why union officers leave co-operation with labour consultants mostly to Works Councils. Employers who have occasion to disagree with the hiring of experts can appeal to the Administrative Court for Trade and Industry, a special branch of the Amsterdam Court of Appeal, functioning much as Labour Courts do in other countries. Such disagreement, however, is rare. From the perspective of labour, court cases concentrate primarily on employers' neglect of legal obligations on the disclosure of company information and on problems in consulting the Works Council in matters required by the law.

8.3.4 The legal context: Sweden

In Sweden, the trade unions have gathered strong codetermination rights at establishment and company level and in addition, they administer the unemployment insurance funds (the 'Ghent system'). Both have proved to be strong incentives to become a union member, reflected in an overall union density of 67% (in 2015). The use of

labour consultants by employee representatives, that is, basically, by local trade unions, is regulated by agreements between employers and unions. As such, legislation has only played facilitating and stimulating roles.

The origin of labour consultancy in Sweden stems from a discussion in the 1970s between the social partners on how local unions might get more involved in company matters. This discussion ran alongside a more politically driven discussion on ways to develop economic democracy through new forms of ownership. This prompted a parallel discussion on co-determination and the right of workers to be informed, consulted and empowered to negotiate on issues other than wages and working conditions. In 1975, a first agreement on business committees and economic consultants was agreed in the private sector. As a next step, broader development agreements were realized based on the 1976 Co-determination at Work Act (MBL) and the 1978 Work Environment Act – as noted, pieces of legislation at the time that were unique in Europe. As part of these agreements, alongside issues on competence development, work organisations, and forms of information and consultation, the right for local unions to use labour consultants was defined in the state sector in 1978, in the private sector in 1982.

In various labour market agreements the involvement of labour consultants has been regulated in a similar way, except concerning financing. Generally, the local employer has to pay for the consultant's assignment but in the state sector a complementary central fund is in existence to which local unions can apply for funding. The basic right to use labour consultants is linked to the local union and to situations in which the employer is to make a decision that affects the economy of the company and the employment situation. It is also obligatory to negotiate with the unions before making decisions; this rule is limited to organisations with over 50 employees.

The local union representatives need to negotiate with management before deciding on the details of labour consultancy assignment – its purpose, content and volume. Thereafter, the employer is obliged to pay for the consultant, 'open the books' and be transparent concerning the basis for the decisions under review. The consultant is required to maintain confidentiality and may only disclose information that the union representatives are entitled to know. If parties at local level cannot reach agreement on the consultant's assignment, negotiations in a central joint party have to follow, and if these cannot solve the issue, the Labour Court as a last resort will decide. On the other hand, local union representatives have the right to participate in decision-making if *management* decides to hire consultants or researchers in order to investigate the functioning of the organisation, including undertaking psychosocial risk assessments.

8.3.5 *The legal context: United Kingdom*

In keeping with the UK's long-established traditions of voluntarism in the regulation of industrial relations, there is no statutory basis for the use of labour consultants by either or both of the social partners when external advice and guidance is deemed to

be necessary. In consequence, consultants dedicated to working with trade union bodies are a relatively rare breed amongst the ranks of management consultants who have otherwise proliferated in the last 30 or 40 years in the UK. Indeed, the number of specific labour consultancies that are orientated to working with trade unions can be counted on the fingers of one hand. This is not to say that advice and guidance from external experts is not sought by unions or employers when confronting particularly intractable problems. However, external advice from consultants and academics where and when it is sought tends to be privately commissioned and paid for usually, although not exclusively, by the employer.

The fact that the UK has shied away from legally based systems of codetermination that have brought Works Councils to the fore in other EU states is another factor that has constrained the growth and use of labour consultants in the UK. Apart from a brief flirtation with the idea of codetermination in the 1970s, the UK has continued to root industrial relations in voluntary agreements that give priority to collective bargaining and (until recently) quite limited forms of joint consultation. In 1975 the then Labour government set up a committee of inquiry on industrial democracy in response to the European Commission's draft 5th Company Law directive. Its report in 1977 recommended a form of co-determination that would see elected worker representation on supervisory boards of companies with more than 2,000 employees. Although there appeared to be broad support for the basic principle of worker representation at board level, the detail of what was proposed divided both the business community and the union movement. The election of Thatcher's government in 1979 put an end to any prospect of the report's recommendations being implemented.

In the intervening years neither governments nor social partners in the UK have shown much real interest in returning to the notion of worker representation at board level. In consequence, the calls unions have tended to make for external assistance have most commonly been narrowly focused on either supporting their bargaining claims by way of a better understanding of company profitability, or, for arguments and alternative strategies to resist closures and heavy job losses. On top of this, in neither of these instances can it be said that existing legislation is particularly helpful.

Information rights for union negotiators, although set out in legislation as long ago as 1976 and supported by a seemingly helpful Code of Practice issued by the Advisory, Conciliation and Arbitration Service (ACAS), have in practice been tightly restricted by legal rulings that have enabled employers to limit the disclosure of key financial information on the grounds of 'commercial secrecy'. Disclosures to union negotiators in advance of major closures or restructuring that will lead to redundancies are limited to a statutory 90-day consultancy period. On the face of it, this provides some (albeit time limited) space for dialogue to take place. Here again though, what actually gets disclosed to union negotiators or their external advisers is very much at the discretion of the employer and is certainly not designed to assist any union-led resistance to the proposed change. Furthermore, 90 days is a very short time to formulate alternative

strategies to what are frequently complex restructuring proposals or highly emotive plant closure plans.

The Health and Safety at Work Act (HSWA) of 1974 and the joint safety committees and safety representatives' regulations of 1977, provide something of a contrast in that they confer informational and investigative rights on union representatives that are less constrained than those operating in the collective bargaining sphere. Whilst confidentiality requirements are still in evidence, the rights to regular flows of information concerning existing and possible future health hazards captured by risk assessments has enabled a productive social dialogue to take place. This has certainly been the case in unionised workplaces and has resulted in steady improvements in UK health and safety metrics to a level currently achieved by very few of its EU neighbours. The demand for health and safety training was significantly boosted by the passage of the HSWA and the subsequent Safety Committee and Safety Reps Regulations. The TUC responded with a highly regarded 10-day course for union safety reps that generated (and continues to support) a significant flow of work for union-approved tutors, some of whom fell into the labour consultant category. Moreover, networks of OSH expertise devoted to such issues as hazardous chemicals and offshore safety have also from time to time been in evidence to serve the growing needs of safety reps and joint safety committees.

8.4 Country overviews: the market for labour consultancy

8.4.1 The market for labour consultancy: France

The growing demand for expertise stemming from the activities of Works Councils and the CHSCT has led to an increase in the number of labour consultancy firms in France. Today, two types of firms coexist. A small number of larger firms dominate the 'Works Council market' with three or four large firms accounting for 70 to 80% of this market. In 2017 the two largest: Secafi, part of the Alpha group, and Syndex, each employed more than 1,000 consultants (including part-timers) and carried out more than 5,000 expert assignments. The founders of these consultancies were closely connected to the trade unions. Although they have kept that affinity, they have pursued a policy of diversification and cooperation with Works Councils regardless of their union composition. A second group of labour consultancies tends to specialize in working conditions and occupational safety and health issues. Most firms in this group are small. In 2014, over 100 of such firms could be counted, all certified by the Ministry of Labour. This certification is obligatory for the offering expertise in the field of working conditions and safety and health issues. It is granted for one year to five years at the most and renewal is subject to specific criteria. As a result of the Macron administration's labour reforms that will require economic and social issues at company level to be discussed in the same forum (CSE), the larger labour consultancies are seeking to develop more comprehensive sets of skills to widen their expertise. That said, the law will continue to require a specific mandate for expert assignments related to working conditions and safety and health.

The role of labour consultants is basically to review the economic aspect of projects submitted to the Works Councils for information and consultation. In addition, they may help and advise trade union officers during negotiations. Similarly, in the case of major restructuring, lawyers can assist employee representatives and union teams to detect procedural shortcomings that can be utilized to delay or modify the implementation of the project in question. Procedures concerning external expertise as laid down by the law are though very complex. Moreover, compliance with these procedures is tightly controlled by government bodies. In particular the deadlines laid down for achieving CHSCT assignments are strictly defined and enforced.

The scope of information and consultation processes is broad in France and covers a large range of issues. Some, like economic analyses, are very commons. Other can be more ad hoc, but are still carried out within a strict legal frame depending on the needs labour have indicated in cases of reorganisation, restructuring and the introduction of new technologies. Currently, labour consultancies provide a range of consultancy expertise, but also offer services such as training, advice and coaching for employee representatives as well as for the unions. Over the years, the activities and positioning of labour consultants have evolved greatly. In the past, the role of the expert was primarily to explain company accounts, but latterly this narrow focus has widened considerably to providing advice and guidance across the whole spectrum of issues featuring in contemporary social dialogue. In some situations, the division of work between trade union organisations and experts may arise as an issue. A challenge for the years to come is to see whether consultancy expertise can be delivered on a more permanent basis.

8.4.2 *The market for labour consultancy: Germany*

The term 'labour consultant' is not legally proscribed in Germany, so virtually anyone can use the label. In part this explains why there is no official overview of the number of consultants and consultancy firms that work specifically for Works Councils and/or trade unions or for management and Works Councils jointly. It is though estimated that several hundreds of people at least are employed in firms that provide these services. Five groups can be distinguished. First, most labour consultants are individual freelancers, often co-operating in networks with other consultants. Second, consultancy firms in this area are usually small businesses with up to 15 employees; very few are bigger. Third, a few university departments also offer consultancy and/or training for Works Councils. A fourth group of consultancy firms is linked to the DGB trade union confederation through participation in their network of Technology Advisory Bureaus created from the mid-1980s onwards (TBSs: *Technologieberatungsstellen*: see website DGB/TBSnetz) with offices in ten federal states. Some states subsidize the TBSs that are active on their territory. Finally, training centres --either belonging to trade unions or acting independently-- offer training and to a certain extent consultancy to Works Councils. Union training centres often invite outside labour consultants to participate in seminars, workshops, et cetera.

The range of labour consultancy assignments is wide in Germany and their duration also varies considerably, from short support or training on specific issues to the delivery of broad, long-term expertise that may last for decades (involving successive contracts), giving the consultants involved a more or less complete overview of the company in question. Depending on the business model of the consultant or the consultancy firm and their standing with the customer, their engagement might include different types of contracts. These can range from 'pure' labour consultancy for the Works Council to operating as the adviser of both the Works Council and the employer. In such latter cases labour consultants must tread a fine line to avoid becoming part and parcel of the 'boxing and dancing' scheme at company level.

8.4.3 The market for labour consultancy: Netherlands

As in Germany, (labour) consultancy activities in the Netherlands are not officially certified, centrally registered or otherwise protected. Thus, anyone can call him/herself '(labour) consultant'. Furthermore, the Dutch labour consultancy network is not easy to disentangle. Unfortunately, the surveys on compliance with the Works Council Act carried out by the Ministry of Social Affairs and Employment, do not question the use of experts by Works Councils.

Broadly speaking, four groups can be distinguished in the Netherlands that call themselves 'labour consultants'. First, individual consultants and consultancy firms offering their expertise on a wide variety of issues exclusively to Works Councils and trade unions. Like STZ, most of these firms were founded in the 1980s. Following a decade of expansion, after the turn of the century most of them had to downsize while a number of consultants split off and continued to operate on their own account. Currently the number of labour consultants in this group may oscillate between 15 and 20. Second, the currently 16 certified training centres for Works Councils employ a number of trainers some of whom also act as part-time labour consultants. It is difficult to estimate the use of such trainers but a rough estimate suggests it is the equivalent of 20 to 25 full-time equivalents (FTEs). A third group consists of consultancy firms, academic researchers and government-sponsored research institutes that accept assignments from both management and Works Councils and/or trade unions. A number of them specialize in using STSD for organisational renewal while others are specialized in occupational safety and health and ergonomics. Still others have specialized on legal advice with the Works Council Act as key reference. Altogether the size of this third category can be estimated as equivalent to 30 to 40 FTEs. Finally, it may be noted that in the 2000s major accountancy firms with management consultant divisions tried to develop labour consultancy activity in the Netherlands. Most of these efforts failed, obviously because of mistrust shown by the labour side. Today, only smaller management consultancies seem to be involved in labour consultancy activities.

Like their German colleagues, Dutch labour consultants tend to have a wide range of assignments, varying from providing one-off advice to a Works Council, for example in cases of lay-offs, to long-term support in instances of major organisational and/or

technological change. In the 1990s and 2000s some labour consultants' assignments lasted over five years, for example those concerning (re)designing container terminals in the Rotterdam port; mergers and IT projects in banking, and designing and building waste treatment facilities. In such assignments several advisory rounds have become common, with decision-making in each round becoming more specific. Latterly, due to the standardization of technologies on offer and related organisational solutions, such lengthy change projects have become rather rare. What had to be developed and tested has now to a large extent been built-in in software routines; hardware has been standardized as well and can currently often be bought 'off the shelf'.

In the Netherlands, Works Council elections mostly take place on a three-yearly, sometimes four-yearly, basis. As a result, labour consultants regularly outlast the terms of councilors. Thus, in case of longer-term changes, the labour consultant can be regarded as safeguarding continuity by labour representatives. The employer may also prefer to continue with certain labour consultants particularly where they have a good working relationship with line management and/or other management consultants. A labour consultant can also gain (informal) 'preferred' status where he/she acts as the coordinator of the various employee representative inputs along with those of other, specialized labour consultants (ergonomists, IT or HR specialists, et cetera). Such a coordinating role also evolves where more than one Works Council is involved, for example in case of mergers or acquisitions.

8.4.4 *The market for labour consultancy: Sweden*

When the first co-determination agreement was put in place in 1978 the state-owned consultancy company Statskonsult decided to establish services in the area. Parallel to this development, various unions took on the recruitment of suitable consultants. Employees in the unions (policy departments), auditors (from accountancy firms) but also organisational consultants and IT-developers emerged as full- or part-time labour consultants. Soon, many would define themselves as such. Statskonsult established a subsidiary solely for the purpose of carrying out labour consultancy and after a few years this subsidiary was transferred to the employees to become ATK Arbetstagarkonsultation AB. Over the next thirty years ATK developed into the leading Swedish labour consultancy. Early on, some ATK employees started their own companies giving rise to a small labour consultancy market. In Sweden, over the years most large management consultancy firms have been reluctant to offer services on this particular market.

Based on the development agreements, the social partners at sectoral level agreed when and under what conditions labour consultants could or should be used. Occasionally this has led to lengthy discussions for instance on which changes could be defined as constituting 'effects on the employment situation'. It has to be said though, that conflicts over such issues have only reached the Labour Court three or four times, and have mainly been confined to disagreements on when to hire labour consultants and on their relationship with management.

The volume of labour consultancy services in Sweden has never been investigated in detail. It may be estimated that in the mid-1980s at the height of the use of labour consultants, the market consisted of 30 to 40 FTEs. Currently the volume is down to between 5 and 10 FTEs. This retreat may be seen as the combined results of management overall becoming more transparent and union representatives more competent on business issues. Also, changes in union policies have played a role here. Unions have moved away from emphasizing business and strategy issues to concentrate on basic wage and safety and health issues. Nevertheless, these overall trends should not be allowed to conceal different developments across sectors, and their varying exposure to union strategies dealing with structural change. For example, in the 1980s the debate on the labour-saving effects of new technologies on white-collar work generated assignments for labour consultants in many public and commercial services. Similarly, when in the early 2000s digitalization hit the media sector, it became an intense user of labour consultants. In sharp contrast, the more recent privatisations in the public sector, with a few exceptions, did not become an area for local unions to use labour consultants.

8.4.5 The market for labour consultancy: United Kingdom

Trade union demand for labour consultants in the UK derives in the main from four basic union needs: specific help and advice to help interpret and use financial data to support collective bargaining; similar assistance to challenge restructuring and workplace closures sometimes extending as far as formulating alternative strategies to counter management proposals; help in the design of social dialogue structures and training to ensure effective social dialogue outcomes, and health and safety training for union safety reps. Management have had a wide range of management consultancy firms to choose from to supply their own particular needs in these fields -- although it would be extremely rare for a management team to use outside expertise to support their collective bargaining efforts.

Unions on the other hand, have had a more limited choice. They are, for instance, unlikely to use any of the consultancy arms of the major accountancy firms, partly because of the likely cost involved and partly because such firms are not perceived as being sympathetic to union aims and values. In the UK this leaves unions free to choose from a 'mixed bag' of small specialist consultancies sometimes run by former union officials, union-friendly academics and educational institutions, training and consultancy provisions offered by the TUC (for example the Partnership Institute and the Recruitment Academy) and a limited range of small research and training-based groups set up to support labour. The Labour Research Department (LRD), based in London, and the Trade Union Research Unit (TURU) that operated out of Ruskin College, Oxford between 1970 and 2010, are two good examples of this latter provision.

As in Germany and the Netherlands, 'labour consultant' in the UK is not a regulated profession. The fact that a statutory base for labour consultancy has never been established in the UK together with the enduring preference that both the country's unions

and managements manifest for CLAs that are binding in honour rather than law, is a powerful explanation as to why labour consultancy has not grown in the UK as it has in countries like France. It would be wrong however to assume from this that the UK does not need more labour consultants.

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9.1 Introduction

This chapter reviews the analytical and process tools labour consultants tend to use on restructuring and other work organization assignments. Taken together the good practices we set out hereafter form building blocks that can be utilized to help shape future organisational change. In section 9.2, we provide the context by summarizing our earlier findings regarding the main drivers of change. A central objective here is to highlight the change factors that are likely to continue to confront the social partners and labour consultants in the decades to come. Section 9.3 is then devoted to the identification of relevant building blocks to deal with current and future challenges. In section 9.4 we draw some final conclusions.

9.2 Drivers of change: emerging contradictions

While identifying the main drivers of change in earlier chapters, we emphasized the contradictions that seemingly have emerged between these and other major societal aims. It is worthwhile briefly summarising the five main drivers we believe are of primary importance:

- **intensified international competition;** following waves of mergers and acquisitions in the 2010s, MNEs have emerged as the drivers of global value chains. With the recovery from the worldwide crisis of 2007-08, the quest for the lowest (labour) costs combined with flexible delivery has intensified and seemingly penetrated virtually all spheres of production and consumption. Its most extreme manifestation, the ‘gig economy’, plainly has the potential to undermine labour standards in many sectors and professions even in the most prosperous EU member states. It stands in blatant contradiction to the EU’s stated goals of developing the Union as a knowledge-based economy focussed on the pursuit of sustainable and inclusive growth with a highly-educated labour force. In addition, the violations of EU and national labour standards along with the data protection and corporate taxation issues which the unconstrained spread of multinational ‘tech giants,’ has raised, also have to be considered as major ongoing societal challenges;
- **standardized technologies** have become commonplace, either as built-in software routines and applications, or as standardized hardware modules or systems and tools to integrate companies and people worldwide (except where blocked by national authorities) with ‘The Cloud’ currently the most advanced and overarching vehicle in this respect. For the majority of organisations this trend has also reduced the size and scope of in-house IT development activities. The development of artificial intelligence and Big Data analytics has significantly increased the possibilities for the surveillance of citizens,

customers and employees. At the same time, although it has connected people on a scale the world has never seen before, the standardisation it entails and the specialisation of the IT skills base have limited the potential for employee representatives (whether or not supported by labour consultants) to intervene in design and development processes;

- **management strategies of dominant firms:** pushed by the power of stock markets and the demands of shareholders, a small elite of MNEs has seized the opportunities globalisation offers to maximize profits through downsizing, isolating 'non-core' activities, outsourcing and offshoring. While these MNEs exercise strict controls over price, quantity and quality of supplies, they have frequently evaded their responsibilities for attaining decent levels of pay and conditions in their respective value chains and often fail to comply with national labour legislation and ILO conventions. Against this backdrop, trade unions in the countries concerned supported by colleagues in Europe and by NGOs have begun to exert serious pressures on MNEs to ensure they live up to their Corporate Social Responsibility statements. As we move forward, those pressure will need to focus on ensuring MNEs deploy inclusive and sustainable ways of production that are just as relevant at the bottom as well as the top of their global value chains;
- **weakening of trade union influence:** whereas the dominance of MNEs in Europe has been buttressed by the increase of foreign direct investment (FDI) between 2008 and 2016, trade union influence, in sharp contrast, has declined over the same period. Union density and collective bargaining coverage between 2007 and 2016 in the five countries we have highlighted decreased by 8% and 4% respectively. In the 10 CEE countries the decline was even worse racking up falls of 30% and 42% respectively. These worrying figures illustrate that imbalances in power relations between business and labour have been rising in the EU, and have been particularly marked in the CEE countries where collective bargaining was already significantly constrained;
- **the all-embracing and unchallenged frameworks of neo-liberal economic policies** have intensified international competition, increased the standardization of technologies, and have pushed short-term management strategies to all move in the same direction. They have, since the turn of the century, been aided and abetted in this task by the policies of European and national policy-makers in particular where strict budgetary pressures have weakened employment protection or have continued the supply of incentives for the deregulation of transport and utilities. Such policies have, if anything, narrowed the opportunities for a paradigm shift towards a genuine knowledge-based and sustainable economy.

At organisational and workplace levels, these drivers clearly pose a number of risks for labour although they can also be seen as opportunities that should not be ignored.

We suggest there are four fields where contradictions between risks and opportunities can be discerned:

- the ongoing management pressure for continuous reorganisation and restructuring that compromises job security (lifelong employment being discarded in favour of lifelong learning) whilst seemingly offering minimal counterbalancing rewards, has led to widespread feelings of insecurity particularly among the low-skilled and lower paid. This has sparked **a rising tide of industrial action** across Europe in industries like retail, catering/hospitality and cleaning. Such developments, if continued, must surely provide some trade unions with a renewed membership base;
- similarly, the ever-present pressures for changes in work processes as managers search for more flexible and adaptable forms of organisation have provoked a widespread intensification of work, with higher levels of work-related stress and enlarged risks of emotional exhaustion. Such pressures may diminish **workers' willingness and even ability** to contribute to change at the workplace but they also should represent potentially fertile ground for trade union recruitment;
- certain aspects of new technologies have been generating contradictory forces at organisational and workplace level. In particular, the control mechanisms embedded in the newer technologies often tend to frustrate **the creative and productive potential** of a highly educated workforce looking for more autonomy. Such unfulfilled demands may be another fruitful basis for a productive social dialogue at work organisation and workplace level;
- inadequate management, in particular poor change management, has too often resulted in deteriorating working conditions and even human tragedies in both the public and private sectors. Media coverage of trade union reactions to these failings have, from time to time, alerted the general public to the problem which in turn has put pressure on the employers in question. Such coverage and the **growing public awareness** of wrongdoing in companies and public organisations have enlarged the opportunities to address deterioration in working conditions and to re-emphasize employers' responsibilities in this respect.

9.3 Shaping future change: building blocks

Chapter 1 specifies the drivers of change and the risks and opportunities for labour insofar as they are related to major economic and social changes in the EU. In the European context, political support for social partnerships could have provided a basis for the employee interventions this book focuses on, but during the last two decades and until recently such support was largely lacking. In these years the basis for collective interest representation deteriorated with, as noted, decreases in union density, total bargaining coverage and multi-employer bargaining. Indirectly, widespread un-

employment, a decreasing labour share and growing income inequality further weakened the conditions for a successful social dialogue. Nevertheless, as this chapter points out, across the five countries we focus on substantial differences in legal contexts, industrial relations and market conditions can be seen. As analyses and cases throughout the book testify, these differences may hamper collective action but they may also open up opportunities for creative interventions of employee representatives and labour consultants.

Chapter 2 considered the context for what might reasonably be regarded as the breeding ground for our community of labour consultants, namely, the ways in which restructuring and reorganization can often leave trade unions and other employee representatives in need of expert support. In the last four decades, the various efforts made by the authors and their organisations to be involved in supporting negotiation and mitigation of the consequences of these events have been central to the analytical framework we have developed here. In this respect, two important prerequisites are particularly noteworthy.

First, and of critical significance, is the early disclosure of substantive information concerning the nature of the change and its anticipated consequences, in particular the likely impact on the organisation and quality of work. Second, and equally essential, are the processes of social dialogue and trust relations between management and labour that enable such information to be properly shared and used as a basis for joint solutions to the challenges arising in the change process. We have noted here that to be effective and durable trust-building has, for both social partners, to be based on the development of competence in and the practice of, social dialogue.

The emphasis we placed on the importance of social dialogue and early information disclosure was further vindicated when we looked at the limitations of the EU's frameworks for both industrial relations and corporate governance. The weakness of the EWC Directive, especially when confronting the restructuring plans of MNEs is a particular case in point. Four factors seem to be at issue here. First, the sites and workplaces involved in restructuring continue to be pitted against each other. At the same time, union structures have mostly proved to be too weak to either co-ordinate or hold onto a unilateral strategy, in particular where restructuring crosses national borders in the form of offshoring. Second, even when invoking the EWC Directive, compliance has to be settled according to national law. Third, MNE's top management teams are repeatedly using strategies to shield critical decision-making from being influenced by organised labour. Finally, limiting the geographical coverage of EWC's to Europe has clearly turned out to be a major constraint since the operating strategies of many MNEs are global. Although international trade union bodies have sought to overcome this weakness by promoting Transnational Company Agreements, for the time being such TCAs remain non-legally binding instruments.

For these reasons we concluded that the extent to which management are likely to respect European regulations will depend largely on company culture and crucially

on whether or not they are engaged in a meaningful internal social dialogue. Such a dialogue may often have to be built during the change processes in question. This will invariably represent a challenging task for employee representatives and union officers, with or without the support of labour consultants, particularly where the development of mitigating strategies and redeployment plans are involved. To this end we hope the experiences bundled in Chapter 2 can be useful and inspiring. After all, at least some of the case studies presented here show where, why and how managerial wisdom may be limited and open to constructive challenge. They demonstrate where planned changes either failed or at least did not deliver the expected results, for instance where offshoring turned into backshoring.

Based on chapter 2's analysis, our good practice recommendations for both the target group and trade unions generally can be summarized as follows:

- consider the application of the relevant EU Directives; use these Directives and appropriate national legislation to gather detailed management information;
- exert pressure to obtain a well-planned change process, linked with detailed management information on economic, financial and technical aspects
- balance support to vulnerable workers with contributions to a viable new organisation;
- consider the adequacy of representation channels in the process;
- maintain a close watch on any problems that may confront specific groups of workers;
- pressurize to ensure that monitoring the effects of restructuring is carried out for at least another two years;
- use the available economic and social analyses published at national, sectoral and regional levels;
- create own databases to access experience with organisational and technical change and the (re)design of jobs and organisations;
- improve where necessary the efficiency of systems of mutual communication and reporting;
- use the information flows surrounding EWC's and/or of the provisions in TCAs.

Chapter 3 covered the ongoing restructuring of the public sector and the emergence and development of New Public Management (NPM). The chapter highlights the differing experience of NPM in the five countries. We noted that the reactions of national authorities varied when confronted with outside pressures like the European Directives to liberalize 'network' markets, or pressure from the general public or indeed that coming from trade unions. Privatisation is a good illustration of this. The privatisation policies of successive UK governments from 1979 onwards, for instance plainly influenced Swedish and Dutch administrations, but resonated much less in France and Germany. Indeed, in Germany the privatisation trend seems to have been reversed. Latterly, the evidence of deterioration in the wages and conditions of low-paid employees in public services in the five countries we have focused on has been mirrored by a

similar deterioration in the service levels achieved notably in the health and care sectors. This has buttressed widely shared doubts as to whether or not NPM-type reforms of public services have delivered more 'value for money'. It is no real surprise that low-paid groups and unions in many EU countries have recently been involved in industrial action where privatisation and outsourcing have been linked convincingly with failing service quality, labour shortages and understaffing. Badly prepared and poorly practised digitalisation repeatedly adds to this and may provoke dismissals and heavier workloads.

As regards employee influence at organization and workplace level in the public sector, political processes cannot be overlooked insofar as they exert more influence on decision-making than is normally the case in the private sector. That said, we present case studies in this chapter showing that changing bureaucratic organisations whether public or private need careful approaches. These cases also indicated the important role social dialogue can play in lowering the tensions between political decision-making and employee involvement.

Based on our analysis of Chapter 3 the same recommendations for employee representatives, union officers and labour consultants can be made as those already set out in Chapter 2 except for one issue, namely, the role of public procurement. Thus, we have added three good practice recommendations in this regard:

- evaluate whether procurement conditions guarantee the maintenance of fair wages and conditions and service quality;
- mobilize public opinion if public procurement, privatisation or liberalisation, threaten wages, conditions and service quality;
- exert pressure on external providers to guarantee the maintenance of fair wages and conditions and service quality.

In **Chapter 4** we assessed the involvement of employee representatives and labour consultants in different restructuring situations and changing labour market conditions. In particular we focused on vulnerability and flexibility in the labour market and uncovered rather heterogeneous developments across countries. Researchers from the Netherlands, the country with the highest share of flexible workers, have issued warnings about the negative effects high levels of flexibilization can have on innovation, purchasing power and income equality – warnings that may well have wider relevance. Moreover, in four of the five countries (except France) legal employment protection for those with temporary contracts has fallen to quite low levels.

Chapter 4 thereafter focused on how social dialogue can be built into the management of change. Brief country overviews confirmed the importance of employability and competence development as key issues here. As for the management of redeployment, case studies detailed and emphasized the importance of early information disclosure albeit with an added need to ensure information was similarly available in all subsequent rounds of management – labour consultation. This is of course part and parcel

of the wider demands regarding adequate timing, decent redundancy selection processes, and eventually the establishment of specific redeployment organizations or agencies.

From Chapter 4 we can add further items to our good practice recommendations, although this time embracing both labour and management roles as well as those of public authorities and other agencies. Thus, we recommend that employee representatives, union officers and labour consultants:

- insist on using updated management information in consecutive rounds of consultation in more complex restructuring processes;
- carve out time and resources to evaluate management information along with scope for developing alternatives;
- supplement information flows by organising own (rounds of) information retrieval;
- stimulate the creativity of labour's constituency to better consider the consequences of change and in particular the formulation of possible alternatives;
- recognize the essential role HR, middle (line) management and supervisors all play in the implementation of restructuring;
- be aware of training courses in change management covering employability, redeployment, and training /coaching of endangered workers,

while management and HR staff should:

- prioritize redeployment plans for the most vulnerable workers;
- carefully design training and coaching schemes for these workers;
- consider establishing internal agencies for redeployment, training and coaching;

Similarly, employee representatives, union officers and labour consultants jointly with management and HR staff should:

- encourage social partners, large companies and public authorities to cooperate to produce programmes supporting vulnerable workers;
- encourage national and regional authorities, employers' associations and trade unions to form coalitions to facilitate the anticipation and management of change.

In **Chapter 5** we looked at the demographic challenge, first of all exploring the trends in life expectancy, fertility and the rate of natural increase in our five countries and thereafter their trends in employment rates. Inequalities, it turns out, do matter and show up strongly in differences in life expectancy according to occupational class or level of education. Whilst delving into the debates regarding the legal and effective retirement age, it was striking to note how national governments seized the opportunity from a European Directive in 2000, that banned discrimination on the basis of age in employment and occupation, to gradually put an end to the possibilities for early retirement at least through public sector arrangements. This disappearance has obviously fueled resistance, particularly among the low-paid, against the varying official steps being taken to raise the legal retirement age in all five countries. This all

provided background for the search for ‘age-proof’ organisations in which EESUN members were active, as the case studies in this chapter testified.

The second part of Chapter 5 covered the key factors determining the employability of older workers, notably: health, motivation and competence. We used EWCS 2015 outcomes to analyze whether work can contribute to health and the (subjective) well-being of the 50 and older group. Findings on the social environment at work revealed a major problem area in this respect. Help and support for older workers from both colleagues and managers were widely perceived as being lower than average. These outcomes confirmed evidence that many organisations appear to be reluctant to invest substantially in their older workers and cater for their needs. Clearly though, there are good reasons to ensure the policies and interventions governments, business and labour have launched in the last 15 years to counter this weakness are continued and, if anything, intensified. The chapter ends by presenting some promising developments and cases in this respect although it should be added that a lack of active labour market policies may threaten the sustainability of many of these initiatives.

Against this backdrop we were able to add good practice recommendations aimed at providing sustainable improvements for older workers. Thus, management and HR staff as well as employee representatives, trade unions and labour consultants should:

- stimulate worker participation in change processes with particular attention to the experience and insights of older workers;
- include the potential and limitations of older workers as major factors in designing and monitoring change processes;
- cater for the specific needs of older workers combining technical measures with the redesign of work organisation and jobs;
- combine the optimal supply of jobs for older workers with intensive programmes of social support;
- develop and apply training approaches tailored to the needs and capabilities of older workers;
- allow workers, in particular older workers, in change processes enough time in change processes to ‘digest’ information and provide enough scope and time for them to follow training courses and apply for jobs.

Chapter 6 presented a rather disquieting overview of the way technological and organisational changes are intensifying work in the service sector. EWCS data showed that in 2015 work intensity was a common phenomenon in the five countries under scrutiny. The dubious honour of being in the lead here fell to France where problems with customer contacts seemed to be particularly problematic, problems that often seem related to poorly managed change projects. After earlier decreases, a general intensification of work could be seen between 2010 and 2015 for the EU as a whole. Over the longer period 2005-2015 indicators for autonomy and competence development showed a mixed and slightly negative development for the five countries although a more positive trend for physical working conditions was in evidence.

Thereafter, Chapter 6 explored the links between work intensification and developments in the organisation of work, such as Business Process Re-engineering (BPR), the application of 'lean management' and the more recent aspiration to be an agile organisation. Added to these we also looked into the connections between work intensification and developments related to the IT-based control of work flows and tasks such as remote workplace monitoring. The spread of call centres in particular exposed crucial management dilemmas. For instance, in the 1990s call centre management zigzagged between allowing employees to use their brains or alternatively have relied on IT-based control. In recent years the efforts of trade unions and employee representatives to attain decent conditions in call centres may look like rearguard actions but at the same time the 'IT option' may have reached its limits in view of the very high labour turnover and risks of offshoring that it frequently entails. The case studies in this chapter may offer some interesting lessons here.

Trade unions, employee representatives and labour consultants alike are confronted with major challenges where the unity between the temporal and physical location of work gets ruptured. This might be as a result of the introduction of 'open space' or 'flex' offices or through teleworking, or in its most recent and extreme form, through the digital labour platforms of the 'gig economy'. These latter manifestations commonly avoid the classical forms of collective organisation and thereby severely constrain the potential for counter-balancing action on the side of labour. As long as there is a verifiable legal connection with an employer, as is mostly the case with flex offices or telework, unions can attempt to (re)unite the workers involved via campaigns and new ways of communicating. In the meantime, OSH risks in this field have been well researched and such information could ensure that unions take appropriate action to secure better alternatives for current office design.

However, major complications arise where the legal connection with an employer is unclear, missing or denied by the platforms in question. Without new, strict and controllable regulation, the 'gig economy' plainly has the potential to undermine labour standards in many sectors and professions even in the most prosperous of EU member states. In the meantime, the unions concerned may have little choice but to continue evaluating the potential of various initiatives aimed at organising and improving the conditions of gig workers.

Drawing on the analysis in Chapter 6, we suggest that employee representatives, union officers and labour consultants adopt the following good practices:

- a critical scrutiny of all management decisions aiming at flexible and agile organisations;
 - encourage the design of office space that enhances job quality;
 - question the need for workers to be continuously connected with work through smart phones, laptops and tablets,
- while trade unions in particular should:
- invest in capacity building to assess and negotiate socially and economically acceptable alternatives for flexible and agile organisations;

- work actively to build support and collective interest representation for ‘gig workers including as a priority securing legal clarity with regard to the contractual status of gig workers;
- ensure arrangements are made in sectoral CLAs to mitigate OSH consequences flowing from changes in the use of control mechanisms.

In some respects the perspectives on psychosocial risks elaborated in **Chapter 7** stand in sharp contrast to the more problematic views on dealing with work intensification we set out in chapter 6. Primarily this is because abilities to both evaluate and ameliorate psychosocial risks have improved in recent decades. In several countries employers seem to have become increasingly aware of their responsibilities for the occupational safety and health of their employees. Also, the case studies we set out in this chapter show that employee representatives, trade unionists and labour consultants have played active roles with regard to curbing psychosocial risks and have become better equipped with knowledge and practical tools to continue their efforts. A pivotal precondition for these interventions has been the availability of a coherent methodology. The pioneering work of Karasek and Siegrist has provided the basics of this methodology. The two models which carry their names have been integrated into ILO and EU guidance tools, and have influenced EU Directives, national OSH legislation and the ISO 10075-1 standard. In turn, these guidelines and regulations have developed the foundations for the current practice of workplace risk assessments (WRAs).

The ESENER-2 survey suggested that by 2014 in the EU28 WRAs were regularly carried out in over three quarters of all establishments. However, the results confirmed a negative point also indicated in some of our cases, namely, that bureaucratic official procedures repeatedly stood in the way of effective assessment. In the Netherlands, Works Councils tended to react to bureaucratic procedures with procedural approaches; however, such ‘boxing’ strategies by themselves could hardly pave the way to better jobs and organisations. A strong division of labour in the support structure, which was clearly visible in France, also seemed to have frustrated the conversion of assessments into interventions. On a more positive note we pointed to the support sectoral employer organisations could offer here particularly to small and medium-sized businesses and to the potentially positive role sectoral collective agreements might also play.

Over the years it has been a major challenge to ensure that the assessment of psychosocial risks would connect with risk prevention and the (re)design of organisations and tasks associated with work-related stress. We emphasized the overall positive experiences of the authors and their consultancies when invoking the Socio-Technical Systems Design (STSD) paradigm in this respect. Clearly, one of the strengths of STSD has been its development of a dialogue within research and action projects. Authors of this book and their colleagues have been involved in research contributing to this dialogue and, based on this experience, we would strongly urge a new generation of labour consultants and trade union-oriented researchers to continue (and even expand) this type of participation in European research programmes.

Substantial national differences emerged with regard to how psychosocial risk assessment and organization / job (re)design have been connected. In Germany, a jointly constructed type of risk assessment showed up prominently. Here BIT's BAAM method as the basis for measures to improve job quality found wide application in firms and non-profit organizations. Similarly in France, as the case studies ARETE has presented throughout the book testify, the proposals for organisational improvement developed in conjunction with employee representatives were often based on Karasek-Siegrist-type surveys and interviews with rank-and-file employees. In change projects in the Netherlands STZ derived social design demands from surveys with standardized questions inspired by the Dutch STSD variant. In the UK, the investment by trade unions in the large-scale development and training of safety reps and joint safety committees, (in which TURU had an early involvement) embodied many of the basic principles of STSD. However, it would be wrong to suggest that the take up of STSD was widespread over the last four decades in the EU. Even in Sweden, the forerunner in the development of STSD, the transformation from assessment to actual organisational change frequently proved far from easy. In this respect the Swedish case study outlining the development of an enquiry tool that seemingly has the potential to bridge the transformation gap is plainly of interest.

Of course, the connection between risk assessment and human-centred, organisational renewal cannot be secured by methodology alone. Organisational linkages and programmes bringing together practitioners, consultants and researchers are also needed. In this respect partly government-sponsored development programmes were set up in the 2000s notably in Germany and the Netherlands. Like their predecessors, these initiatives have had positive effects on the numbers of organisations deploying organisational renewal initiatives. Unfortunately, on the labour side of the equation positive effects on collective bargaining --including a shift of bargaining emphasis towards work organisation and job quality issues-- seem rather weak.

It may be that the need to strengthen the connections between the 'official' practice of workplace risk assessments with their own interventions will provide the dominant challenge for a new generation of labour consultants. They may also find themselves working out how sectoral CLAs or sectoral OSH covenants can support such interventions. Methodological consensus is likely to be crucial here alongside actively pursued institutional connections in order to ensure good prospects for broadly supported interventions in the future.

The contents of Chapter 7 provide the final additions to our good practice recommendations suggesting, in particular, that employee representatives, trade unions and labour consultants should:

- promote pilot projects in change processes to indicate and evaluate critical features of any future reorganisation;
- connect psychosocial risk assessments with risk prevention and redesign of jobs and organisations associated with work-related stress;

- check whether management is committed to a system-based approach in psychosocial risk assessment to be converted into a plan of action, and
- strive to ensure that sectoral CLAs or sectoral OSH covenants include a commitment to implement psychosocial risk assessments.

9.4 Final conclusions

The future of socially inclusive and sustainable organisations that combine efficient, secure and decent jobs has, as we have shown, been put at high risk most notably, but not exclusively, by our pursuit of economic growth through globalization and deregulation. At European level, policy ambitions have been well intentioned but have had little significant effect. Our respective countries have all faced similar problems in terms of how best to deal with globalization and the consequential intensification of work. Some differences are discernible in national labour market strategies and approaches to public management but the challenges of unemployment and the increasing segmentation of national labour markets into secure and insecure jobs remain stubbornly immune to the policy medicine meted out.

For the foreseeable future the need to deal with climate change will influence all sectors, companies and work places. It seems likely that part of the strategy here will involve more intense digital development with artificial intelligence, Big Data analytics and robotization to the fore. We firmly believe that employee participation and social dialogue together with external support will be vital to deal with these challenges for organisations and workers. Globally disruptive shocks like the 2008-2009 finance meltdown, the 2015 migration crisis and, at the time of editing this work, the COVID-19 pandemic have and will continue to have a huge impact on the economy, and on society in general. At workplaces social dialogue and frameworks for trust-building will be crucial to support the extraordinary actions needed in order to mitigate both the social and economic consequences of such events.

POSTSCRIPT: THE CORONAVIRUS PANDEMIC

Introduction

The manuscript of this book was finished by December 29, 2019. In early January 2020, when we started the final editing, we were unaware of the existence of the Coronavirus or COVID-19. At this point, four months later, the Coronavirus pandemic has caused thousands of deaths, scared millions of people all over the world and has brought large parts of the economy and social life in Asia, Europe, North America and Australasia to a standstill. While some signs of hope have lately emerged from China and South Korea, it may well be, at the time of writing, that the worst is yet to come in terms of a likely further spread of the pandemic into Africa, Latin America and South Asia. In these circumstances, we have decided to add this Postscript and conclude our work with some reflections on this ominous and tragic COVID-19 phenomenon and the implications it carries for the subjects and practices we have covered in this book.

We have limited our consideration to the themes we have covered in the book. It is not our intention to comment on major themes such as:

- the strategies and measures various governments have implemented to control and impede the spread of the Coronavirus;
- the macroeconomic strategies and financial measures aimed at mitigating the related economic and financial crisis both at European and at global level;
- the measures various governments have latterly put in place to support workers, firms and their communities, with one exception, namely the national efforts that have been made to soften the impact of pandemic-related increases on unemployment.

Even within such limitations, we are well aware that the economic and social conditions in the five countries we focussed on in this book are all in an unprecedented state of flux, the effects of which are extremely difficult to interpret. Therefore, we cannot but emphasize the essentially preliminary character of this PostScript. It should be noted that the text was finalized by April 20, 2020.

With this proviso we have identified the likely consequences of the Coronavirus pandemic in the following broad areas:

1. the architecture of globalisation and the functioning of global value chains;
2. health inequalities and health workers;
3. health policies and New Public Management;
4. the reappraisal of 'key' occupations and the spatial organisation of work;
5. telework, efforts to curb unemployment, and risks of increasing inequality;
6. social dialogue and roles of labour consultants, trade unions and employee representatives, and
7. some final notes on collective bargaining.

Globalisation and the functioning of global value chains (area 1)

In section 2.3.3 we pointed to global trade wars as posing the most likely threats to the operations of the complex global value chains (GVCs) so characteristic of our current highly-developed stage of globalisation. However, in the course of January 2020, just when the US and China had managed to suspend their trade skirmishes, the Coronavirus began to spread beyond China's borders. Soon afterwards, the 'blame game' unfolded, resulting in relations between the US and China plunging to their darkest point since 1989. In so doing, the opportunity for these two world powers to mount a joint approach to counter the economic, social and health effects of the Coronavirus pandemic was lost. Similarly, in the first months after the outbreak it became clear that national interests and considerations arising within the European Union have hampered the formation of an EU-wide strategy for tackling the pandemic. Unless lessons are quickly learned, this does not bode well for the near future when 'exit' strategies have to be developed.

Nowadays, complex GVCs can be seen as the basic architecture of the globalised economy. In spite of some stagnation after the 2008 financial crisis, by 2015 GVCs constituted nearly 50% of total global trade (World Bank 2020: 19). It is plain that the reach of the Coronavirus has put hitherto vital GVCs, notably those based on 'just in time' logistics, under unprecedented pressure. It was, for example, inevitable that the closure of borders to international transport would rapidly disrupt crucial GVCs. The automotive and electronics industries, early pioneers in GVC development, were amongst the first to feel these pressures. Both were hit by simultaneous shocks in supply and demand (Chinese supplying factories closed and Chinese consumer demand dropped) that revealed the vulnerability of the advanced 'just-in-time' supply chains so typical of their worldwide supplier networks. In the automobile industry, malfunctioning logistics forced the main German, French, Spanish, Swedish and Italian car producers to close their European production facilities. As the effects of such shutdowns were swiftly transmitted back along the value chain, thousands of, often small, supplying firms all across the globe will see their livelihoods disappear. Given the importance of metal and electronics manufacturing to the economies of most EU countries (cf. Van Klaveren and Gregory 2019: 59-72), such chain reactions are certain to have had profound negative employment effects at least in the short term.

In the transportation, tourism and hospitality industries too, the lockdown of travel-related activities including international air, sea and train passenger traffic has already had significant negative effects on employment in travel, hotel and tourism-related firms. National governments like those of France and the Netherlands have, as a result, announced their intentions to save 'at any price' 'their' national air carriers which they obviously regard as strategic assets. Virtually all of the private sector has been hit, some parts very strongly. The impact of the lockdown on cafes, restaurants, cinemas, theatres and other public venues imposed in most EU countries although less obvious initially, soon became manifest as the pandemic progressed amongst hundreds of thousands of small SMEs and an even greater number of self-employed workers. Many

of the latter group were already disadvantaged by the minimal job security and absence of financial buffers that characterized the prolonged austerity, privatisation and subcontracting / outsourcing policies adopted by respective governments (see section 3.2). The lockdown of theatres and museums in particular, has ensured the arts sector has been heavily hit and frequently reveals how the SMEs involved in this sector have outsourced massively to gig workers.

Outside Europe the effects of the spread of the Coronavirus will most likely be even more dramatic. The rapid fall in domestic demand compounded by the widespread closure of shops and stores in Europe and North America is a major factor. The impact of a long shut-down here will herald dramatic effects, for example, in the GVCs of garment, leather, footwear, textiles and toys manufacture where production has been contracted out to a range of countries including China, Bangladesh, Indonesia, India and Mexico. It has been calculated that in about 25 such countries some 40 to 50 million families and single-parent households depend directly on export production in these GVCs (Van Klaveren and Tijdens 2018; World Bank Group 2020). Where dismissals take place, the mostly minimal (if any) employment protection, the lack of social security and inadequate health care further condemn huge numbers of households (including already hard-pressed single parents), to an existence of sub-standard living conditions and deep poverty. This will always be an unwelcome addition to the destitute millions in these and other developing countries, who at best have been forced to survive in the informal economy. For example, leading researchers have predicted that without additional measures to curb the economic damage the number of citizens in Indonesia currently living in extreme poverty, will double after the pandemic (Vlaskamp 2020).

It seems clear then, that any shutting down of the GVCs in developing countries after the pandemic has (hopefully) been overcome would set up dramatic consequences for the global South. Equally, such actions would most likely also have adverse consequences for the richer parts of the world measured, amongst other things, by the higher prices European consumers will have to pay for garments, leather, footwear, textiles, toys and quite a lot of foodstuff. Switching consumer purchases to favour local produce may of course provide some compensation for the shrinking export markets faced by the European agriculture sector but again at the cost of higher prices and some restrictions on choice. Clearly, though, the global economic dependencies that most European citizens and policy-makers have blithely taken for granted can no longer be regarded as self-evidently sustainable.

The dangers inherent in ignoring such dependencies have been starkly revealed in the post-cold war optimism and blind faith in the blessings of globalisation that have led the European Commission and most EU countries to neglect the maintenance of strategic stocks of essential medicines and personal protective equipment. In the last few months policy-makers in the health sector across Europe have been rudely awakened to their dependence on China and, to a lesser extent, on India as major producers of these goods. The fact that China and India are also crucial centres of drug research has

similarly emerged as an uncomfortable reality. The knee jerk reaction from the governments of some EU states to relocate such manufacture and research to Europe may well ignite a new controversy surrounding which locations and countries should take the lead on such initiatives.

The ILO (website Global impact) states clearly that “The COVID-19 pandemic is exacerbating already existing inequalities – from catching the virus, to staying alive, to coping with its dramatic economic consequences”. It goes on to say that the groups where the pandemic can be expected to have a disproportionate impact include those with underlying health conditions; older people; the very young; self-employed, casual and gig workers, and migrant workers (ILO 2020: 6). We would add refugees and handicapped children, their families and other carers to this list. Gender differences are likely to be pronounced here notwithstanding that the mortality rate of COVID-19 seems to be skewed towards men. The women left behind will have additional burdens to bear, in particular those in developing countries. In the next section we consider the poignant inequalities in both health conditions and in the accessibility of health provisions that are likely to be exacerbated by the crisis.

Health inequalities and health workers (area 2)

Having described the threat the spread of the Coronavirus brings to the functioning of current GVCs, it is worthwhile also considering a further characteristic of GVC development observed by among others Pickles (2013: 12) for the clothing industry. They identified how clothing factories in developing countries have become “(...) disembedded from integrated textile and clothing complexes, mature industrial labour relations, and strong health and safety state institutions.” This observation holds true for all kinds of industries. However, in the literature the connection between the functioning of GVCs and public health has been underexplored. Leading authors in the field have focused on the problems GVCs have posed for workers, trade unions, NGOs and governments insofar as securing decent production conditions and social upgrading have been concerned. However, apart from a few references regarding the overlap with occupational safety and health, the public health aspects have been wholly neglected (see for references: Van Klaveren 2016; Van Klaveren and Tijdens 2018). It is though, difficult to see how any meaningful social upgrading of GVCs can take place in a ‘public health vacuum’. In contrast, in view of the Coronavirus crisis the ILO has recommended: “Enhance universal access to collectively-financed health services for all, including uninsured workers and their families” (ILO 2020: 8).

The spread of the Coronavirus will continue to reveal extreme inequalities in the level and quality of health services and in their accessibility both within and between countries. Various experts have warned that the social protection and healthcare systems of most developing countries will plainly not be able to cope with the current pandemic. One expert has estimated that nearly 40% of the global population has no health insurance or access to national health services and that around 55% – about four billion people – do not benefit from any form of social protection whatsoever. Many countries

have been forced (or chose) to rely on market-based solutions to fill the gaps but this only works for those who can afford the fees or the insurance premiums required: highly inequitable in practice. She goes on to note how the problem is intensified by the fact that an overwhelming majority of workers in developing countries lack the economic security to be able to take sick leave or cope with an unexpected emergency. Thus, in cases of sickness they are often forced to make an invidious choice between endangering personal and public health and paying their household bills (Razavi 2020). Moreover, in developing countries the combination of poor living and housing conditions that dominate the daily life of millions of city dwellers in particular further accentuates their vulnerability to the Coronavirus. As *The Economist* (March 28a, 2020) concisely put it: “Social distancing is practically impossible if you live in a crowded slum. Hand-washing is hard if you have no running water”.

Our own research on the 25 Asian and Latin American countries most involved in garment and related GVCs, (none of whom belonged to the 36 least developed countries⁷), suggested that their populations in 2018 were only slightly better off in terms of access to health care than the very poorest of countries. About 30% had no access to health services and 40% lacked some form of social protection. These levels are however unlikely to provide much of a defence for the population of this group of countries. Moreover, as the Managing Director of the IMF, Kristalina Georgieva, has lately pointed out, most of the so-called emerging economies have been confronted with both a massive fall in export revenues and a flight of capital from these countries that was greater than had occurred during the global financial crisis -- a toxic combination for their health systems (IMF website). Most recently, a paper for the United Nations on the potential short-term impact of COVID-19 estimated that a 5% contraction in world-wide consumption would lead to 85–135 million more people living in poverty in the world. A contraction of 10% would affect between 180 and 250 million people, mostly concentrated in South Asia and sub-Saharan Africa. The researchers warn that the potential impact of COVID-19 poses a massive challenge to the UN Sustainable Development Goal to end poverty by 2030 (Sumner *et al.* 2020). We should also note that public health policies in recent decades do not appear to have addressed in any meaningful way the gendered impacts of disease outbreaks. In this respect, and sad to relate, the public health response to the COVID-19 outbreak appears to be no different (Wenham *et al.* 2020).

Throughout the world, health service staff – the majority of whom are women -- are in the front line in the current crisis fighting the pandemic in extremely difficult and dangerous conditions. In Europe health and care workers feel compelled to carry out their duties at levels of work intensity most have never experienced before. In this respect, it is worth recalling that our ‘pre-pandemic’ overview in section 6.2.3 showed that the health and education sectors, both in the five countries and in the EU overall, were

7 Countries in the ‘low human development’ category according to the Human Development Index (HDI) 2019 of UNDP.

already displaying the highest comparative levels of work intensity. Further analysis at country-industry level revealed that French health and education workers in particular, posted high scores for ‘handling angry clients’ and ‘emotionally disturbing situations’. Such outcomes would be disquieting even in normal times but in the context of a pandemic they raise urgent questions about how much extra capacity can be wrung out of health and care workers already squeezed and battered by years of austerity.

The fact that health service and care workers have risen magnificently to the Coronavirus challenge says much about their professionalism, intrinsic motivation and commitment to their vocation. It is clear too that a universal reappraisal is taking place in terms of the value of their work and their place in society generally. This is welcome but it is also long overdue. We noted in Chapter 3 (section 3.4.2) that the entire French medical profession sounded the alarm in 2019 about the lack of staff and resources; similar protests could be seen in the other four countries. In general labour shortages and the related work intensification are probably more significant than wages as the main bone of contention. The OECD estimated some 40,000 nursing vacancies and 15-20,000 vacancies for medical doctors and specialists in 2017-18 for France, Germany and the UK each (OECD 2019).

This is not, of course, to suggest that dissatisfaction with wages can be ignored. It certainly plays a role as far as French health workers are concerned who have strong arguments to underpin their discord. For example, according to OECD data in 2017 the average remuneration of hospital nurses across 32 OECD countries was slightly above the average wage of all workers though with a sizable variation across countries. The average wage of French nurses was some 10% below the national average and in this respect ranked 27th out of 32 countries (OECD 2019, Figure 8.1). It is no surprise that the leaders of the French medical profession’s protest movement (*Collectif Inter-Hôpitaux*) have demanded that wages be increased to a level of 20% above the French average whilst also stressing the need to attract 40,000 to 50,000 additional public hospital staff (NRC, March 31, 2020). It is worth noting at this point that although the OECD has suggested the average wages of British, German and Dutch nurses in 2017 were found to be either in line or higher than the respective overall national averages, our own more recent research (discussed below) utilising *WageIndicator* data for 2019, has revealed a darker picture regarding the relative wages of nurses. By contrast, recent developments in Sweden offer signs of hope. Here, the social partners in the health sector reached a crisis agreement that provided expanded working hours and a 100% wage increases for intensive care (IC) staff.

Obviously the Coronavirus crisis has acted as a belated societal wake-up call to the fact that these crucial public service workers have been under-resourced and in many cases poorly recompensed for their commitment to the health and well-being of society.

Health policies and New Public Management (area 3)

With the notable exception of occupational safety and health, with its detailed European directives and standards integrated in national law (Chapter 6), public health has been much less regulated in the European Union. The European Treaty (Articles 152 and 168) requires that a high level of human health protection shall be ensured in the definition and implementation of all EU policies and actions. Indeed, the EUR-Lex website states that good health is a major concern of all European citizens and that the EU works for better health protection through its policies and activities. Yet, the proviso is also clear: “The EU does not define health policies, nor the organisation and provision of health services and medical care. Instead, its action serves to complement national policies and to support cooperation between member countries in the field of public health” (website EUR-Lex/ public health). At the same time, we should also note that internal market regulation and EU competition laws do, in practice, constitute significant constraints on effective public health policies. Moreover, a major collective action deficit arises time and again when national governments react only when faced with an immediate cost for their own country (Costa-Font 2020).

Against this backdrop it may come as no surprise that the EU’s leadership reacted fairly late (mid-March) in announcing policy measures to counter the Coronavirus crisis. At this point, President of the European Commission Ursula von der Leyen proposed that all non-essential travel to the EU to be suspended for 30 days. At about the same time European Council President, Charles Michel, mentioned the “strong will” of the EU to cooperate in order to tackle the virus though he only spoke of support for researchers in their hunt for a vaccine. This course of events following hard on the 2008-09 banking crash and the 2015 migration crisis, has further highlighted the urgent and compelling need for the EU institutions to take more effective control over managing global risks in areas such as public health.

With regard to public health at least, these observations are clearly at odds with the liberalisation and privatisation trends of recent decades. In particular, they serve as an epitaph for New Public Management in the health sector. As the political commentator Jan Zielonka noticed, the COVID-19 pandemic has exposed the scale of neglect in the public sector “after a long period of neoliberal folly” where profits were privatised and the state left with the risks. He rightly observed that the needed revival of the public sector cannot be equated with the pursuit of national interests or autarky. Neither can it be achieved simply by returning all power to central governments since in the case of public health the need for effective public authority lies at regional or local level, as much as it does at national, European, or, we might add, even at global (WHO, IMF, World Bank) levels (Zielonka 2020). That said, it is clear that the first few months of experience with the pandemic have already indicated that the development and anchoring of a new division of labour within public health has obvious potential to become a major European project. Such a project would need to take into account the considerable differences in structures and practices in health fields across Europe as well as the common weaknesses that have emerged -- the most obvious of these weaknesses being the strikingly insufficient levels of care and virus prevention found in

residential homes for the elderly in particular and in home care more generally. By 20 April data indicated that at least a third of all COVID-19-related deaths in some Western European countries had been located in these parts of the care sector. Shamefully, it took a couple of months of the pandemic before these grim outcomes even started to be acknowledged. A wider awareness of the work intensity and increasingly unsafe working conditions faced by thousands of care workers was similarly time-lagged.

One disquieting consequence of the ways in which EU member states have resourced their health provision, has been starkly illustrated by the problems most countries have experienced in the production, supply and distribution of vital medical apparatus (such as respiration equipment), personal protective equipment (such as gowns and masks), and antiviral and antimicrobial drugs. The supply chain problems encountered just after the outbreak of the pandemic have made it abundantly clear a new division of labour and investment at the highest (global and EU) levels will be needed to secure national and local resilience in terms of the procurement and supply of these products. The initiation of such changes, though would be fully in line with the ambitions the European Council already set out in 2010 for the EU to play a: “central role in accelerating progress on global health challenges (...).” At the time of writing, however, the continuous problems with the supply of vital medical apparatus and protective equipment have instead led to renewed trade wars, not least between EU member states.

At the other end of the spectrum, the Coronavirus crisis is calling for (and achieving) unprecedented work organizational changes in hospitals and in all kinds of other (para)medical institutions. Such change is generating a huge amount of workplace experience much of which is worthy of documentation and analysis. While on the one hand, such an exercise will without doubt chronicle the frustrating shortages of materials, facilities and staff, on the other hand, it could also reveal valuable insights into the unexpected forms of cooperation, innovative ways of working and new deployments of professional competence that have emerged in the wake of the pandemic. It is worthwhile noting for future research purposes that many of the workplace realities faced by health workers during the pandemic have increasingly been the subject of vlogs, blogs, and other types of social media messages.

The reappraisal of ‘key’ occupations (area 4)

In the five countries this book has focussed on, respective governments have felt compelled to set out what they consider to be the ‘key’, ‘crucial’ or ‘vital’ (groups of) occupations needed to keep critical societal functions running whilst dealing with the spread of the Coronavirus. Initially, such lists were used to facilitate access to child care and primary schools for workers in these occupations to enable them to continue working. As official lockdown rules in four of the five countries became more stringent and social distancing mandatory, the lists were consulted in order to prioritise and regulate access to public transport or even public spaces. Even in Sweden, where the authorities followed a more ‘liberal / trust’ strategy that has not completely closed

down cafes, restaurants, and primary schools, plans were developed to use a similar list if the need arose for a stricter lockdown regime. All of these lists include occupations in:

- health and social care, including support staff such as cleaners, and specialist staff;
- the production and distribution of medicines and medical and personal protective equipment;
- childcare and education;
- essential public services, including those related to public safety and national security: police and support staff; fire and rescue service; those essential to the running of the justice system; border security, prison and probation staff; armed forces personnel;
- journalism and broadcasting providing public service broadcasting;
- those administrative occupations in national and local government essential for the COVID-19 response and delivering essential public services such as the payment of benefits;
- utilities, communication and financial services, including staff needed for essential financial services provision; gas, electricity and water provision, waste disposal and sewerage; staff in crucial IT, telecom, data and civil nuclear infrastructure, and related security staff; postal services;
- public transport;
- the food chain: those involved in the production, processing, distribution, sale and delivery of foodstuff and other essential goods.

Soon after the publication of these lists, progressive politicians, trade unionists and even stand-up comedians (as well as many others) pointed out that many of the (groups of) occupations listed in these essential services tended to be low-paid. The uncomfortable truth that workers identified as ‘essential’ were at the same time relatively low-paid has sparked a public call for a reappraisal to realign their remuneration with their newly recognised societal value. Of course, others have pointed to the fact that the lists also include highly-qualified (and well-paid) medical staff and researchers and many similarly well-rewarded IT specialists. In an effort to check the reality of these varying claims we examined recent *WageIndicator* data. First, we calculated for 2019 the average hourly wages of workers with at least five years of experience in nine occupations regarded as ‘key’, in the five countries in whom we are most interested. We then compared these outcomes with both the national minimum wages (or, in the case of Sweden, the lowest pay scales) and the overall national average wages: see the Table on the next page.

Table PS.1 Average hourly wages of workers, 5 or more years of experience, in 9 occupations as percentages of national hourly minimum wages and national hourly average wages, 2019, five countries

	France		Germany		Netherlands		Sweden		UK	
	min.	aver.	min.	aver.	min.	aver.	min.	aver.	min.	aver.
Child care worker	118	78	171	95	139	86	90	67	148	86
Call centre agent inbound	171	107	162	90	163	101	145	108	150	87
Sales assistant supermarket, dept.store	172	108	165	92	152	94	152	113	154	90
Hospital nurse; intensive care, recovery nurse	149	96	155	88	150	92	135	101	163	95
Materials scheduling clerk	170	106	176	97	170	105	149	111	161	94
Logistics worker	173	108	181	102	159	98	154	115	155	90
Order picker	168	104	176	98	152	94	115	86	152	88
Tram, metro, bus electrician	170	106	178	99	157	97	158	118	154	90
Truck mechanic	169	105	179	100	155	96	156	116	150	87

Sources: average hourly wages: *WageIndicator* web survey 2019, N = 7,853

National hourly statutory minimum wages: FR, GE, NL (≥ 21 yr), UK (≥ 25 yr):

WageIndicator MW website; SE: no statutory minimum wages; used is lowest pay scale in manufacturing CLA

National hourly average wages derived from OECD wages database

As can be seen, in Germany, the Netherlands and the UK the wages (of experienced workers!) in all or nearly all of these so-called 'key' occupations remained below national average wage levels. In the case of nurses, this was true for all the countries shown with the exception of Sweden where the average pay of nurses crept just above the national average wage. This is a striking outcome since this group included intensive care (IC) and recovery nurses. Our results plainly convey a less positive message for nurses than those presented by the OECD and discussed earlier. Moreover, again with the exception of Sweden, the average wages of the other occupations we investigated were never as much as 10% higher than the overall national average wage levels. Overall, the data clarify that the many efforts trade unions and professional organisations have made over the years to lift relative wages in female-dominated nursing occupations have not produced tangible results. The current reappraisal of the value notably of the work of nurses and their place in society may provide another impetus for a further major effort in this direction. It may help that some male-dominated occupations have similarly been shown to be crucial in a pandemic. For instance, logistics workers, order pickers, and maintenance workers in public transport are all widely recognized as being undervalued and underpaid.

We should add sales assistants in supermarkets as another occupation in which female workers are overrepresented and who in the early phases of the pandemic before distancing measures had been implemented, often ran increased risks of infection. The job security of this group of workers has further been threatened by competition from on-line retailing and the greater use of self-scanning cash registers -- both trends that have been enhanced by the current pandemic. In other occupations and sectors

too, the COVID-19 crisis could stimulate automation and the rationalization of production processes although employers' plans in this respect will also be tempered by financial limitations and the need for a speedy resumption of their various trading activities.

Second, for Germany, the Netherlands and the UK, all countries that contribute higher levels of *WageIndicator* wage data, we were able to work with a wider range of occupational wages. This enabled us to make a tentative and necessarily rough estimate of the proportion of their 'key' or 'vital' workers who earned below their respective national average wages. We based the estimate on 2019 data. For all three countries we calculated that between 50 and 60% of these groups of workers had earnings last year that remained below the national average wage. Thus, we cannot fully concur with the statement that essential workers 'are all in low-paid occupations': on the basis of our data, this is too much of a generalisation. Nevertheless, the fact that we found at least around half of all such workers were being paid less than the national average wage is striking and of great concern. It is certainly evidence enough of the urgent need for a wide-ranging public reappraisal of many of the vital occupations currently languishing in the lower half of the income distribution.

The Coronavirus crisis has opened up another potential reappraisal, namely of the trends we covered in Chapter 6 relating to the widespread adoption in some service sectors of 'open (space or plan)' or 'flex' offices. We have already noted the health risks that for some time have been attributed to these developments (section 6.4.1) but the spread of COVID-19 has dramatically added to their perceived downside. Indeed, so much so that various recent press reports, notably in the UK and the US, have declared the open space office concept 'dead'. In the Netherlands various Working Conditions Services feel their existing criticism of the concept has, at the very least, been strengthened (*De Volkskrant*, April 8, 2020). If the need to maintain some form of social distancing proves to be a key requirement in future virus containment strategies and if technical solutions fail, the open space concept may soon be assessed to be an inappropriate and no longer cost-saving organisational form.

Telework, efforts to curb unemployment, and risks of increasing inequality (area 5)

When it became clear in February and early March that the Coronavirus was continuing to spread and lockdown rules were imminent in four of the five countries we have focussed on, telework or 'working from home' became the foremost organisational option for many companies, public offices and the self-employed. In France, the Ministry of Labour's declaration that from March 15th "Teleworking becomes the imperative rule for all positions that allow it", obliged employers to guarantee and facilitate such moves. In Germany, the Netherlands and the UK, many employers simply extended their existing practices of telework. However, for many others the introduction of telework was a new experience that required them to master not just the technology but also the various organisational and regulatory requirements -- all under considerable

time pressure. It would appear that a large majority of organisations have succeeded although problems have evidently lingered on in a significant number of SMEs. In Sweden, a significant number of companies started early in extending telework practices and demanding their employees work from home whenever possible. A few weeks later this became part of the official recommendations, and many Swedish companies declared telework to be mandatory.

Regulatory and employment relations issues seem to have caused the most problems in applying telework in practice. These problems showed up even in the Netherlands, where before the Coronavirus crisis the largest diffusion of telework among the five countries could be observed (section 6.4.2). Obviously, the considerable attention both the Dutch government and trade unions had devoted to the regulation of telework in the 2000s was something of a fading memory. For example, according to a news programme on Dutch public TV, by mid-March one in three firms where teleworking would have been an option had no internal regulation in place whatsoever and some had even banned working from home. Assuming that these problems have mostly been solved, it can be estimated that by mid-April the proportion of those working from home in the Netherlands had increased to cover between 40 and 45% of all wage-earners. Taking into consideration earlier figures (Table 6.10), along with the respective employment structures and measures implemented to control the Coronavirus, we estimate comparable percentages of between 35-40% for the UK, 30-35% for France and Sweden, and 25-30% for Germany.

High-paid employees have seemingly made up the brunt of the 'new' home workers, which might imply major shifts in the wage composition of teleworkers. For example, whereas two-thirds of all teleworkers earned less than the national average wage in the Netherlands in the early 2000s (Van Klaveren and Tijdens 2003, 2004), currently we estimate this share to be nearer to one-third. A similar set of figures for the UK recently suggested that the proportion of teleworkers paid below average earnings may end up at 20% (cf. *The Economist* March 28b, 2020). A pandemic-induced rise in collaborative digital work or video conferencing as opposed to face-to-face contacts has been a notable additional feature of telework for a whole range of occupations in both service and production sectors. It remains to be seen, of course, whether such ways of working will have much of an impact on productivity and overall efficiency. On the face of it, more telework and remote collaboration have attractions in that they should lower some costs. Moreover, there are clear environmental benefits accruing from the reductions in work-related travel. Should these prove to be widely shared outcomes and assuming there are no significant productivity losses, there may be some lasting and mutually beneficial changes in the ways in which work is both located and conducted -- perhaps an unexpected consequence of the present lockdown.

Judged by the wide variety of reports from print media, TV and the Internet, the balance sheet on working from home in a lockdown context presents a mixed picture on the employee side. On the one hand, many feel a positive release from the daily grind of commuting whether on overcrowded public transport or being stuck in traffic jams.

They are relieved to be able to plan their working days more according to their needs. On the other hand, for many, home-working while simultaneously looking after young children is a major test of their ingenuity and patience to say nothing of the need to ensure school-age children are properly engaged with distance learning. In this latter respect, various teachers' and parents' organisations as well as social workers have been warning about the growing social inequality linked to distance learning during the lockdown. Groups lobbying for the re-opening of schools have pointed to the inability of many lower-educated parents to supervise their children's education and to the poor housing conditions that often complicate the lives of poor households. These are disadvantages that are not susceptible to a quick fix other than by the re-opening of schools where they can at least be mitigated in a sensitive and professional manner. In Sweden, the perceived negative long-term effects on the most vulnerable children has been a major argument in favour of ensuring schools remained open in March and April.

Throughout EU the pandemic has forced national governments to allocate truly massive and unprecedented funds to stimulate their economy, safeguard enterprises, jobs and incomes and curb unemployment. In this latter respect, most EU countries have built upon their experience with 'work sharing' or short-time working (STW) arrangements (*Kurzarbeit* ['short work'] in German-speaking countries) gained in the financial crisis of 2007-08. To implement these compensatory arrangements the state typically takes over the payment of wages (up to a certain percentage) when companies can prove they have (supposedly temporarily) been forced to suspend their operations and lay off their workforce. In the financial crisis and its aftermath such schemes were introduced in 20 EU countries, though on a much more modest scale than is currently unfolding. Between 2010 and 2013 6.7% of firms accounting for 8.7% of workers made use of STW schemes in these 20 countries. Germany of the five countries we have primarily focussed on was to the fore with 9% of firms and 12% of employees covered followed by the Netherlands with 4 and 6% respectively, and France with 5% for both (Lydon *et al.* 2019; at the time Sweden and the UK had no STW schemes in place). Whilst these earlier schemes were mostly given a positive overall assessment, the massive scale and speed with which arrangements have recently been rolled puts both the authorities and (potential) users into uncharted territory.

In the current crisis, the governments of the five countries have all launched or expanded compensatory measures along STW lines. France has expanded the use of partial unemployment (*chômage partiel* or *activité partielle*) benefits; Germany has relaxed entry conditions for the existing short-time work benefits arrangement (*Kurzarbeitergeld*); Netherlands has expanded the existing STW arrangement for wage-earners and increased the payment level from 70% to 100% of the gross wage, whilst the UK has introduced new measures to fund 80% of the pay of workers laid off (now referred to as 'furloughed') as a result of the pandemic. A similar scheme for self-employed workers in the UK has also been announced. Sweden has introduced the pos-

sibility of short-term layoffs with workers paid 90% of forgone wages. The current authors estimate that by April 20 some 21 million workers in the five countries, or about 30% of all private industry wage-earners, were covered by these measures. According to official data France was in the lead here with about half of its 19.8 million private wage-earners covered (sources: websites ILO / *COVID-19 and the world of work* and ETUI / *COVID Social Impact*; Schulten and Müller 2020; national information gathered by the authors).

We would make two critical observations about the current STW arrangements. First of all, these measures across countries cover many more services industries with significant numbers of low-paid workers than was true of the schemes applied in the financial crisis which were largely focussed on manufacturing. The workers included in the current schemes of the Netherlands or Sweden where the state guarantees 90 or 100% of former wages in cases of total lockdown may be able to maintain their living standards without too much sacrifice. However, in countries where STW-type payments are relatively lower the workers' positions will be different. In France, where the payment level is set at 70% of the gross wage free of taxes, or 84% of the net wage (though the minimum wage [SMIC, gross Euro 1,539 monthly] applies and those at the SMIC level receive 100%), or in the UK where the 80% level is limited to UKP 2,500 (Euro 2,875) per month, recipient workers might struggle to preserve their living standards beyond a month or two. In Germany the *Kurzarbeit* scheme where the state pays 60% or 67% (for those with children) of the normal wage, is likely to leave workers even worse off. While the better-paid may be able to endure such payment levels at least for some time, for the low-paid with little or no savings to draw upon such a critical loss of income will soon impact on their living standards. With this in mind, German trade unions have intensified their attempts to negotiate additional payments in multi-employer CLAs that will bring STW payments to the same level as those in neighboring countries. At the same time, union researchers have pointed to the fact that the decreasing bargaining coverage in the German service industries has posed a serious handicap in this regard (Schulten and Müller 2020: 8-12). IG BAU, the construction workers' union, has recently started a petition to call for an increase of the STW allowances to 90% (AIAS- ETUI *Collective Bargaining Newsletter* March 2020).

At the other end of the scale amongst the self-employed and gig workers considerable problems have arisen in accessing compensatory arrangements partly resulting from the difficulties such workers face when specifying lost income. Both the Dutch and British support schemes for the self-employed propose to overcome this by taking into account the average income declared by self-employed claimants in their last two (Netherlands) respectively three (UK) years' tax returns when calculating the compensatory payment. Whilst this is seemingly fair in that it echoes similar schemes in place for conventional employees, it depends heavily upon the self-employed having made accurate declarations of their earnings to the tax authorities, an undertaking that cannot be guaranteed. Furthermore, the schemes are as yet silent on those who have opted for self-employment in the last year and have yet to submit a tax return.

The current experience of those workers who exist in the twilight world of the gig economy and others who fall outside of standard employment relationships, serves to further illustrate the gaps in job security and related social rights that were already visible in the 2008-09 financial crisis. By then, at least for Germany and the Netherlands it could be seen that the gap widened between permanent, high qualified staff for whom many employers deployed 'labour hoarding' practices and those low-wage earners in flexible work for whom such practices hardly existed (cf. Tijdens *et al.* 2014). In this regard, the application of compensatory measures as they currently stand may further promote social inequalities. One consequence (at least in the UK) has been to advance the notion of a Universal Basic Income (UBI) as a means of rectifying such inequalities in the medium to longer term. In the short run this is also being touted a particularly effective way of dealing with the need to ensure cash flow during this time of unprecedented lockdown.

A second problem relates to the fact that most STW schemes initially, at least, have not included any restraints on applicants or firms who may have exhibited questionable financial and/or dismissal practices. This has provoked such widespread public criticism that governments in a range of countries have come under pressure to avoid supporting such firms. In the five countries we are most interested in the official governmental response so far has been cautious. The French government, for instance, recently stated its intention to exclude from public aid any company with tax headquarters or subsidiaries in a tax haven. It is worth noting, however, that this appears to apply to just 13 well-known international tax havens (Panama, Cayman Islands, the Bahamas, et cetera) and does not include European countries such as Lichtenstein or Luxembourg who are known to offer similar advantageous tax regimes to MNEs keen to optimise their profit streams. In the Netherlands, two cases in particular have given rise to public and parliamentary demands for stricter entry rules for STW applicants. The first was provoked when it was discovered that KLM, the national air carrier and part of Air France/ KLM while asking for millions of Euros in state loans and guarantees had left 2,000 flexible workers out of their STW application. The second arose just after Booking.com had applied for STW funding for its 5,000 operational staff in Amsterdam, when a financial journal revealed that Booking's shareholders in 2019 had been given a huge tip in the shape of a Euro 3.5 billion share buy-back.

Similar examples can be found in the UK where the 'court of public opinion' has recently forced a couple of prominent companies to reverse earlier decisions to dismiss some or all of their workforce prior to going into lockdown. A particular case of righteous indignation has been evidenced by the public reaction in the UK to a request from Virgin Atlantic, for a significant amount of state funding to help ease the airline through the current crisis. Public anger was initially fired by reports that Virgin Atlantic had at first asked their staff to take eight weeks unpaid leave -- a demand that was later somewhat modified when it emerged that some of their laid-off staff were being encouraged to offer their services to the COVID emergency 'Nightingale' hospitals that had been set up in London and Birmingham. Ironically the Virgin group of companies

had already incurred significant reputational damage in 2017 after it emerged they had reached an out-of-court settlement of UKP 2 million paid by the NHS to resolve a contractual issue with the Virgin care group. Three years later, this action against the NHS has, in a classic example of the law of unintended consequences, come back to haunt the Virgin brand to such an extent that the founder of the group recently took out whole page adverts in the UK press explaining why the financial support was needed. In a similar vein, we can only wonder at the 'charm offensive' currently being carried out by Amazon in the UK. Evidently stung by the criticism it has attracted for tax avoidance and poor labour practices, Amazon has embarked on a series of unprecedented prime-time TV advertisements that show a selection of their employees extolling the virtues of the flexible working arrangements Amazon offers them. During the pandemic, Amazon have followed this up with further TV adverts setting out how well they are looking after the health of their employees working to keep the company in operation.

Such actions as just described are perhaps a reaction to the gathering public disapproval of governments handing millions if not billions of Euros in emergency state aid to companies and individuals who hitherto have seemingly gone to great lengths to minimise their corporate contributions to national tax revenues. Whilst public distaste for this is plainly increasing, it remains something of a dilemma for policy makers since the ordinary employees of these companies can hardly be held to be jointly responsible for decisions taken at board level. Moreover, it is precisely these ordinary workers who are most likely to suffer from the loss of employment as a result of the pandemic. Somehow, policy responses need to reflect this glaring inequity. One possible remedy would be for an EU-wide emergency regulation that made all future state aid to MNEs operating within the EU wholly conditional on two important preconditions. First of all, that all their employees are placed on conventional employment contracts, and second, a signed guarantee be given that future tax will be paid directly on corporate income arising at national level -- in other words outlawing the use of tax avoidance schemes.

Social dialogue and the role of labour (area 6)

It is worthwhile recalling that a recent ILO report has stressed that "Building confidence through trust and dialogue is crucial in making policy measures effective", and that "(...) strengthened respect for, and reliance on mechanisms of social dialogue creates a strong basis for building the commitment of employers and workers to the joint action with governments. Enterprise-level social dialogue is also crucial" (ILO 2020: 7). Even with the support of bodies such as the ILO, the shaping of social dialogue at various levels in the EU will likely depend on how far the current crisis changes competitive conditions, labour market structures and the practice of industrial relations. The roles of labour consultants, trade unions and employee representatives in the near future are also likely to be determined by the severity of these changes.

To gain some insight into what might be in prospect here, it makes sense to look at what happened during and after the 2007-08 crisis. In the first two chapters of this book we noted that '2007-08' was, first and foremost, a financial credit crisis. The bail-out of banks, the austerity programs imposed on South European countries and, in retrospect, the rather limited governmental compensatory measures made for a slow recovery from the crisis that included a 'second dip' in 2012-13. By contrast, the main characteristics of the Coronavirus crisis have been the rapid and worldwide fall in demand, followed swiftly by supply problems and disruptions in the GVCs of labour-intensive manufacturing. In the short run, spill-over effects were evident, as lockdowns in retail, transportation, tourism, and hospitality soon impacted on the arts sectors and other supportive services like the media who, in turn, swiftly experienced the loss of advertisement income.

The outlook for a rapid recovery in the commercial services sector seems to be bleak and its employment characteristics definitely complicate the matter. In Chapter 4 we showed that since 2006, labour market flexibility had been expressed mostly in the growing shares of the self-employed without employees and workers with temporary contracts. In Chapter 6 we went on to highlight the growth and characteristics of the gig workforce. All of these groups are mainly to be found in the service sector and if anything, the current crisis has further exposed their market vulnerability. It certainly seems to be the case that the official STW measures we discussed above, as well as the billions of Euros reserved for direct company support and increased credits, will fall short of meeting the immediate needs of many in this group. As we discussed in chapter 4 it may make more sense to be planning major redeployment and retraining activities in readiness for the many thousands in the service sector for whom the threat of unemployment may soon become an unwelcome reality. Since there is an urgent need to plug the gaps in the care services, it is not unreasonable to suggest that many of them be better off being retrained for jobs in health or social care. Such job switches may be more readily accomplished if the reappraisal of health and care occupations leads to the attachment of better job security and higher wages.

By contrast, the prospects for employment in the manufacturing sector could be rather more favourable. For example, the vulnerability to disruption exhibited by many of the GVCs hitherto used by European metal and electronics manufacturing MNEs, is thought might accelerate back-shoring and insourcing activities. We are likely to witness industrial restructuring all over the EU that will focus on developing less vulnerable and more regionally based GVCs. At the same time, there will be an associated drive to increase industrial cooperation within Europe in order to foster greater regional resilience. Such developments may open up new prospects for technology-based SMEs and start-ups, for example those specializing in 3-D printing.

Finally, the implications for industrial relations deserve closer scrutiny. Across countries, the brief overview we present below of the most recent developments shows that insofar as social dialogue at the top level is concerned the Coronavirus crisis seems to

have had minimal short-term effects. However, at lower levels interesting developments are going on.

In *France*, despite unanimous support for the medical profession's efforts, COVID-19 does not seem to have brought the social partners together in a lasting way. The fact that the proclaimed 'national unity' lasted only briefly was an obvious first indicator. So too were the actions of employers' representatives whose return to classical positions was signalled by their announcing that, once the health crisis and the lockdown period ended, employees should work longer, forego days off and agree to the lengthening of working hours: all proposals the unions quite naturally rejected as being unacceptable. Nevertheless, during the course of April a social dialogue has developed in many sectors and companies to define health protocols in order to allow a safe resumption of activity. Issues for example covered by these protocols include the continuation of telework, shift schedules, the wearing of masks, and the maximum numbers of employees on site.

In *Germany*, in a top-level meeting the DBG union confederation, employers' associations and government representatives all agreed to share responsibilities in fighting COVID-19, although the unions later added that employers were not taking the situation seriously. The union delegation here also referred to the low level of STW allowances. Many German Works Councils have subsequently become involved in company applications for *Kurzarbeitergeld* and in the preparation of health protocols.

In the *Netherlands*, within the framework of the Labour Foundation the union federations and employers' associations have in many sectors co-operated to produce unanimous advice for the government on how to tackle the current crisis. In TV talk-shows the chairmen of both employers' associations have sung the praise of the unions for their practical inputs in sectoral health protocols and recommendations on how to reopen businesses. In mid-April though, tensions arose when the governmental crisis team did not appear to take any of these recommendations on board.

The union movement in the *United Kingdom* has by and large been supportive of the measures taken to preserve essential services in the lockdown. Union anger though has been increasingly provoked by the failure to provide adequate protective clothing for both hospital and residential care workers. Latterly this concern over protective clothing has also been echoed by UK unions representing staff in the retail and transport sectors. The government, in the shape of the Chancellor of the Exchequer (finance minister), was unusually quick and unequivocal in praising the input from the unions in the formulation of his schemes to provide cash to laid-off workers. No one though believes this will herald the start of any lasting social dialogue at this level.

In *Sweden*, conflicts in the social dialogue have been set aside. By mutual consent the central bargaining agreements that should have been renegotiated this spring, have been prolonged. The STW issue had previously been taken up by the government and the social partners with the aim to have it settled in the course of 2020. However, a scheme was hurriedly brought forward and put in place with effect from March 16. A

driving force here was the decision of the Scandinavian air carrier SAS to give notice to its Swedish workforce while at the same time applying STW to their Danish and Norwegian colleagues under their respective national schemes. The recent increase in union membership, in particular in the catering and hotel sectors with their many gig workers, is also noteworthy in Sweden. Although since unemployment benefits here are linked to union membership it is perhaps not so much of a surprise (Sources: information gathered by the authors; *AIAS-ETUI Collective Bargaining Newsletter* March 2020; websites ILO / *COVID-19 and the world of work* and ETUI / *COVID Social Impact*).

The negative short-term effects of the current crisis are, of course, yet to be fully revealed but bankruptcies, plant closures and mass dismissals are thought likely to feature prominently. If these effects do emerge, trade unionists, employee representatives and labour consultants would be involved in a variety of their 'classical' defensive roles. Social dialogue and collective bargaining in the short run across the EU will, of necessity, be focussed on how to mitigate job losses caused by the pandemic. This will include the search for alternative sources and structures of employment, mainly at national level and within national legal frameworks and traditions. At this point, job coaches and employment services may be particularly needed. In a next stage, unions and employee representatives may well be faced with the need to develop new business and work organisation models that prioritise future resilience and the possible ongoing need for social distancing. By then the negotiating emphasis is likely to switch to the best ways to agree a resumption of work and a return to something like normality insofar as the workplace is concerned. Safety and health issues will present a major challenge for enterprises in their recovery phase as well as for labour consultants, trade unions and employee representatives.

Given the much greater experience of teleworking that lockdown conditions have forced upon hundreds of thousands of workers, it would be surprising if radical shifts in the spatial organisation of work were not one of the longer-term outcomes of the pandemic. The fuller consequences of such a shift are difficult to predict although we set out some of the established pros and cons of teleworking in Chapter 6 (section 6.4.2). The spread of telework along with higher privacy standards may also have the potential to generate major design efforts. At this stage, labour consultants in particular those versed in Socio-Technical Systems Design (STSD), may render important services. One concern worth flagging up here is the risk that working from home becomes the latest branch of the 'gig economy' with all the attendant downside this would entail. Future social dialogue and negotiations as regards teleworking will have to be aware of this risk and firmly focussed on its avoidance. International cooperation too may come to the fore here as an important prerequisite. In this respect we can register our hope that national industrial relations begin to show more convergence than has become visible in the first months of the crisis.

Some final notes on collective bargaining (area 7)

It is clear the experience of the COVID-19 pandemic has prompted a widely shared view that the pay and conditions of many of those workers deemed essential to deal with the pandemic are in urgent need of improvement. What is equally plain, is that the means to achieve such an uplift, namely the provision and practice of collective bargaining has, in much of the EU, been seriously weakened since the turn of the century. In some countries, like in Germany and the UK, there has also been a shift away from multi-employer bargaining in favour of CLAs at company level (see section 1.3.2). This suggests that there may well be difficulties in using existing collective bargaining provisions to produce the enhancements in pay and conditions of 'key' workers. Whilst most essential health workers in the public sector will probably be covered by relatively robust sectoral arrangements, the same cannot be said to be the case for many private-sector care workers or for frontline workers in retail and private-sector logistics and transport -- all of whom have played an essential part in the struggle against the Coronavirus. The need to ensure that any new societal contract with essential workers is both speedily achieved and fairly applied, points to an equally urgent need to reappraise the suitability of collective bargaining arrangements. One way of ensuring that any pay and conditions uplift here is equitably shared, would be to encourage the return to sectoral bargaining agreements. Plainly there are important roles to be specified here for both trade unions and employers' federations, and the decentralising trends just noted will need to be cast aside. However, as two of the authors here have recently set out (Van Klaveren and Gregory 2019), an increasingly powerful case for just such a move was building even before the current crisis struck.

Finally, it would be remiss of us to ignore the important role more effective bargaining arrangements could play in moving society onto a more environmentally sustainable and resilient footing. Whilst it is probably unwise to conclude that capitalism and globalisation will be irrevocably changed after the pandemic (after all, similar thoughts were advanced during the 2008 financial crisis), there does appear to be an increasingly potent view that recovery from the pandemic provides an unparalleled (and unexpected) opportunity to shift the focus of much economic activity away from simple profit-seeking behaviour towards a more complex mix of environmental and resilience optimisation. The achievement of such goals will require a significant realignment of both corporate and societal objectives as well as the means to underpin and motivate such change. In our view, a reinvigorated and wide-ranging social dialogue will be vital to draw out the ideas and resources needed to move to a 'new normal' that prioritises dealing with climate change as well as the many inequalities that have blighted latter-day capitalism.

In this respect, we clearly need to recognise the grotesque differentials generated by the ways in which boardroom pay has been incentivised in the last few decades. The practice of rewarding top executives and the directors of private companies with share options and bonus payments has ensured the gap between the highest and lowest paid has grown significantly in most leading companies. Moreover, linking bonuses and share options to performance indicators such as pre-tax profit or share price increases,

inevitably encourages directors to make short-term profit maximising decisions frequently at odds with longer-term environmental needs. To put it bluntly, this has to stop if we are to have any chance of redirecting corporate decision-making towards environmental goals. One way to achieve this would be to institute an EU-wide ban on all incentive schemes, whether in the public or private sector, that link additional personal rewards to financial performance indicators of the kind just mentioned. In their place the social partners would agree incentive packages for all employees (not just the top executives) that were exclusively linked to the achievement of environmental performance indicators such as CO2 reductions. The opportunity for pay enhancement would remain but damage to the environment would be much less of a by-product.

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APPENDIX 1. EXTENSIVE CASE STUDIES

Case A1. Development of collective bargaining at the Ford Motor Co. (UK)

The automotive industry has generally played a leadership role in setting the direction taken by collective bargaining in private sector manufacturing in the UK. Prominent here have been the actions of the trade unions and management at Ford Motor Co. The key officials on both sides have been amongst the most innovative negotiators in terms of collective bargaining practice and outcomes. In the 1960s and 1970s industrial relations right across the automotive sector in the UK were commonly portrayed as a toxic mix of militant trade union leaders and autocratic and intransigent management. Unofficial disputes were particularly rife and prompted the then Labour government in 1965 to set up the Royal Commission on Trade Unions and Employers Associations chaired by Lord Donovan. One of the central recommendations of Donovan's 1968 report proposed better information disclosure for trade union negotiators. Donovan acknowledged the failure to disclose information about company profits and productivity was leading to unreasonable expectations amongst the workforce and dissatisfaction when union negotiators failed to deliver on these expectations.

Mindful of the need for a more objective analysis of Ford's profitability for their annual pay claim in 1971, the leading union negotiators at Ford commissioned the newly created Trade Union Research Unit (TURU) at Ruskin College, Oxford, to carry out the analytical work. The detailed analysis of Ford's finances TURU came up with alongside an assessment of the effects of inflation on their members' real earnings, enabled union negotiators to justify a level of pay increase that rested on more than mere aspiration. Equally important though, was the fact that on the day the negotiations opened, the unions issued an edited version of the claim to the whole of the workforce at Ford. Arming the workforce with the same data as their negotiators plainly bolstered the determination of workers at Ford to such an extent that they voted for strike action when the negotiations failed to reach agreement on a pay deal. The strike ended after nine weeks when an acceptable agreement was finally reached. This overall experience proved to be something of a 'game changer' insofar as it laid down a new pattern for the formulation of pay claims. It was rapidly adopted in most of the subsequent negotiations carried out elsewhere in the UK automobile industry.

The outstanding factor that ensured pay negotiations at Ford would become the most innovative and influential within the UK's manufacturing sector, was the increasing willingness of Ford management to disclose certain performance information to union negotiators prior to the formulation of the unions' pay claim. The breakthrough analysis that TURU had carried out in 1971 for the unions at Ford, was based on pub-

lished corporate sources, primarily Ford UK's annual report backed up with comparative earnings data drawn from the government's recently introduced 'New Earnings Survey'. It was soon recognized however, that Ford UK's annual financial reports were of limited value in providing a true picture of Ford UK's profitability. First of all, there was a problem of timescale since the reports described a period some 18 months before the negotiations began. In the second place and perhaps more importantly, Ford UK's financial reporting was heavily constrained by the opaque accounting practices typically deployed by MNEs to avoid corporate taxation. The unions quickly realised that Ford UK's annual reports were more a vehicle to comply with UK company law than a realistic picture of the company's financial performance.

To counter these difficulties the unions put pressure on Ford to provide a range of specific information to ensure future pay claims were evidence-based. It should be remembered that the Donovan Commission had called for something along these lines to ensure collective bargaining could be both reasonable and responsible. Moreover, the UK's Advisory Conciliation and Arbitration Service (ACAS) had, by the mid-1970s, produced codes of practice covering information disclosure for collective bargaining purposes. Furthermore, the OECD had issued similar guidance aimed at making MNEs more transparent in their financial reporting. These were doubtless helpful influences that led to a formal written agreement between Ford and its UK signatory unions for specific information requests to be tabled and dealt with prior to pay claims being drawn up.

Working closely with the unions' own staff, TURU researchers had an important hand in drawing up the specific information requests that were tabled. The exchanges of information that followed ranged widely over financial and employment data enabling the unions to build a more accurate picture of the recent performance of the company in the UK. The data disclosed on working time were particularly noteworthy since they revealed rather starkly that Ford Employees in the UK in the 1970s and 1980s were, by some distance, working the longest hours in Ford's European operations. Not all of the unions' information requests were successful, for instance their regular demand to be able to see the disaggregated management accounts was never forthcoming. These data that recorded actual versus expected financial outcomes on a monthly basis (the standard way that management review and run the operation) were deemed to be too commercially sensitive to be shared although occasionally small bits of information from this source would be passed on to the negotiators.

Pleading 'commercial sensitivity' was and is an easy way for management to evade disclosing certain information and when tested it has generally found favour amongst judges in UK courts of law. Despite these shortfalls, the information agreement put negotiators at Ford in a better place than their counterparts in other manufacturing companies. TURU researchers worked with the unions throughout the 1980s and 1990s supporting collective bargaining claims in virtually all of the

automotive sector. The reduced information flows they observed typified the rest of the sector, significantly reduced the evidence base for negotiators when drawing up and pressing the case for pay increases. This is not to imply that Ford were a 'soft touch'. Far from it, indeed Ford management in the UK had a reputation, in union circles at least, as being hard and unremitting negotiators. Ford UK in the 1970s were to the fore in the business community's fight against the proposed (and ultimately unsuccessful) 'Vredeling' Directive designed to enforce much greater information transparency on MNEs operating in the EU. Later still Ford were adamant that any EWC's formed after the passage of that particular Directive would not be involved in collective bargaining in any form.

The truth is that Ford UK's information disclosure strategy was more an exercise in damage limitation with quite limited downside risks. Union negotiators at the company were able to table well-grounded claims using information that was non contestable since it emanated from the company itself. This was particularly the case for the data the unions used to press for working time reductions although it should be noted that Ford management stonewalled conceding to such demands for the best part of a decade. At the same time, progress was made in building mutual trust alongside the increasing flows of information surrounding the bargaining process. This culminated at the end of the 1980s in two remarkable joint initiatives (both of which involved TURU staff as consultants and facilitators) that stemmed from pay negotiations and the agreements reached. The first established a path-breaking Employee Development and Assistance Programme (EDAP) and the second set up a joint working party to restructure and reduce the 500 odd job titles that were operative within the manual workforce. EDAP was certainly judged to be a 'win-win' outcome by both management and unions at the company whilst the fact that Ford were able to collapse 500 down to 50-odd job titles for its manual workers without any major resistance from the workforce, was testimony to how well the joint working party had carried out its task.

Although the flows of information at Ford began to carry some European comparative data, it was never sufficient to impede the company's ability to play the unions in one country off against their counterparts in another. Threats to relocate resources from the UK to any of a number of EU locations were potent and particularly so whilst background unemployment in the UK remained relatively high. The fact that Ford forestalled any delegation of collective bargaining activity to the EWC also meant that national negotiations and national interests dominated collective bargaining wherever it took place in Ford's European empire. In retrospect the lack, at the time, of any real mutual understanding between national union negotiating officials in the UK and Germany in particular and the consequent absence of any coordinated union pressure to involve the EWC in some bargaining arenas, led to a missed opportunity of considerable significance. In consequence, Ford has continued to divide and rule the various union bodies it recognises whilst the prospect of European-wide company bargaining remain as remote as ever.

Case A2. The privatisation and liberalisation of postal services (Netherlands)

The fact that the Dutch government has been a forerunner in the movement for New Public Management is underlined by the relative early privatisation of postal services that was put in place in the Netherlands. Already in 1989 Dutch PTT (State Company for Post, Telegraph, and Telephone) was given a formally independent or 'quango' status. Four years later, PTT was restructured into KPN, a joint stock company that soon witnessed the sale of state shares and a splitting-up of the business. The telecoms division was to continue as KPN, and the post, express mail and logistics divisions as TNT Post Group. In 1997, a first step to the complete liberalisation of the national postal market was taken. Under the European Postal Directive, national postal operators were required to divest a number of services in return for the maintenance of their monopoly over other parts of the postal market. The promise of full liberalisation laid down in that directive and the initial Dutch steps in that direction stimulated the entry of new parties in the Netherlands and forced the former monopolist into a major reorganisation.

In 2001 two new entrants entered the Dutch postal market, one of which was soon to be taken over by Deutsche Post/DHL. Both focused mainly on the rapidly growing business-to-consumer segment of pre-sorted bulk mail. In 2011, Sandd, the only remaining competitor of TNT, bought the ailing Deutsche Post/DHL subsidiary. A fight broke out for the domestic consumer post market, shrinking progressively due to Internet use and other digitalization. In between, TNT Post had started to apply, besides the main collective labour agreement (CLA), a separate CLA for 'regular' post deliverers and another CLA for post deliverers working only on Saturdays. Wage pressure had built up because no wage increases for 2006-2007 were negotiated and as a result the minimum hourly rate for post deliverers fell below the national hourly Statutory Minimum Wage (SMW). A union analysis made it clear that the rewards of these part-timers based on piece rates would, on an hourly basis, end up at 60 to 70% of the SMW. Yet, as a large majority of post deliverers had a so-called assignment agreement and not a labour contract, they were neither able to claim employee status nor the SMW. Neither did they have sickness or unemployment insurance nor could they build up pension rights. The five trade unions involved at the time all supported their demand for a labour contract based on the SMW for each post deliverer, to be included in an amendment to the Postal Act. A majority of the House of Representatives nevertheless rejected this claim.

Though the main competitors for TNT Post, including Deutsche Post/DHL, were soon to disappear from the Dutch market, the government decided that the country's postal market would be fully opened up on April 1, 2009. In so doing, they became one of the first in the EU to take such a step: 21 months earlier than formally prescribed by the European Commission. Shortly afterwards a TNT Post director specified the new job of the 'post deliverer' in the liberalised market. He or she was to be a part-timer, working on average about 12 hours weekly (which in practice turned out to be on average eight hours). Unlike the post(wo)men who were mostly full-timers

who normally started their shift with final post sorting for his or her area, the deliverer would get a ready-made post packet indicating a strict divide between sorting and delivery. The unions opposed these plans and took refuge to two groups of external researchers, but their reporting saw no other way than softening the wage offer management had demanded.

Following on from this, a majority of the unions involved supported by experts of two labour consultancies asked management to consider changes in organisation and technology, such as mitigating the speed of automation in post sorting and/or continuing the connection between sorting and delivery. However, management refused to consider these suggestions. Instead, they opted for fully offshoring the video-coding for post sorting to the Far East. Also, in spite of strikes and demonstrations the number of jobs to be shed remained at 11,000 as management had already planned. By contrast, the unions succeeded in getting the speed of restructuring slowed down and the number of forced lay-offs halved to 3,000. Despite the unions' efforts, between 2009 and 2012 the number of 'post(wo)men' in the Netherlands decreased from 23,000 to 5,500 while the number of part-time 'post deliverers' increased from 43,000 to 56,000.

Already in 2009, TNT had come under fire from aggressive hedge funds and as a result, in 2010-11, TNT was split: the express post division going on as TNT Express, whilst Dutch TNT changed into PostNL. The management of the latter firm continued to adhere to the part-time / self-employment model. Nevertheless, societal discontent with this model and with the wages and conditions of the post deliverers grew. In 2011, reports from a former Labour Party chairman and reputable researchers proposed the creation of government funds to guarantee them minimal wages. A parliamentary majority turned down these ideas but ultimately the government gave in and issued a Decree that laid down the obligation to have 80% of post deliverers under a labour contract by 1 January 2014, except where postal firms agreed a CLA in line with the existing CLA Act. The Decree's explanatory memorandum stated that this Act, in accordance with a parliamentary request, should be regarded as a means of support for the CLA parties. In the meantime, as the new market regulator ACM noted, organisational problems at PostNL resulted in underperformance of the delivery service.

In the course of 2015-16 PostNL indicated a willingness to offer the post deliverers employee status while their CLA wage scales started at the SMW – implying that most deliverers would earn 10 to 20% above the minimum wage. In 2017-18, the female CEO continued a fierce debate with both the market regulator and Sandd, the remaining competitor. The regulator maintained strict rules for the post delivery service notably in rural areas, and the director of Sandd suggested that his firm could carry out this service much cheaper. PostNL's CEO responded that this was only possible through wage undercutting and denying deliverers the employee status. Remarkable enough, the trade unions equally condemned the workloads of in particular the packet deliverers of both firms, suggesting that PostNL had lifted the delivery

standard (packets delivered per day) in exchange and to compensate for better hourly payment.

As a final step, in March 2019 PostNL (38,000 employees) announced their intention to take over Sandd (16,000 employees). Both parties argued that the shrinking postal market could not support two competitors. Yet, in September 2019, the regulator ACM blocked the take-over, arguing that if it went through a monopolist would be created. The unions had welcomed the take-over as a necessary step towards a healthier postal market although they too recognized the potential disadvantages of PostNL's monopoly position. They also felt PostNL's collective agreement was a better fit with the regulated Dutch industrial relations system than Sandd's and would be a benefit when applied to the Sandd workforce. However, in particular because of PostNL's more concentrated daily working hours and less attractive work schedules a majority of the Sandd workforce refused that firm's offer to be employed with them. At the time of writing the new collective agreement seemed to become applied to 20,000 post deliverers among which 4,000 former Sandd employees. The complaints from both staff and unions regarding the heavy workload, now concentrated at PostNL, remained.

Case A3. The PES between digitalization and privatisation (Sweden)

The PES (Public Employment Service) is a large public authority with about 14,000 employees residing under a Director General. It has for many years been an integral part of Swedish full employment policies with a mission to support the unemployed in finding new jobs and assist companies to get the right competences from their recruitment processes. Around 80% of its clients are unemployed job applicants who have difficulties getting into the labour market. In this respect a number of supportive programs are run by the agency, such as introductions for immigrants, wage support for the disabled and various retraining initiatives. The agency also has a role in reporting and controlling activities in order for the unemployed to get unemployment benefits. These benefits are administrated by union-affiliated unemployment bodies.

The PES has for the last ten years been organized in regions and further on in labour market areas with offices geographically spread over Sweden, with representation in about 70% of the country's local municipalities. The ambitions have been to be as close as possible to job seekers and companies. The PES has grown over the last years in numbers of employees due to an increase in their role in getting immigrants into the labour market, but also people going from sick leave to work via rehabilitation activities. Over the same period of time there has been much criticism on results in terms of matching and getting people to work. Job positions are not filled through the aid of the agency but rather through private firms and coaches, using the internet or personal networks. In politics, proposals have been put forward to privatise the agency – from closing it down to redefine its role.

Traditionally, the PES has been a decentralised organisation dealing on the one hand with regional political influences and on the other with the employment agent and the job seeker. High priority has always been given to job seekers over employers, even in times of high labour demand. When a new Director General took office in 2014, a change journey started due to internal initiatives and the pressure coming from external financial and political forces. Over the last five years the PES has gone through major changes, starting off with a change in management culture to enable a new 'business model' based largely on digitalization to be implemented. Among other things, this meant dissolving the direct contact between job seeker and employment agent. A new management culture was introduced based on trust rather than on measurement and control; co-workership became one of the key concepts. In terms of organisation it meant that a specialised customer service and digital department, PES Direct, was established, built around digital tools and self-service.

The next step in organisational development was more controversial. The basic idea was to build up two new client-oriented, top-to-bottom divisions in the agency: one oriented towards job seekers and the other towards employers. It was hoped that this would result in a more focused organisation, especially towards employers. They had been most critical of the PES for not being able to support them in their recruitment processes – particularly in times of an overheated economy and qualitative labour shortages. The organisation was divided about the benefits of this new model and concerns were expressed that it might create an unproductive division of work with duplication risks and communication overloads. The unions accordingly requested the support of ATK as a labour consultant to provide a second opinion. A broad survey among middle managers showed that many of them were also sceptical about the new ideas. Top management in response made some adjustments to the time schedule but then went along with the basic plan.

While the new organisation was being implemented, a right-wing government announced large budget cuts for the PES, which led to a political upheaval. Management nevertheless decided to continue investing in digitalization and expanding PES's customer service. After negotiations with the unions, PES announced it would dismiss 4,500 employees followed by large redundancies in local offices. Also, closure was announced of 100 local offices spread all over the country, that was seen as having a negative impact on scarcely populated areas. This led to further upheavals and brought local politicians into action. At the same time management decided to continue investing in digitalization and expanding customer service through internet and telephone. To complicate things even more, a new left-green-liberal government came into office. Their governmental declaration contained a total turnaround for the PES – privatising the employment support activities and focusing on control, evaluation and digital services.

ATK was hired once again to support the unions (and management) in dealing with short-term changes (simultaneously downsizing and establishing the new organisa-

tion) and long-term changes (defining a new role for the PES). The consultancy interviewed top managers and external actors and conducted workshops with the unions discussing both short-term actions and long-term effects. A joint management-union meeting was held where changes in organisational adjustments, redeployment and competence strategies were discussed using ATK's risk analysis. One of the risks was that the digitalization process did not develop according to plan causing severe effects on both process outcomes and employee health and safety. The conjunction of downsizing (based on 'last in – first out') the old organisation with the implementation of the new organisation would, it was suggested, be likely to result in major uncertainties concerning staff roles and client contacts. Top management continued to have full confidence in carrying out the restructuring albeit with reservations concerning the delivery of planned results. Unions as well as line managers expressed more pessimistic views.

The PES story is an example of how, in the Swedish context, NPM and E-government have taken on new shapes. The daily operations have been outsourced to external parties while the authority itself has been left to focus on control, procurement and digital infrastructure. The changes under way have to be dealt with while financial cuts and no extra room for investment in IT are known facts. This is plainly a major challenge.

Case A4. A problematic workload assessment within a bank network (France)

For several years, employee representatives at the Western regional branches of a French bank, a subsidiary of a large international banking group, had been drawing management's attention to increases in workload and the growing unease employees felt about this. According to employee representatives, the Works Council (CE, *Comité d'entreprise*) and the Health, Security and Working Conditions Committee (CHSCT, *Comité d'hygiène, de sécurité et des conditions de travail*), successive reorganisation at the bank had not resulted in significant improvements. In 2014, they confronted management with several evaluations from expert assignments undertaken at both national, regional and branch levels together with observations by CHSCT members from the Western region. They characterized the situation and its impact as follows:

- accumulation of rules and procedures making day-to-day tasks more cumbersome with a low impact made by simplifying measures;
- increased work pace and poorer interpersonal relationships;
- rigid, unsuitable computer tools with interfacing defects, automation leading to repetitive tasks and employees' sensing time wasting and inefficiency;
- unfilled positions persisting over long periods of time creating burdens for the remaining staff;
- 'flying teams' replacing those absent with temporary employees operating inadequately as they were not immediately operational;
- prolonged working days;

- inadequate reporting, focusing on quantitative outcomes without taking into account prevailing business conditions.

In a meeting in September 2014, the CHSCT reiterated its criticism of the increasing workload in branch offices, emphasizing that work stress was resulting from the gap between the theoretically calculated time to fulfill a particular task and the time actually required. Next, the CE unanimously mandated the CHSCT to commission an assignment, and subsequently ARETE were called in to do the job. To carry out the assignment, ARETE researchers selected seven branch offices in the bank's Western branch network.

The views of the parties involved varied considerably but the workload of salespeople was a particularly divisive issue between sales management and CHSCT members. The higher a person's hierarchical position, the wider it seemed were the differences with CHSCT members in this respect. The debate focused heavily on the number of appointments to be carried out per week. For the Sales Manager, the workload for network employees was deemed to be both acceptable and manageable despite the complexity of commercial activity in the branch office. In part this was because steps had been taken in recent years to reduce the administrative burden within the network. It was felt that these would outweigh the workload related to the complexity of the branch's commercial activities and mitigate any cumbersome bank-specific processes or the strong 'cyclical' activities like the frequent demands for the renegotiation of ratios. Managers emphasized that although continuous improvement project had been implemented changes were slow given the strong interdependence with decisions taken at group level.

However, some branch managers conceded that certain staff were overworked and that targets for salespeople were not always easy to achieve. This was thought to stem in part from the bank's failure to fill long-standing vacancies and partly because the skill sets of existing staff were frequently not adequate to cope with task demands. This management layer recognized the development of the business required more advanced skills and a change of posture towards the customer. In practice, such changes proved difficult for many employees, thereby amplifying their negative perceptions of an increasing workload. In the end, according to a member of the Regional Directorate, the sales workforce could only operate well if two conditions were met. First, versatility should be effectively implemented, commenting: *"Wherever versatility is not put in place properly, we will have difficulties in attaining our targets; it will affect the fluidity of the whole organisation"*. Second, with the bank's Strategic Plan 2014, the existing concerns about attaining performance targets had become much more pronounced: *"If over-all targets are not to be met (.....), this will cause difficulties at any hierarchical level."*

For their part, the CHSCT believed that the actual workload would persist due to the unabated pressure generated by, on the one hand, the need to comply with the bank's processing operations, and on the other hand the Strategic Plan's priority

downsizing of the commercial network. Moreover, the lack of any quantitative assessment of the development of the branch network suggested the Regional Directorate was not aware of the actual situation. The lack of a shared diagnosis of workloads in the branch network was a real difficulty and complicated any action to improve working conditions.

ARETE analysed the various forms of workload along the lines set out at the end of this case study. The assignment produced the following findings. First, salespeople did indeed have a heavy workload. The working hours of a branch manager varied between 45 and 60 hours, with an average of around 50 hours per week. Branch managers were under a lot of pressure and had only limited powers. It tended to be a solitary position, and seemed to suffer from a loss of prestige and attractiveness. The weakening of the branch manager position was of concern as it could also have a direct impact on the functioning of the entire branch. For client managers and advisors, working times fluctuated between 8 and 11 hours per day.

A second set of findings concerned the weakened position of some employees. The assignment identified a small minority who were in real difficulty. Contrary to a preconceived idea, these were not necessarily employees with strong seniority. This tended to show that the employer's ability to both detect vulnerable employees and then deal with their problems was the real challenge. Further explanatory factors adduced by ARETE were:

- changes in the nature of business functions;
- pressure of business objectives (number of appointments to be made per week, etc.);
- increased complexity of administrative processing of cases due to changing regulations;
- lack of training and support for employees many of whom found it hard to keep up with developments in their profession, resulting in negative feedback that made them particularly vulnerable to increased psychosocial risks.

ARETE's findings and recommendations were discussed within the CHSCT and their analysis managed to bring the disparate points of view closer together. As a result, management made several commitments: improving the HR system, promising additional resources from experts on administrative matters to relieve the agencies' sales teams; better replacement in case of absence, and additional support for employees in difficulty. On other points though, commitments remained very limited as the bank was part of a large international group and targets and ratios were defined at group level. Similarly, the group's information system prevailed. Nevertheless, having arriving at a shared diagnosis of the situation could already be seen as a positive result.

To conclude this case study it is worthwhile considering ARETE's method to analyze the work situation and workloads in particular. The latter were analysed using quantitative indicators that measured the development of activity volumes. Fluctuations

in these indicators and the frequency of peaks in activity allowed both an understanding and sometimes an anticipation of task overloads. However, these quantifiable data did not identify all factors contributing to the operator's workload. As a result, research in this area had to be broadened to include mental load, defined as the dynamic result of various factors affecting physical and psychological health. To this end, ARETE broke down the workload issue into three areas: actual load (imposed), prescribed load (constraints) and perceived load, and then considered:

- constraints associated with each function (prescribed load) in terms of performance (activity indicators/goals to be achieved), cognitive requirement (concentration), regulation (procedures to be followed), time (time pressure), tasks (function description) and work organisation;
- resources available to employees to meet these requirements: personal skills or support at his/her disposal (social and technical support of management, colleagues, experts and central services), work tools (software, equipment, etc.) and discretion at his/her disposal.

It has to be added that perceptions of workload are individual as is the ability to cope with a certain workload. Thus, constraints and resources are perceived differently depending on a person's age, gender, personality, experience and competence. Furthermore, despite the desire for standardization and harmonization of workstations within networks, it is clear that workloads in a particular profession depend largely on the organisational context and the available resources – which, in this case, may frequently differ from one branch to another.

Case A5. Assessing job quality at container terminals (Netherlands)

In the 1980s, the efforts of the social partners to modernize the port of Rotterdam tended to be mutually reinforcing. GHR, the Municipal Port Authority, took the lead proposing the optimisation of logistic chains and the creation of advanced data networks. The Authority organized courses to raise awareness of STSD and develop the competences management of port-related companies (not only stevedoring firms and terminal operators but also ship brokers, warehouse operators, employees of the Authority, and others) needed in view of these changes. Alongside this it set up a tripartite body to facilitate the exchange of information between the social partners. GHR was well aware that this ambitious programme had to involve the trade unions, who at the time organized around 80% of the Rotterdam dock workers. Following a number of wildcat strikes in the docks in the 1970s, the leadership of FNV Transport, by far the largest union, decided for its part to democratize its structures and develop new policies. Works Councils, with their large majorities of FNV militants, spearheaded the union's new main goal, namely: improving the quality of work whilst maintaining employment levels through negotiating technological change – preferably supported by labour consultants proficient in applying STSD-based approaches. Stimulated by the GHR courses, managers of the stevedoring firms involved also acknowledged the potential of such approaches. Thus, STSD was set up to work as a 'communication language'.

In the meantime, a new container terminal (hereafter called 'D') of firm A, the largest operator in the Rotterdam port had become operational. With the design of the D terminal at least partly based on the STSD-oriented proposals of academic researchers, A's HR management had presented D as a showcase of 'human automation'. However, after two years in operation, A's Works Council received indications of worrisome job quality, and subsequently asked STZ to carry out an evaluation. Two rounds of semi-structured discussions in focus groups followed and indeed revealed considerable job quality problems associated with one-sided specialization, monotonous tasks, lack of training and career possibilities, and deteriorating physical working conditions. Most problems mainly emanated from the emphasis on the speedy loading/unloading of sea-going vessels to meet the demands of the large shipping companies/customers whose dominance A's management had evidently underestimated.

Two years later, A's Works Council and the unions were confronted with a major challenge. A's management agreed upon a new 25-years' contract with its largest customer, part of which involved the building of a huge new terminal to be operational in five years' time. This 'M' terminal would be highly automated, using Automated Guided Vehicles (AGVs) and Automated Stacking Cranes (ASCs) guided by process control systems. After some features of these plans trickled through, dock workers started to refer to the planned terminal as the 'ghost terminal'. The Works Council decided to try to influence the design of the M terminal, supported by STZ. Accordingly, a great deal of effort was put into structuring advice and negotiation procedures; carrying out job quality research, assessing terminal and transportation designs and if needed developing alternative proposals.

In what was now their second job quality assessment at A, STZ combined a first rounds of semi-structured discussions in focus groups with a standardized questionnaire covering 19 workload items, the latter completed by a large random sample of individual workers. They also completed additional questionnaire parts detailing safety and health issues; autonomy; work pace; cooperation patterns, and assessments of support by equipment and IT systems. The individual workload scores on the item 'high concentration' correlated strongly with the scores on 'insufficient information from direct management', 'insufficient autonomy', 'too much control' and 'often dangerous situations'. 'Solitary function' also came out as quite burdensome. In a second round, the STZ consultants put in fictitious terminal lay-outs, technical drawings and photos, partly derived from visits to foreign container terminals, to fuel discussions on the design of the future terminal.

The questionnaire outcomes and the assessments and explanations of the focus group participants formed the basis for the social design demands the STZ consultants fed into the advice and negotiation rounds. These demands indeed left their mark on the successive phases of the design process. Thus, when the M terminal went into operation four years later, it could be seen to be a workplace where:

- workers were able to advance from operational tasks towards process-control tasks;
- the implementation of teamwork was evident including team performance of (limited) planning tasks;
- the introduction of operational equipment and process control with decision-support IT systems was apparent;
- a number of measures improving safety and working conditions had been included;
- a relative increase of the fixed crew compared to the number of workers circulating over A's terminals had been implemented.

An evaluation study and interviews conducted five years later, showed that workers and management had a positive assessment of overall job quality at the M terminal. As technical and economic evaluations also tended to be favourable, the parent firm of A decided to have another two terminals built close to the M terminal utilizing the same principles.

In between the two job quality surveys in company A, the Works Council of the smaller Rotterdam competitor B also called on STZ. Its parent firm similarly planned to invest in a new container terminal but the Works Council, when requested for advice on this plan, questioned whether the existing organisation could deal with this expansion. B's operational management wanted to maintain an organisation based on flexibility and improvisation though the firm's HR manager (not involved in the request for advice!) articulated serious doubts about this. Management and the Works Council nevertheless agreed a joint development project that had as guiding principles the criteria for organisation and job quality they had jointly signed up to three years earlier in a technology agreement. It was agreed the Works Council would be entitled to advise in each consecutive design phase using a 'go/no go' procedure. Whilst STZ supported the Works Council, B's management hired a management consultancy group they had become acquainted with in the Port Authority's STSD courses. Again, STSD was adopted as a communication language.

The job quality assessment STZ undertook at B combined two focus group rounds with what had become the consultancy's standardized individual questionnaire with 19 workload items while adding separate questioning on issues that could be expected to be important in designing the new terminal, in particular safety and health issues and the characteristics of equipment and IT support. Again, options for terminal lay-outs were shown and discussed, as was the report of a works council delegation's visit to foreign terminals. The outcomes, the focus group discussions together with the scores on the individual questionnaire items and the comparison with foreign terminal lay-outs, all indicated the substantial safety and health risks associated with the old model of organisation were likely to persist. Staffing levels were perceived as quite tight while many complaints related to the state of technical support and to the functioning of line management. The latter was seen as too compliant to

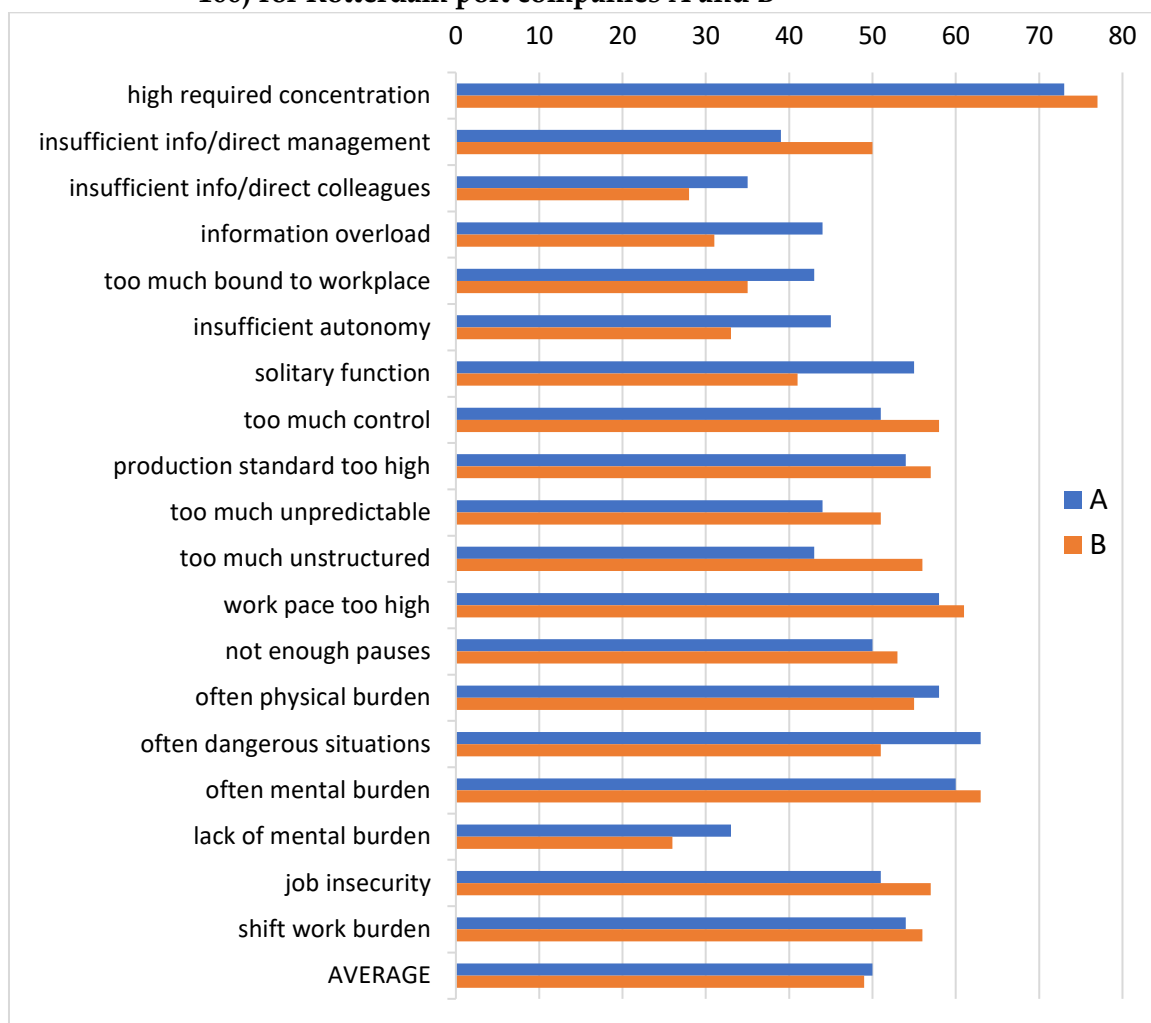
the demands of the shipping companies as clients. B's individual workload scores on the item 'high required concentration' correlated strongly with those on 'insufficient information from direct management', 'too much control', 'too much unpredictable' and 'too much unstructured' (See next page for Figure A5 showing the average scores, on a 5-point scale, of the individual workload questionnaire items for both companies).

After a report containing these results had been distributed to all employees at B, the rank-and-file increased the pressure on the Works Council to break with the old model. Indeed, STZ's overall assessment delivered significant arguments to replace this model with a model based on structured decentralization. However, a coalition of line managers showed themselves to be unwilling to take any steps in this direction. A clash followed when the management consultants omitted 'limiting workload' from their list of design criteria and seemed to give in to this resistance. In reaction the Works Council vetoed the start of the next design phase, a veto that the employer accepted.

Subsequently a working party of the Council sketched the contours of a new structure. After lengthy deliberations it was agreed the project could be re-started based on this proposal whilst broadening it to achieve improvements at B's three terminals – thus expanding the relevance of a new design to more workers than had initially been the case. An STZ consultant came in to act as a project leader and, jointly with the firm's HR manager, in the next one and a half years pushed forward the implementation of teamwork with planning tasks attached, the structured rotation of tasks, and improved training facilities. In the second year, unions succeeded in having negotiated a career scheme matched to the new structure and work practices, based on a revised pay and grading scheme in the company CLA and topped off with a 2% wage increase at the start of the new teamwork-based organisation.

(Sources: Van Klaveren and Bouwman 1991, 1993; Bouwman 1998, and underlying reports)

Figure A5 Average scores on individual workload questionnaire items (5-point scale 0-100) for Rotterdam port companies A and B



Sources: STZ reports for Works Councils A and B, total n=247

APPENDIX 2. CONTRIBUTORS

Denis Gregory is a labour economist and former director of the Trade Union Research Unit (TURU) at Ruskin College, Oxford. For many years, he taught International Labour and Trade Union Studies at Ruskin College, and provided support to trade union negotiators in a variety of industries and services, in particular in car manufacturing, transport and utilities. Co-authored with Maarten van Klaveren and Kea Tijdens *Multinational Companies and Domestic Firms in Europe* (Palgrave Macmillan, 2013) and with Maarten van Klaveren *Restoring Multi-Employer Bargaining in Europe: prospects and challenges* (ETUI, 2019); co-edited with Regan Scott and Tony Huzzard *Strategic Unionism and Partnership. Boxing or Dancing?* (Palgrave Macmillan, 2004) and, with Maarten van Klaveren and Thorsten Schulten, *Minimum Wages, Collective Bargaining and Economic Development in Asia and Europe. A labour perspective* (Palgrave Macmillan, 2015).

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Robert Schleicher, consultant and Board member of BIT (Berufsforschungs- und Beratungsinstitut für interdisziplinäre Technikgestaltung e.V.), Bochum, Germany. Wide experience in research and consultancy for interdisciplinary technology design. Many publications in this field, in particular on work intensification and psychosocial risk assessment, such as *Erfahrungen aus 15 Jahren Beurteilung psychischer Belastungen* (BIT, 2014), and on coping with demographic change, such as (with Georg Hensel and Claudia Oldenburg) *Den demografischen Wandel im Handwerk gestalten und Erfolge sichtbar machen - das Projekt Handwerk Fit*, in *Gesellschaft für Arbeitswissenschaft* (ed.) *Bericht zum 60. Arbeitswissenschaftlichen Kongress vom 12.-14.3.2014* (Dortmund: GfA-Press, 2014).

Per Tengblad, from 1985-2016 labour consultant and work-life researcher at ATK Arbetsliv, Stockholm, Sweden. MBA Stockholm School of Economics. As labour consultant assignments in a wide array of sectors (telecom, life science, media, public

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Maarten van Klaveren, economist / labour sociologist. From 1969-1976 researcher of Dutch NVV union confederation and joint research institute of confederations NVV, NKV, CNV; 1976-1986: research coordinator and policy adviser at FNV union confederation; 1985-2015: labour consultant and researcher at STZ advies & onderzoek (consultancy & research), Amsterdam / Eindhoven, Netherlands; 2005-2018: senior researcher University of Amsterdam, Amsterdam Institute of Advanced labour Studies (UvA-AIAS); 2005-current: research for the WageIndicator Foundation (WIF), Amsterdam. Involved as labour consultant in some 20 development and (re)design projects in Dutch companies, in transport and logistics, finance, process industries and utilities. Participated in many European and worldwide research projects. Co-authored in the 2010s with Kea Tijdens *Empowering Women in Work in Developing Countries* (Palgrave Macmillan, 2012); with Kea Tijdens and Denis Gregory *Multinational Companies and Domestic Firms in Europe* (Palgrave Macmillan, 2013) and with Denis Gregory *Restoring Multi-Employer Bargaining in Europe: prospects and challenges* (ETUI, 2019); co-edited with Denis Gregory and Thorsten Schulten *Minimum Wages, Collective Bargaining and Economic Development in Asia and Europe. A labour perspective* (Palgrave Macmillan, 2015).

LIST OF ABBREVIATIONS

ACAS	Advisory, Conciliation and Arbitration Service (UK)
AFB	<i>Association Française des Banques</i> (FR: French Banking Association)
AGV	Automated (or: Automatic) Guided Vehicle
AI	artificial intelligence
AIAS	Amsterdam Institute of Advanced labour Studies
ALMP	Active Labour Market Policy
AMT	Amazon Mechanical Turk (MTurk)
ASC	Automated (or: Automatic) Stacking Crane
BAuA	<i>Bundesanstalt für Arbeitsschutz und Arbeitsmedizin</i> (DE: Federal Institute for Occupational Safety and Occupational Medicine)
BDA	<i>Bundesvereinigung der Deutschen Arbeitgeberverbände</i> (DE: Confederation of German Employers' Associations)
BetrVG	<i>Betriebsverfassungsgesetz</i> (DE: Works Constitution Act)
BIT	<i>Berufsforschungs- und Beratungsinstitut für Interdisziplinäre Technikgestaltung e.V.</i> (DE)
BPO	Business Process Outsourcing
BPR	Business Process Re-engineering
CAP	<i>Certificate d'Aptitude Professionnelle</i> (FR: Certificate of Professional Competence)
CBC	collective bargaining coverage
CE	<i>Comité d'Entreprise</i> (FR: Works Council)
Cedefop	European Centre for the Development of Vocational Training
CEE	Central and Eastern Europe
CEO	Chief Executive Officer
CHSCT	<i>Comité d'Hygiène, de Sécurité et des Conditions de Travail</i> (FR: Health, Security and Working Conditions Committee)
CLA	collective (labour) agreement
CNV	<i>Christelijk Nationaal Vakverbond</i> (NL: National Federation of Christian Trade Unions)
CPB	<i>Centraal Planbureau</i> (NL: Central Planning Bureau)
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
CWC	Central Works Council
DGB	<i>Deutscher Gewerkschaftsbund</i> (DE: German Trade Union Confederation)
DG ECFIN	Directorate General for Economic and Financial Affairs
DWP	Department for Work & Pensions (UK)
ECB	European Central Bank
EEC	European Economic Community
EES	European Employment Strategy
EESUN	European Employee Support Network
EFA	European Framework Agreement
EMCC	European Monitoring Centre on Change
EMU	Economic and Monetary Union
EPL	Employment Protection Legislation

EPSR	European Pillar of Social Rights
EPSU	European Federation of Public Service Unions
EPZ	Export Processing Zone
ERI (model)	Effort-Reward Imbalance (model)
ESD	European Social Dialogue-
ESENER	European Survey of Enterprises on New and Emerging Risks
ETUC	European Trade Union Confederation
ETUF	European Trade Union Federation
ETUI	European Trade Union Institute
EU	European Union
EU-OSHA	European Agency for Safety and Health at Work ('Bilbao Agency')
Eurofound	European Foundation for the Improvement of Living and Working Conditions ('Dublin Foundation')
EURwork	European Observatory of Working Life
EWG	European Works Council
EWCS	European Working Conditions Survey
FDI	Foreign Direct Investment
Fed	Federal Reserve (US)
FNV	<i>Federatie Nederlandse Vakbeweging</i> (NL: Dutch Trade Union Federation)
FTE	full-time equivalent
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation (EU)
GFA	Global Framework Agreement
GHR	<i>Gemeentelijk Havenbedrijf Rotterdam</i> (NL: Municipal Port Authority of Rotterdam)
GNP	Gross National Product
GPEC	<i>Gestion Prévisionnelle de l'Emploi et des Compétences</i> (FR: Forward Planning of Jobs and Competences)
GVC	Global Value Chain
GWC	Group Works Council
HSWA	Health and Safety at Work Act (UK)
HR	Human Resources
HRM	Human Resource Management
IC	intensive care
ICC	International Chamber of Commerce
ICT	Information and Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
ITUC	International Trade Union Confederation
INQA	Initiative New Quality of Work (DE)
INSEE	<i>Institut National de la Statistique et des Etudes Economiques</i> (FR: National Institute for Statistics and Economic Studies)
IOR	Integral Organisational Renewal
IR	industrial relations
ISCO	International Standard Classification of Occupations
IT	Information Technology
ITF	International Transport Workers' Federation

JDC (model)	Job Demand-Control (model)
JDCS (model)	Job Demand-Control-Support (model)
JQI	Job Quality Index
JRC	Joint Research Centre
KBE	knowledge-based economy
LRD	Labour Research Department (UK)
MBL	<i>Lag om medbestämmande i arbetslivet</i> (SE: Co-determination at Work Act)
MEB	multi-employer (sectoral) bargaining
MNE	multinational enterprise
NCSI	<i>Nederlands Centrum voor Sociale Innovatie</i> (NL: Dutch Centre for Social Innovation)
NDA	non-disclosure agreement
NGO	non-governmental organisation
NHS	National Health Service (UK)
NPM	New Public Management
NS	<i>Nederlandse Spoorwegen</i> (NL: Dutch Railways)
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational Safety and Health (also OHS: Occupational Health and Safety)
PD	Participative (or Participatory) Design
PES	Public Employment Service (SE)
PSE	<i>Plan de Sauvegarde de l'Emploi</i> (FR: Employment Protection Plan)
quango	quasi-autonomous non-governmental organisation
RNI	Rate of Natural Increase
R&D	Research and Development
RI&E	<i>Risico Inventarisatie & Evaluatie</i> (NL: Risk Inventory and Evaluation)
RSI	repetitive strain injury(-ies)
SAM	<i>Systematiskt arbetsmiljöarbete</i> (SE: Systematic work environment (management))
SDG	Sustainable Development Goal
SEB	single employer (company-level) bargaining
SME	small and medium-sized enterprise
STAR	<i>Stichting van de Arbeid</i> (NL: Labour Foundation)
STSD (ST)	Socio-Technical Systems Design
STW	short-time work
TAO	<i>Technologie, Arbeid en Organisatie</i> (NL: Technology, Work and Organisation)
TBS	<i>Technologieberatungsstelle</i> (DE: Technology Advisory Bureau)
TCA	Transnational Company Agreement
TFR	Total Fertility Rate
TGWU	Transport and General Workers Union (UK)
TUC	Trades Union Congress (UK)
TUD	trade union density
TURU	Trade Union Research Unit (UK)
UBI	Universal Basic Income
UNCTAD	United Nations Conference on Trade and Development
UK	United Kingdom
US	United States
UvA	<i>Universiteit van Amsterdam</i> (NL: University of Amsterdam)

WEBA	<i>Welzijn Bij de Arbeid</i> (NL: Well-being at work)
WEF	World Economic Forum
WHO	World Health Organization
WIF	WageIndicator Foundation
WOR	<i>Wet op de Ondernemingsraad</i> (NL: Works Council Act)
WRA	Workplace Risk Assessment
WTO	World Trade Organization

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