



# F.O.R.M. Pact

## FOCUS GROUP IN PARIS

8<sup>th</sup> JULY 2014

Minute

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### 1. LEGAL FRAMEWORK on restructuring and adaptation to economic and social changes( presentation by C.E Triomphe )

*General remarks (Larcher law 2007, Labour market reform- June 2013)*

- Importance and usefulness of cross – sectoral dialogue as well as at company level
- Increasing role of collective bargaining in particular at company level.
- Introduction of employees’ representatives in Board of directors.
- Development of human resources planning provisions.
- Strong debate on Flexicurity at company level.
- Trade Unions accept to co operate on anticipation of change when they are involved in the definition of the strategy.
- Internal/external mobility: one of the main issues.
- Transformation of the training system: “from the institution to the person”: the individual training account, very recent and revolutionary tool.
- Workers’ mobility : period of secure voluntary mobility (company with more 300 employees) .The nature “voluntary” of the action needs to be accompanied by social and psychological support for an adequate motivation and interest of the worker.
- The relation between industrial clusters, science and education system seems a weak point.

Main measures:

<b>GPEC</b>	<p>Measures at company level: HR planning sometimes only a formal exercises; recently works councils regularly consulted for strategic orientations.</p> <p>Mandatory 3 years negotiation for companies with more 300 workers on GPEC.</p> <p>Measures at territorial level are not accompanied by specific plans for sharing strategic training programmes .</p> <p>At territorial level, certain initiatives are extremely various, involving several sectors.</p> <p>Financial system refer to different models; great dispersion.</p> <p>The territorial experience hasn’t yet become a “system”.</p>
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	<p>Further Weaknesses:</p> <ul style="list-style-type: none"> <li>☞ Voluntary and temporary mobility.</li> <li>☞ Precarious employees, unemployed people, etc.</li> </ul>
<b>Observatories for analysing employment trends</b>	<p>Analysis of the impact of the economic and technological trends as well as information from companies on employment and training trends. Set up at territorial level.</p>
<b>Poles of Competitiveness</b>	<p>Aim: cooperation between industry and science for innovation. Interconnection between → development competencies/skills plan and training plan is still very weak.</p>
<b>Industrial renovation  &amp; Contribution of companies in revitalizing employment areas affected by restructuring.</b>	<p>Multi stakeholders platform. Set up of 14 a strategic Industry committees focusing on the world of work with the aim to propose operational measures on key points for development of the sector (innovation, employment and training).</p> <p>Revitalization is binding for companies with more than 1.000 employees → enterprises are formally requested to contribute to revitalization.</p>

*Conclusions :*

- Important role of collective bargaining at enterprise level.
- GPEC: What's the impact? → is very limited
  - Coordination problems
  - Sustainability problems
- Individuals' empowerment through personal training accounts is well appreciated.
- The dualisation of the labour market is not decreasing.



## 2. CASE STUDIES

### THALES

- ✓ Diversified training activities.
- ✓ Employment enhancement → customized solutions for every worker.
- ✓ Very strong social partners.
- ✓ Not 1 hour of strike in 10 years.
- ✓ A 30-year-old history of social dialogue.
- ✓ 2 employees in the Board of Directors.
- ✓ 2004 → social plan → collective layoffs GPEC.
- ✓ 2005 → experience.
- ✓ 2006 → widespread experience.
- ✓ 2013 → agreement was renewed.
- ✓ 2009-10 → 2 transnational agreements.
- ✓ Negotiation → permanent consultation inside the company → specialized Committees on the anticipation of change and trends.
- ✓ GPEC as enterprise's business.
- ✓ Competencies acquisition plan in 2014 for 240 people.
- ✓ 6,000 hours of tutoring.
- ✓ employment management: quite gainful thanks to GPEC and GAE → process of layoff/ job creation: the net is partly negative.

## COMMENTS from THALES's representatives.

- 1) Mobility is part of Thales' culture, with a system that is integrated within the company.
- 2) About anticipation: clusters for innovation and creativity set up (Unités) at territorial level plus a centralized committee on a series of measures of training .
- 3) social dialogue as a best practice: permanent dynamism, permanent system that allow to get results.
- 4) Complementarity between anticipation and HR development strategy allow to be more competitive in the market.
- 5) Fluidity in the different processes.
- 6) How to ensure knowledge transfer in case of massive early retirement?
- 7) Not always homogenous processes because based on voluntary actions.
- 8) Important to have voluntary actions for social partners.
- 9) Trustful environment is a very useful mechanism.
- 10) Commitment from 3 stakeholders – management, employees, trade unions
- 11) Need for longer training, a monitoring system to adapt continuously the approach
- 12) Agreements are not fully implemented.
- 13) Agreement on strategic anticipation is very important and necessary.

*Debate very active and sometimes contradictory.*

### **Conclusions**

- The model isn't free of charge.
- Extremely positive in terms of operationally, competitiveness and mobility.
- Mobility still is a minor element.
- For Trade Unions, GPEC and GAE are very good.
- High culture on Social dialogue.
- Very sophisticated approach.
- Early retirement: to what extent still sustainable?



## MACALOIRE

- ✓ SMEs – Rhone Alpes, it's very dynamic
- ✓ SMEs' cluster (more than 150 SMEs) in 2010 → " *building together for approaching the innovation*".
- ✓ Programme → individual and collective actions to create/manage employment
  - 2 voluntary SMEs → positive results for SMEs and public authorities appreciation.
- ✓ Trade unions' perception it's an issue.
- ✓ Very innovative experience → alliances, business.
- ✓ Sustainability (?).
- ✓ Relationships with the territory – good coordination.
- ✓ Obstacles for the participation of social partners.

## COMMENTS from MACALOIRE'S representatives.

HR programme for → skills development, so as qualified workers remain on the territory is a priority.

Why has Macaloire been funded by the Region? Many SMEs suffered in the recent period and there was a need for competences. The State strategy was not focused on helping individual companies but collectively, for a stronger impact. The idea was to clustering companies and networking them based on trustful relations. Also for economic reasons, the State insisted on sustaining economic aspects through HR programmes.

Regional council wants to support companies globally with a collective approach.

## Conclusions

It is important to take into account the progress and the evolution of bodies and committees in order to guarantee continuous improvement of the strategy.

A prerequisite for HR programme adherence to the real needs: to develop a strategy at company level.



## ROUND TABLE

### 1) What SMEs need for anticipating change?

- Knowledge about potentialities of each territory.
- Change of vision of young about perception of the future.
- Return on investment in companies for education programmes.

- Networking all actors.
- Developing Clusters and exploiting sources of innovation.
- Building a strategy based on the link between HR development and economic growth.
- PPPs → there are legal obligations, for having effective cooperation it is necessary to link SMEs with large companies.
- More predictable cooperation between large groups and group of SMEs.
- It is essential to have an intermediary body negotiating for SMEs in order to obtain results as large companies do normally.
- Transparent institution (Chamber of Commerce) can play the role to coordinate and integrate different interests and actors.

**GROUP Work on the French experiences: strong and weak points; areas of improvement.**

Weaknesses	Strengths	Areas of improvement and space for innovation
<p><u>Thales</u> :</p> <ul style="list-style-type: none"> <li>- use of early retirement.</li> <li>- lack of incentives for mobility.</li> <li>- Thales approach not suitable for SMEs.</li> <li>- Administrative costs.</li> <li>- Effective operationality of the system/transferability, sustainability, volatile economic situation.</li> <li>- Information flow.</li> </ul> <p><u>French experience</u> :</p> <ul style="list-style-type: none"> <li>- <i>Culture of dialogue(*)</i></li> <li>- Complexity of players in job market.</li> <li>- Legitimacy and representation of players.</li> <li>- Mistrust.</li> <li>- Lack of cooperative attitude.</li> <li>- Burden (institutions, administrations)</li> <li>- SMEs perceived insufficient support</li> </ul>	<p><u>Thales:</u></p> <ul style="list-style-type: none"> <li>- it is a systematic process.</li> </ul> <p><u>French experience</u> :</p> <ul style="list-style-type: none"> <li>- Institutional and legal framework with impact on structure of effective dialogue</li> <li>- Difference between SMEs and big companies: consequences, institutional framework</li> <li>- <i>Culture of dialogue(*)</i></li> <li>- State involvement and responsibility, active role of social partners and civil society</li> <li>- Voluntary actions / responsibility at different levels.</li> <li>- Labour code.</li> <li>- Capacity to mobilize partners.</li> </ul>	<ul style="list-style-type: none"> <li>- Role of EC: common directives to put together different measures</li> <li>- To create consolidated linkages between existing measures.</li> <li>- French agricultural system</li> <li>- Proximity of players.</li> <li>- Awareness/information at technical level.</li> <li>- Modernizing trade unions.</li> <li>- Easy model adaptable to local needs.</li> <li>- State more supportive.</li> <li>- Professional transition.</li> <li>- Cooperation between large and small firms as a prerequisite to change</li> <li>- Opposite interests</li> </ul>

<p>from State.</p> <ul style="list-style-type: none"> <li>- Late implementation</li> <li>- Mobility (some reluctance (resistance) from workers).</li> <li>- Institutionalized legal structure: an obstacle towards change</li> </ul>	<ul style="list-style-type: none"> <li>- Structure.</li> <li>- Creativity.</li> <li>- Dynamics.</li> <li>- Networks (social/solidarity schemes).</li> <li>- Key role of institutional framework for dialogue and cooperation.</li> </ul>	<p>lead to lack of trust? How can Form pact deals with it?</p>
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*(\*) Conflicting opinions.*



### 3. First remarks to be developed into the Transnational Guidelines.

#### Mecaloire Case study

The overall strategy towards change should be explained in detail into the Transnational Guidelines, according to the discussion paper as well as the mechanism involving employers' organisation and unions in defining the strategy (short and long term)

In the presentation it was mentioned the "collective awareness". Andrea could add some information more in general about this concept as understood in the UK culture (?).

#### Thales case study

- The multilevel dialogue occurring in Thales (Managers, Unions, Employees) should be emphasized.
- In restructuring, change needs solidarity. Some remarks on this topic should be added, recalling the role of the social security and the company funds (private funds as well).
- During restructuring, Thales has introduced new training methodology. Please point out the need to "revisit" training methods according to the specificity of restructuring process.
- In SME networks -like a cluster of associations - , the opportunity to raise funds (self taxation both for employers and workers to make up a bilateral fund) increases opportunities for anticipation and preparation. In the same time, SMEs develop a collective action which strengthens the agreement towards change.
- The role of intermediate structures (between the State and the Company is missing.
- Internal and external mobility (external from the SME but internal the SME as collective structure) is missing. In particular, the link between training, vocational training and mobility assumes a key role in preparation change.
- The issue of multi stakeholders, multi levels (geographically), multi levels of demand and supply in services towards change deserves higher connotation in the Form Pact project.

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