

ASTREES



European Works Councils and the challenge of digital transformation within multinational companies

**A HANDBOOK FOR THE ACTORS ENGAGED IN EUROPEAN
SOCIAL DIALOGUE AT COMPANY LEVEL**

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FOREWORD

This document seeks to draw the lessons of various workshops organised in 2018 and 2019, which were attended by various members of European Works Councils and SE Works Councils, who represented both management and workers, and came from a range of different sectors and countries. It merely sets out to be a non-partisan starting point, which is offered to the diverse range of European Works Council actors. The aim is to initiate thinking that is as open-minded as possible, regarding the role played by the Works Council on which they sit, in the digital revolution that is already happening within companies and will continue to gather pace. It is therefore our hope that it can carry out this task and support the development of a European social dialogue at company level which is both economically effective and socially responsible.

Unfortunately it was not possible to produce an exhaustive compilation of all of the ideas, first-hand accounts and thinking exchanged during the course of this project. ASTREES and IR Share, who are the authors of this handbook, have therefore had to make choices, and they remain solely responsible for this publication.

None of this would have been possible without the support of CEC European Managers, which is the organisation that commissioned this project, and of our associated organisations SBI Formaat, the Fundacion 1º de Mayo, the Fondazione Giacomo Brodolini, SindNova and the European Commission's DG Employment, Social Affairs and Inclusion. We would like to thank everyone warmly for the trust they placed in us and for their involvement in this project.

Lastly, we would like to extend our wholehearted thanks to everyone who took part in the workshops we held in Paris, Rome and Brussels: this entire project is dedicated to them. We hope that it will be only the initial and exploratory stage of an initiative that will be extended in the future, in line with progress made in the thinking and experience contributed by everyone, including both HR managers and employee representatives. Such thinking and experience constitutes the bedrock of European Works Councils, which is why it is, and always will be, absolutely vital.

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SUMMARY

1. REASONS TO ACT	7
Seeing the digital transformation from the viewpoint of European Works Councils	
2. ARGUMENTS FOR AND AGAINST BECOMING INVOLVED	11
Should European Works Councils become involved in their own organisation's digital transformation process?	
3. WHAT SHOULD BE DONE?	15
A variety of different practices, illustrations and questions	
4. SHALL WE GO FOR IT?	24
A few pointers for action	

INTRODUCTION

As technological changes occur at high speed and entail uncertainties, social dialogue is even more relevant

This extract from the Joint declaration on the social effects of digitalization by European social partners in the insurance sector reflects the sustained attention now being devoted to this issue by the European social partners. Over a period of several years now, and more particularly since 2016, they have produced a series of joint texts, at both cross-industry level and sector level¹ :

- Statement of the European social partners on digitalisation (Cross-industry – 16 March 2016)
- Joint declaration on the social effects of digitalisation by the European social partners in the insurance sector (12 October 2016)
- Joint position on social and employment-related aspects of digitalisation (Chemical industry – 22 November 2016)
- The impact of digitalisation on the world of work in the metal, engineering and technology-based industries (8 December 2016)
- The impact of digitalisation on employment in Banking sector (30 November 2018)

Given the aims of this handbook, what can we learn from these texts, which are the product of a dialogue conducted between the European social partners? Fundamentally, there are two lessons to be learned:

Firstly that, even though this is a complex and multi-faceted subject, it is still possible for the management of companies and their employee representatives to reach a common position on it and to issue joint statements.

« The introduction of digitalised systems and processes demand major transformations of work organisation. One challenge is finding working methods that combine the expertise with creativity, social interaction, and flexibility. New forms of work are needed including flexible working hours and telework. They are in the common interest of both employers and employees” (Joint declaration banking sector 2018)

And secondly that, from the viewpoint of the social partners, the

¹ Voir Commission européenne, Employment and Social Developments in Europe, Annual review, chapter 6 2018

subjects dealt with here warrant a dialogue, established and developed at European level:

«Social partners in the MET sector consider that the consequences of the digitalisation on the MET sector deserve being discussed jointly by social partners at European level» (Metal sector joint position, 2016).

The arguments justifying such a need can be based both on the scale of the transformations in question, which show scant regard for national boundaries, and on the disparities that may exist between Europe's various countries regarding awareness of these issues, as well as ways of accompanying wholesale changes.

Consequently, the merits of conducting a European social dialogue around the impacts, both positive and negative, of digital transformation, now seem to be widely recognised. To quote the idea put forward in all of the texts mentioned, this is all about **“shaping the digital transformation.”**

What kind of social dialogue should accompany the digital revolution?

Although sector-based European social dialogue offers an affirmation of the strategic nature of the transformations currently unfolding, so far relatively little information is available on how this issue will be translated in concrete terms, via the processes and tools of social dialogue taking place at various levels.

In addition to work already under way², the most comprehensive and recent source at this level lies in a study launched by the European Trade Union Confederation, the results of which were published at the end of 2018³. We cannot claim to be able to provide a summary of this work here but we can highlight a number of significant conclusions that it reaches:

- There are a number of disparities between employee representatives in Europe, both as regards their perception of digitalisation either as a source of opportunities or risks, and in the forms of worker participation adopted

with regard to these subjects.

- While trade unions and employee representatives in Europe are aware of the possible impacts of this transformation and are not against them in principle, they often report shortcomings in the social dialogue taking place around these issues, and in many cases, fear that the outcome will undermine worker participation.

As a result, the need to boost opportunities to develop the processes of social dialogue, under the impetus of digital transformation, is seemingly something that clearly emerges from this work.

What role should European Works Councils play and what value can they add, when dealing with the digitalisation process within multinational companies?

These questions lie at the heart of this handbook. And it must be said that while the processes of social dialogue linked to changes in the economy brought about by digitalisation still seem to be in their early stages, this is even more true as regards European social dialogue at company level. The EWC 4.0 project has therefore been based on the premise that progress can be made on these matters by mobilising the collective intelligence of the actors engaged in European social dialogue at company level.

The process developed for this purpose therefore relied primarily on organising three workshops with two closely interlinked objectives:

- enabling a “mutual learning” process among European Works Council actors, be they HR managers or employee representatives, from a variety of multinational companies, sectors and countries;
- helping to identify relevant questions and courses of action that will “engage” European Works Councils and European company Works Councils in a process of dialogue relating to technological changes that are already under way and to a future that still remains uncertain

² For example the Diresoc project: diresoc.eu

³ E. Voss, Digitalisation and workers participation : what trade unions, company level workers and online platform workers in Europe think, ETUC, 2018

The three workshops organised in 2018 and 2019⁴, which constitute the basis of this handbook, each brought together between 20 and 28 participants, from a total of around 15 different multinational groups, drawn primarily from the metalworking, chemical, banking and insurance, IT services and telecommunications sectors. In accordance with the logic underpinning the project, both employee representatives sitting on the Councils concerned and HR managers in charge of running these Councils took part in our project. They were joined by a number of experts, and in particular a researcher delegated for this purpose by Eurofound⁵ plus a number of others assigned by organisations associated with the project⁶, together with trade union representatives at sectoral level.

Clearly, the outcome of this working process cannot be compared to a scientific study that seeks to measure and report back, as exhaustively as possible, on what constitutes current practice on European Works Councils, with regard to digital transformation. Nor can this content act as a set formula or as ready-made thinking, because the capacity to act is closely dependent on each company's and each European Works Council's own specific circumstances. In accordance with the project's objectives, it is more about offering European Works Council actors – be they managers or employee representatives – points of reference and thinking, which we hope will prove useful for the purpose of initiating and implementing, over the long term, new initiatives that will boost the involvement of European Works Councils and the added value they contribute to an issue that is both substantial in scope and, by its very nature, transnational and open-ended. This ambition prompted us to call this document a “handbook”, and we hope this basis will be conducive to a much-needed expression of the autonomy and creativity of the actors engaged in European social dialogue at company level.

4 The project's first workshop was held in Paris in June 2018, the second in Rome in December 2018 and the third in Brussels in April 2019.

5 Eurofound, a tripartite EU agency, devotes part of its research work to chartering, in concrete terms, the contours of digital transformation, both in general terms and in various sectors, and its effects on employment, skills, working conditions, work organisation etc.

6 More specifically: the Fundacion 1º de Mayo, the Fondazione Giacomo Brodolini and consultants SBI FORMAAT

REASONS TO ACT

**Seeing the digital transformation from the viewpoint of
European Works Councils**

Findings:

→ **“Digitalisation” is not just a trendy term used by those who sit on European Works Councils**

Talking to the parties who sit on European Works Councils confirms what our intuition suggests: digital transformation is a reality that exists in the here and now, as apparent in the technologies already at work. While these technologies do of course vary in terms of the activities and sectors to which a given company belongs⁷, they all prompt Works Council members to make comments and express thinking linked to trends in employment and work.



Clearly, this brief survey does not provide an exhaustive overview of the material status of the technological changes already in place. It does however provide empirical evidence of the reality of these changes, from the viewpoint of the actors engaged in social dialogue. Many other aspects could be explored further, e.g. the way in which the traditional boundaries between major sectors of economic activity, industry and services are shifting: **“Today, we’re no longer simply in the business of manufacturing circuit breakers: we’re mobilising data so that we can deliver a bespoke service to our clients at their home”** (HR manager, industry).

⁷ Connected objects, virtual reality, 3D printing, artificial intelligence, advanced robotics, etc. For the effects on industry, see [Eurofound \(2018\), Game changing technologies: Exploring the impact on production processes and work](#), Publications Office of the European Union, Luxembourg

Nor does it enable the meaning of words to be refined, so that a distinction can be established between what might be called “digitisation”⁸ on the one hand and “digitalisation” proper, on the other⁹. The fact remains that while artificial intelligence, which is perhaps the archetype of digitalisation, provokes a great many comments (whether positive or negative), “mere” digitisation may also be a matter of concern for those involved, e.g. the use of electronic document management solutions **“which may result in straightforward administrative tasks being transferred from a company’s support services to researchers”** (European Works Council Secretary, industry)

The fact remains that our workshops show that the actors engaged in European social dialogue at company level are capable of apprehending the full range of technological changes concerned in very concrete terms, and associating issues with them, all of which would potentially constitute possible topics to be examined via collaboration between companies and employee representatives.

→ **The apprehension of digital transformation is an issue to be dealt with by the actors involved in European Works Councils**

The academic research now available provides a perspective on the major vectors of changes in work and employment being driven by the digital transformation unfolding before our eyes¹⁰ :

- Automation of work tasks, in the sense of human work being replaced by machinery and equipment (fed by big data), especially for the purpose of carrying out routine tasks, be they physical or intellectual.
- Digitalisation of the production processes used to create goods and services (introduction of sensors, Internet of Things, use of 3D printing, virtual and augmented reality).
- Coordination via digital platforms, in the sense of using digital networks to coordinate economic transactions based on algorithms.

All of these changes are technically feasible in today’s world, and in some cases are already in place, thanks to innovations that are now either established or undergoing development. These factors for change suggest several strategic fields of intervention for social dialogue and the actors engaged in it at company level:

- Foreseeable changes in the volume of employment (jobs lost and created).
- Changes in work organisation and the production processes used to create goods and services.
- Policies for managing skills and training.
- Working hours: changes in wages and salaries paid, consequent upon changes in employment, work-life balance.
- Working conditions and health and safety in the workplace (negative and positive impacts).
- Protection of personal data and monitoring of employees.
- Oversight of the ethical use of new technology

In light of this imposing list of possible subjects raised by digital transformation, it is easy to convince ourselves that the development of social dialogue as such, at various levels, is clearly an area offering scope for the actors engaged in social dialogue at company level.

8 Converting information from “hard copy” into digital format

9 Definitions abound but converge around the idea, firstly of an abolition of physical and temporal boundaries, which is made possible by the multiplicity of options available for connecting to virtual networks, and secondly the exploitation of “big data”, which is itself made possible by “new” tools now available for gathering this data (ranging from the smartphone to connected objects).

10 For further details, see [Eurofound \(2018\), Automation, digitisation and platforms: Implications for work and employment, Publications Office of the European Union, Luxembourg](#).

Key points to bear in mind

- In general terms, the social issues (employment, skills, working conditions, etc.) associated with digital transformation have now been broadly identified. However, technological change is an ongoing process and new developments are constantly emerging, meaning that no fixed and definitive analysis can ever be arrived at.
- European Works Council actors – both management and employee representatives – are in a position to apprehend these changes, especially in light of the in-depth knowledge they possess of their own companies. Although this observation might on the face of it seem self-evident, it is crucial if we want to conceive a role for European Works Councils to play with regard to the transformation in progress

FOCUS POINT

The wide range of issues raised assumes that European Works Council actors will probably be able to identify the areas and questions that they need to tackle at their own level, and that they “won’t bite off more than they can chew.”

ARGUMENTS FOR AND AGAINST BECOMING INVOLVED

Should European Works Councils become involved in their own organisation's digital transformation process?

While it may look easy to find good reasons why European Works Councils should grasp the challenges posed by digital transformation, we also need to adopt a pragmatic approach with regard to the arguments both for and against such involvement.

▮ **Arguments in favour of European Works Councils' involvement:**

- **Digital transformation seemingly knows no borders:** as we know, even though difficulties continue to arise with the precise definition of this notion, European Works Councils are intended to deal with transnational issues¹¹. On the face of it, it seems easy¹² to demonstrate that the processes of both drawing up and implementing a digital transformation strategy follow a transnational logic: given the genuine opportunities, in terms of economic performance, offered by the technologies in question, it is likely that such a transformation would be managed at the highest level within a group, that it would concern the various countries in which a multinational group operates and that its potential impacts would be significant, in terms of their scale, for all European workers. Both from a strategic and a legal viewpoint, it is therefore highly likely that a multinational company's digitalisation process would indeed constitute a matter of transnational scope.
- **Employee representation within the various countries in which a multinational group is established frequently exhibits certain differences,** meaning that the European Works Council is a vital element in guaranteeing workers' rights to receive information within the company, as provided for by Article 27 of the EU Charter of Fundamental Rights.
- **Lastly, despite the profusion of national and international official reports, the scale of the impact of digital-led changes on employment and on work remains uncertain and is constantly evolving, and furthermore, both employees and managers are often unaware or not convinced that this transformation will concern them, too.** Moreover, although the impacts, in terms of life at work, of the transformation of businesses and even of the disruption of companies' business models, are no longer in doubt, they continue to be hard to predict with any degree of accuracy, and delays in dealing with them may prove costly or even lethal for organisations. Accompanying an ongoing transformation whose effects (both positive and negative) are uncertain, thus seems to justify, in terms of opportunity, the need to develop a strategic social dialogue to accompany the transformation process, in the interests of both workers and their companies.

▮ **Factors that may hold back the involvement of European Works Councils**

Although they vary in nature from company to company and sector to sector, the problems identified stem both from weaknesses affecting the ways in which European Works Councils operate in general, and from specific circumstances relating to innovation processes:

- As a subject ranked as being of strategic importance and thus, in the first instance, forming part of a company's managerial prerogatives, digital transformation is not necessarily something to be shared at an upstream stage with the European Works Council: ***“digital forms part of a company's strategy, so in practice it's not really discussed upstream with European workforce representatives”*** (European Works Council Secretary, metalworking). Here, the way in which the impacts of digital transformation are apprehended and presented at management's initiative is also highlighted ***“If this transformation is presented primarily as a way of justifying job cuts and not, at the same time, as a growth opportunity for the company to exploit, there is a significant risk that no social dialogue will take place sufficiently far upstream from the decision-making stage”*** (European Works Council Secretary, chemical industry).
- The usual/routine ways in which European Works Councils function do not always allow a link to be established between the EWC and those in charge of innovation within a multinational company, who are not the same people as the usual HR contacts whom they communicate with. As a con-

¹¹ For more about the notion of transnationality and the theoretical and practical difficulties raised by its interpretation, see <http://manageworkscouncils.eu/>

¹² At least in general terms, without prejudging any potential difficulties of this nature posed by a particular situation.

sequence, it may be hard to anticipate the potentially negative impacts of the transformations in question. This situation is sometimes exacerbated by the ways in which innovation proceeds, e.g. open innovation. These procedures frequently involve economic actors from outside the company and they may reinforce the feeling held by European workforce representatives and perhaps even by their HR contacts, that innovation is an inaccessible “black box”: **“the European Works Council can only be informed/consulted when the HR management responsible is itself informed about a project. Consequently there is also an issue in that European Works Council members need to be able to inform their HR contacts with a view to establishing/initiating a dialogue”** (European Works Council Secretary, IT products and services)

- One difficulty reported in some countries (e.g. Spain), both for employee representatives and their HR managers, in the absence of sufficient training or awareness-raising, is that of properly identifying the technological changes in question.
- The central positioning of European Works Councils within multinational companies may make it harder for Council members to identify and evaluate technological changes affecting the work situations themselves, as close as possible to “grassroots” level.
- Differences that we will call “cultural” may exist at national level in the apprehension of certain changes, and may prevent cohesion being achieved between European Works Council members, or even result in the European Works Council being denied any legitimacy to deal with such transformations¹³.
- Often digital transformation is not the only vector of restructuring within multinational companies¹⁴, and it may therefore appear to be difficult in practical terms to find specific room for it in diaries that are already bulging with commitments.

Involving European Works Councils in the digital transformation process within multinational groups

ARGUMENTS FOR	ARGUMENTS AGAINST
+ Transnational nature of digital transformation	- Digital transformation is an integral part of a company’s strategy and a management prerogative
+ European Works Councils as the only forum genuinely available for accessing strategic information within a multinational group	- No link established between the European Works Council and the internal and/or external teams in charge of innovation processes
+ An ongoing transformation, conducive to an ongoing social dialogue	- Insufficient training for European Works Council actors in the area of digital innovations
	- The European Works Council, as the company’s central representation body, is far-removed from what is happening at “grassroots” level
	- Insufficient cohesion between European Works Council members
	- Digital transformation, just one subject among many others

¹³ During the course of our workshops, issues linked in particular to personal data protection were raised in support of this finding.

¹⁴ By way of example, we can cite the particularly instructive case of the banking sector, which is subject to a plurality of factors driving change.

Key points to bear in mind

- The topic of digital transformation seems able both to justify real involvement on the part of European Works Councils in these subjects, whose economic and social stakes are high, and to crystallise a number of weaknesses identified long ago in the ways in which European Works Councils function, in concrete terms.
- The technical sophistication and complexity of the changes focused on, and the ways in which innovation itself is managed within companies, may make it harder for European Works Council actors to tackle these issues.

FOCUS POINT

On account of its ongoing and thus constantly-evolving nature, which brings with it both genuine threats and opportunities, and involves making many judgments, digital transformation may constitute fertile ground for organising/creating an active role for European Works Councils as a partner of the company, supporting its economic and social performance. The resulting uncertainty may in fact warrant European Works Council actors – both management and trade-union representatives – grasping hold of this issue together and thus agreeing to commit to a mutual and joint learning process: **“company representatives and employees have to understand that it is in their mutual interest to work together on these subjects” (European Works Council Secretary, insurance)**

Taken together, the nature of the changes in question should in all likelihood lead European Works Council actors, more so than with other subjects, to define as specifically as possible and at an upstream stage, the added value to be expected from the initiatives taken by their Council, in light of the prerogatives of other management levels and of employee representation within the company.

WHAT SHOULD BE DONE?

**A variety of different practices,
illustrations and questions**

Despite the possible obstacles cited above, a number of initiatives are already under way; they demonstrate European Works Councils' capacity to establish a pertinent level of dialogue around the digital transformation of multinational groups, and its impacts, be they actual or potential.

Let us try to draw up a classification of the types of initiatives dealt with as part of our work:

→ Understanding a company's digitalisation process

As previously emphasised, "digital transformation" is a generic term covering a diverse range of technologies and their possible impacts.

Consequently and unsurprisingly, some European Works Councils are taking the initiative and analysing the phenomenon, both in general terms and particularly in terms of changes specific to each company.

This study and analysis work can be performed in a variety of different ways, in light of the resources made available to a European Works Council via the agreement setting it up, the normal ways in which it operates and the body of experience previously built up on each Works Council. In this context, we would cite in particular:

- **Transnational surveys performed by the European Works Council, covering either a group's full European perimeter, or simply a part of it. This involves gathering specific information on the level of deployment of new technology and then compiling recommendations for subsequent actions to be taken.**

A TRANSNATIONAL SURVEY OF DIGITALISATION ON THE MICHELIN GROUP'S INDUSTRIAL SITES IN EUROPE

The European Works Council of the Michelin group (which manufactures and distributes tyres) was set up in 1999 and is now governed by an agreement amended on 18 October 2011. As at November 2018, it had 32 full members representing employees from 15 European countries, although Michelin does not have manufacturing facilities in all of these countries. The Works Council possesses extensive resources under its governing agreement, and in particular:

- its select committee can set up working parties to examine subjects chosen with management's agreement;
- an operating budget that is established each year, based on a proposal put forward by the European Works Council, after it has secured the approval of group management;
- a budget of 70,000 euros over a three-year period to finance the involvement of external experts.

On the above basis, Michelin's European Works Council has established a practice,

which has now become systematic, of performing surveys focused on specific topics, with the aim of providing Works Council members with information on the current circumstances of the group's employees and guiding the initiatives they take. The first survey examined the standard of living of the group's employees in Europe, while the second one, performed in 2017, looked at the employment of older workers within the group. A third survey, which began in 2018 and is due to be completed in early 2020, seeks to analyse the impacts of the group's current digitalisation projects. This survey, which was commissioned from an external expert but is being coordinated by the Works Council, focuses in particular on a selection of the group's industrial sites in Europe. The aim is to analyse, on each of the sites concerned, the level of understanding of the transformations brought about by the various digital transformation projects, the dialogue between the various stakeholders concerned and the resources committed to supporting this transformation. On this basis, it will look at the conditions required for the transformations currently under way to succeed.

- **Apprehending digital transformation and its impacts via European Works Council working parties. Overall, this is about enabling Works Council members to acquire a shared understanding of the changes under way in order to lay the foundations for the initiatives that the Council plans to take in the future.**

UNDERSTANDING THE CHALLENGES POSED BY THE DIGITAL REVOLUTION FOR THE ENGIE EUROPEAN WORKS COUNCIL

The European Works Council of the Engie group (a provider of energy and associated services) is governed by an agreement concluded in 2009 and amended in 2013. This agreement stipulates that the Works Council is entitled to facilitate and expand on the work of the plenary body, by setting up permanent or ad hoc working parties made up of full or alternate members, and involving management representatives. These working parties meet twice a year. One of them is dedicated to technological and organisational changes taking place within the group. This working party (the “Studies WP”), is made up of around twenty Works Council members from the various countries, and studies the context in which these technological changes are unfolding, and the Engie group’s strategy in this area. The working party is entitled to broaden its thinking by using external contributors (researchers, experts, trade unionists, etc.) in order to acquire a better understanding of the context and environment, to compare situations and to assess the issues involved. Internally, within the Engie group, it meets with representatives of the management teams in charge of transformation projects. The WP reports back to the European Works Council and its members on the work it has undertaken. It issues recommendations concerning specific subjects or alerts to raise the awareness of representatives in the various countries, regarding the issues involved, their consequences and developments that need to be anticipated from the social point of view. It initiates a form of discussion with these representatives by compiling simple surveys/questionnaires, in order to enhance its knowledge of concrete developments taking place within projects that are under way in the group’s various subsidiaries and to measure their impacts. In 2016, as soon as the Engie group announced a strategy based on digital, sustainable development and decentralisation, the workforce

representatives on its European Works Council decided to instruct the Studies WP to look at this vast subject. The ambition here, based on concrete examples, is to take stock of what the scope of digital would encompass, the various areas impacted, the associated changes to work organisation and the requirements in terms of new skills, and to anticipate, from a social perspective, the major transformations to which this would give rise. During its first year spent dealing with this subject (2017) the working party sought firstly to raise European Works Council members’ awareness of the digital revolution. This included activities such as the WP commissioning the involvement of external experts, a meeting providing accompaniment/broad awareness-raising of the various dimensions of this topic (2017) and lastly a report submitted to the European Works Council, including information fed back by European Works Council members (to gather information from correspondent countries, mainly via a questionnaire).

Year Two (2018) focused on artificial intelligence and its impacts: this saw a meeting covering accompaniment/awareness-raising on the topic as a whole, with the participation of the group’s Information Systems Department for the purpose of informing the European Works Council about projects that are currently in progress or under consideration. A summary of activities undertaken and information gathered was then presented to the European Works Council at a plenary training session. The aims of this exercise were: 1) to provide workforce representatives with analytical evidence; 2) to encourage them, via a transparent social dialogue, to obtain – sufficiently far upstream – guidelines and information on changes under way in activities to enable them to become actors involved in the process of change; 3) to ensure that the employees concerned received the accompaniment they needed, by applying the provisions of the European social agreement, signed in 2016, to accompany the major changes happening within the group.

→ Training EWC members on the issues and impacts of digitalisation

The objectives of this type of initiative are very similar to those mentioned previously. Overall, in the first instance it is about seeking to raise awareness and then laying the foundations needed to enable Works Council members to apprehend, on an equal footing, the transformations taking place. The main resource mobilised in this context lies in the training entitlements granted to members of the European Works Council under the agreement establishing it. The training may be entrusted to professionals from outside the group but management representatives can also be brought in. Depending on the case and the European Works Council agreements in question, the initiative will be taken either by management – which is keen to have participants who can understand the subjects covered within the framework of the Council's normal operation – or by employee representatives sitting on the European Works Council, and usually on the select committee of these bodies – who realise that something significant is under way that calls for a deeper understanding. A number of training courses on digital transformation, run by several companies across various sectors, can be identified.

BNP PARIBAS: REFLECTING ON THE EUROPEAN WORKS COUNCIL'S ROLE IN DEALING WITH THE ISSUES RAISED BY DIGITALISATION WITHIN ORGANISATIONS

The European Works Council of the BNP Paribas group was established in 1996, and is currently governed by an agreement last amended in 2010. Overall, the position of the Works Council and its role within the group, as a significant body engaged in social dialogue, have grown in importance over the course of time, in line with the group's increasing globalisation and with initiatives taken jointly by the Works Council and by management¹⁵. Under the current agreement, European Works Council members enjoy an entitlement to training at the start of each new term of office, i.e. once every four years. This training entitlement is an illustration of the growth in the level of resources granted to the Works Council over the course of time. When it was last renewed in 2018, the European Works Council exercised its training entitlement, and in addition to a general-purpose training course enabling newcomers to understand how the Works Council operates and the terms of the office they hold, the Works Council select committee wanted part of the session to be devoted to the subject of digital transformation, which is a topic

of particular relevance within the banking sector.

The aim here was to provide Works Council members with the basic knowledge they need to authorise initiatives taken by the Council that may potentially be vast in scope, with implications for numbers of jobs, work tasks, work organisation systems, skills management, employee mobility, etc. The training course, which was organised in October 2018, was delivered by external trainers and experts, and offered both a general analysis of the multiple dimensions of digitalisation and an analysis of its impacts in terms of employment and work. It also provided a perspective on the results of the existing European social dialogue within the group (transnational agreements), in relation to current developments. The training course also made room for top-level group management to present its global HR strategy, in light of the technological changes under way. After the training course had been delivered, group management announced the deployment of additional training actions aimed at European Works Council members, using various methods (such as 'learning expeditions' to start-up companies).

¹⁵ Notably the negotiation and conclusion, since 2012, of several transnational agreements at company level on various subjects

→ Monitoring the deployment of a transformation project

Where a multinational group intends its digitalisation process to be implemented, in concrete terms, in the form of specific projects on varying scales, it is usual for the European Works Council to be informed/consulted regarding these projects if they are transnational in nature. In this case, when handling complex transformations whose implementation is due to be spread over a period of time, the challenge lies in ensuring that the European Works Council can properly assess the content and possible impacts of a complex project, and subsequently in monitoring its progress at regular intervals. Clearly, this challenge is not specific to digital transformation per se. It may also be encountered in the majority of transnational restructuring projects. The fact remains however that it is also an issue when dealing with transformations that, to a significant extent, entail the development of digitisation within a company's various functions. In such scenarios, it seems particularly important to pursue an information/consultation process that is comprehensive enough to allow the European Works Council to be properly involved over the long term, given the apparent difficulty of taking into account all of the impacts associated with the gradual implementation of a complex project. Thus examples can be found of practices illustrating a highly developed information/consultation process making use of the option enjoyed by the European Works Council of holding extraordinary meetings.

AN EXAMPLE OF AN INFORMATION/CONSULTATION PROCESS TAILORED TO A MAJOR TRANSFORMATION: THE AIRBUS SE PROJECT

Airbus, a European company based in the Netherlands, is a global giant in the civil and military aerospace sector. On 4 October 2016, Airbus group management embarked on an information/consultation process relating to a highly important project known as Gemini at the level of the Airbus Group SE European Works Council (SE-WC). The Gemini Project's impacts are three-fold: 1) a radical change in the R&T Strategy and the way it is managed; 2) the impact of digitisation on all of the company's functions; 3) a merger of Airbus Commercial and Airbus Group support functions. The project affected nearly 8,000 employees through job losses, staff transfers and job creations. The information-consultation process required 11 extraordinary meetings of the European Works Council to reach an opinion, which was formulated in February 2017.

The opinion emphasises the guarantees and amendments secured by the Works Council

in favour of employees. It also states that "digitalisation is a factor that speeds up the transformation of companies and their products". The Gemini project is merely the first stage of the [broader] transformation project known as Quantum. Management wants to create a new corporate culture. To this end, social dialogue is an invaluable and major tool that provides a means for anticipating, understanding and putting forward solutions and alternatives, and thus for involving all employees. The SE-WC therefore reiterates its request for a dialogue, and for regular and recurrent discussions to be established, via employee representation bodies, at the SE-WC's plenary meetings, particularly as regards the Quantum project". Lastly, it notes that "management agrees to European monitoring of the Gemini project at each of the SE-WC's plenary meetings. Such monitoring will make it possible to measure the progress of the project's deployment and of the social measures."

→ Monitoring and sustaining social dialogue at local level

Not only are European Works Councils positioned in relation to central management at multinational companies but also they have neither the legal capacity nor the legitimacy to take the place of other worker representation bodies within the company, be they national and/or local. For these two reasons, some Works Councils adopt the posture of a social dialogue facilitator within a multinational group. This approach firstly involves holding regular discussions with group management¹⁶ regarding changes that affect the group at transnational level, and secondly, fostering the development of a social dialogue at a devolved level. Where this way of working is adopted, it applies across the board and not solely to digital transformation. Having said that, it can also be usefully mobilised within the context of digital transformation.

LE COMITÉ EUROPÉEN DU GROUPE AXA FACE À LA TRANSFORMATION DIGITALE

The European Works Councils of the AXA Group (known as the 'CEG AXA') was established by means of an agreement signed in June 1996, and it now comprises 50 members representing 17 countries. The company is a major global player in the insurance sector. The CEG holds a plenary meeting twice a year, but its select committee enjoys the benefit of holding a very large number of meetings (10 per year). The Group's management have long regarded the Works Council as a valued partner. Overall, the actors involved in the CEG (both management and employee representatives) often present it as a facilitation body, with particular responsibility for overseeing compliance with general principles relating to anticipation of changes. These principles are formalised in a European agreement on anticipation of changes concluded in 2011 between group management, the UNI European trade-union federation and the trade unions representing French employees within the group. This document sets out the rules governing the social management of the changes facing the group, based on two key ideas:

- conducting a proper social dialogue in the face of restructuring exercises in the various countries in which the group operates;
- and developing the employment prospects of employees.

This framework has shown itself to be rel-

evant in the context of the wholesale digital transformation on which the AXA Group embarked several years ago. In 2013, the group announced a strategic plan to the Works Council, which was intended to support the group's digitalisation. As early as 2014, the CEG embarked on a programme to promote appropriation of the digital transformation, which included a training course for its members (June 2014), as well as a number of other initiatives, such as visits to innovation sites within the group, and compiling and analysing documents. The issue of transformation also gives rise at regular intervals to exchanges of information and views between management and employee representatives, via both select committee meetings and plenary meetings. Moreover, the programme adopted by the CEG for dealing with digital transformation relies mainly on the application of the 2011 European agreement. This agreement provides for:

- regular information updates on the issue of transformation at global, European and local level;
- monitoring at CEG level during the implementation phase of transformation projects.

The AXA CEG thus possesses leverage to act both as a forum for accessing strategic information and for underpinning social dialogue processes at local level. In this regard, it is important to note the existing practice of holding day-long, twice-yearly joint coordination meetings between the CEG and the

¹⁶ by informing/consulting the European Works Council, mobilising both its select committee and its plenary body.

actors involved in social dialogue in individual countries (HR managers and employee representatives) before each Works Council plenary meeting. Working on this basis, the CEG is able to foster concrete local dialogue initiatives, which may result in the signing of collective agreements at national level. Recent and significant examples can be found within the group in Spain. Thus the collective agreement applicable to the whole of AXA Spain for the period 2017-2020 includes a chapter dedicated to the im-

pacts of digitalisation on work organisation, granting employees the right to switch off from work. Another agreement, concluded within the same scope in 2018, for the period 2018 -2020, establishes a framework for managing employment in the context of the group's transformation. The philosophy and key principles underpinning this framework broadly reflect those defined at European level, i.e. the future employment prospects of employees and social dialogue.

→ Regulating digital transformation via a transnational company agreement

We now know that European Works Councils are one of the actors involved in the development of transnational collective bargaining at company level. They may act solely in conjunction with management, or alongside trade unions, and especially European trade-union federations. Consequently, they become involved in the process of designing and monitoring this type of transnational agreement.

These days, instruments of this kind can be identified, which deal explicitly with the issues associated with the digital transformation of multinational groups. From this point of view, the main priority will be to define and formalise a number of key principles relating to fields that vary in nature but are all directly linked to the deployment of digital technologies.

These results of European dialogue may, as is customary in this area, go under different names, in the absence of an applicable European legal framework, but in concrete terms they are the outcome of work undertaken jointly by management and the European Works Council, and subsequently formalised, especially in terms of negotiating agreements or producing joint declarations.

WORK UNDERTAKEN JOINTLY AND A DECLARATION “PROMOTING A HUMAN AND ETHICAL WORKING ENVIRONMENT AT AIRBUS IN THE DIGITAL ERA”

A joint document setting out the relationship between digitalisation and ethics, which was the outcome of work undertaken jointly by Airbus group management and the Works Council of the Airbus European company, was drawn up in 2018 and was due to be officially signed in March 2019. This initiative is interesting as it regulates the issue of digital transformation to an extent beyond the scope of any legal provisions applicable. Overall, it affirms the need to “keep human beings” at the centre of ongoing changes, despite all of the

transformations taking place. Several general commitments can be inferred from this intention, some of which reflect important debates taking place in wider society, notably in connection with the development of artificial intelligence: **“when we design intelligent systems, people’s fundamental rights are guaranteed and our ethical values will be taken into consideration”**” and the protection of personal data, with reference to the recent European regulation governing personal data protection: *“we favour a system of data governance that seeks to provide people with knowledge, a real understanding and control over the use of data held on them, so as to develop their capacity to act”*.

DIGITAL TRANSFORMATION AND WORK-LIFE BALANCE: HARMONISING WORKING PRACTICES AT EUROPEAN LEVEL WITHIN UNICREDIT

In November 2017, the European Works Council of the Italian banking group Unicredit, supported by its UNI Europa European trade-union federation, and group management, adopted a joint declaration relating to the issue of work-life balance. This document is particularly relevant in the context of promoting the values adopted by the group with regard to its social respon-

sibility. It sets out a number of clear principles in this area, in order to raise awareness and prompt initiatives at local level, tailored to the virtuous conciliation process that the group is looking for. Accordingly, the text includes digitalisation as a specific area of intervention. It then specifies various related topics and general principles, linked in particular to the use of business technology during working hours only. Application of the declaration is monitored at group level by management and European Works Council members.

Key points to bear in mind

- Digital transformation constitutes one possible field of intervention for European Works Councils and it is likely that, as digital innovations become more widely deployed, this trend will gather momentum in the coming years.
- The initiatives identified bring together both employee representatives and management, in one way or another, depending on the initiative or company in question, and establish a tangible European social dialogue covering our issues.
- A variety of different initiatives can be imagined, and thus they open up the scope of what is possible for European Works Council actors.
- In this context, there appears to be a clear benefit associated with sharing practices among the employee representatives and managements of various companies and sectors, in order to foster or nurture the development of a European social dialogue at company level.

FOCUS POINT

Over and above the diversity of initiatives that can be imagined, the question arises of the added value they can offer and their limitations. Let us try to do a brief survey of the potential strengths and weaknesses of the various types of initiative identified.

INITIATIVES	STRENGTHS	WEAKNESSES
Surveys, working parties	<ul style="list-style-type: none"> + Identifying changes and their impacts, in concrete terms. 	<ul style="list-style-type: none"> - Hard to make concrete use of the information gathered. / Hard to monitor the situation.
Training	<ul style="list-style-type: none"> + Building up a shared appreciation of the issues and impacts of transformation within the European Works Council. 	<ul style="list-style-type: none"> - Not easy to specifically define what the training should be about. - Hard to follow up training actions.
Information and consultation	<ul style="list-style-type: none"> + Familiarity with the digital strategy + Accompanying its implementation and minimising its negative impacts. 	<ul style="list-style-type: none"> - Hard to identify in concrete terms the diverse impacts of digital transformation, over and above its impacts in terms of employment. - Hard to properly guarantee win/win changes over the long term.
Monitoring and sustaining social dialogue at local level	<ul style="list-style-type: none"> + Coordinating an approach that is both global and local. + Affirming the added value represented by the European Works Council. + Fostering concrete initiatives. 	<ul style="list-style-type: none"> - Identifying pre-conditions to be met. - Determining the resources required to play this role.
Negotiating a transnational “agreement”	<ul style="list-style-type: none"> + Forging a common framework to facilitate the group’s cohesion. + Helping to harmonise the situation of the group’s European employees. 	<ul style="list-style-type: none"> - Defining the object of the agreement. - Risk of excessive formalities. - Possible lack of effectiveness and monitoring over the long term. - Possibility of local resistance / legitimacy issues

Although it is possible to separate out these various types of initiatives, we must accept that, at least in theory, they are likely to be combined via integrated approaches that are probably better suited to serving the needs of enhancing European social dialogue and the added value this represents for the company and its employees.

SHALL WE GO FOR IT?

A few pointers for action

We will now try and build on previous developments.

Above all.... Leverage for action

For European Works Councils to be involved in a digital transformation programme, three pre conditions must be met:

- An awareness within the European Works Council, or on the part of some of its members at least, of the concrete existence of technological changes under way at transnational level. Whether it results from information given to the European Works Council by management or from the concrete experience of employee representatives on the Works Council acquired through their local representation mandates, this is a prerequisite for initiating a collective European programme.
- Adoption by the European Works Council of a proactive posture (i.e. not being content merely to receive information from management), as opposed to a passive posture (i.e. waiting for information to come from management before reacting). If digital transformation is indeed an open-ended and ongoing process, then the European Works Council should take note of this and help to anticipate its effects, working alongside group management. So, overall this means opting to function as a project-oriented European Works Council¹⁷
- A desire on the part of management to work with the European Works Council on this subject. As demonstrated by our workshops, it is entirely possible for the management of a multinational group to be “spontaneously” convinced of the need to involve the European Works Council, working in project mode, in the process of digital transformation. This does not happen systematically however and employee representatives may therefore be required to prepare arguments that will convince the HR contacts they work with of the merits of working hand in hand with the European Works Council on these transformation issues. Consequently, employee representatives must be able to link social issues and economic issues together, in order to construct a line of argument that is convincing from the viewpoint of company management.

ACTING TOGETHER TO DEAL WITH DIGITAL TRANSFORMATION? WHAT HR MANAGERS SAY:

stream stage, the tools won't work and customers won't be satisfied
(HR manager – telecommunications)

“Involving employees in the design of industrial processes is vital in a context in which digital transformation is crucial for industrial companies” (HR manager – chemical industry)
“Unless employees are involved at an up-

“Digital transformation is a subject for discussion rather than a matter of dispute with workforce representatives” (HR manager – insurance)

In this regard, our workshops have shown that developing an ethical framework for digital transformation, which is a necessary step, probably constitutes a pertinent argument to put to management in order to encourage or initiate a joint programme of work. It is very clear that digital transformations raise awkward ethical problems, especially as regards protecting the personal data of both customers and employees¹⁸, and regarding the development and deployment of artificial intelligence within organisations. Using “ethical” arguments may, where applicable and to the extent necessary, enable other actors to be mobilised in addition to the European Works Council’s usual interlocutors (the company’s “ethics” manager, ethics committees or the company’s board of directors) for the purpose of convincing people of the merits of a joint action programme involving management and employee representatives at European level.

¹⁷ For further details of the various forms of “European Works Council practices”, see [‘Manual On Transnational Restructuring Processes’ for European Works Council members, and p.19 in particular.](#)

¹⁸ With particular reference to the implications of Regulation no. 2016/ 679 (the General Data Protection Regulation)

Judgements have to be made both by management and by European Works Councils representatives

Should the European Works Council be active on the subject of digital transformation? If so, on what subjects?

- **On the merits of an initiative taken at European level:**

As stated previously (section 2.), there are arguments both for and against the involvement of European Works Councils in the field of digital transformation. Consequently, with a view to developing a European social dialogue at company level, each of the actors involved will have to weigh the arguments for and against, ideally on a joint basis, to ensure that they reach a sound decision regarding the need to act, or not act, jointly.

- **On the subjects to be tackled and the tools available for this purpose**

One of the main problems posed by digital transformation is that, in theory, it encompasses a great many innovations and possible impacts, and it is difficult to set priorities among these. Clearly, this thinking must be undertaken with regard to the positioning of European Works Councils (at central management level and in conjunction with local-level representation bodies), so as to generate the possible added value desired from the action taken by these Councils. In this regard, our discussions reflect a process of comparing and contrasting two distinct approaches:

→ Either opting in the first instance to work on long-term subjects, which by definition gives us time to anticipate questions such as: how should the relationship between AI and human beings be organised within the company? And how can we ensure that human beings will enjoy a competitive advantage over machines, in the interest of both the company and its employees?

OR

→ Focusing in the first instance on the problems of today rather than the hypothetical problems of tomorrow: maintaining the employment prospects of employees, training, working hours, balancing family life/working life, passing on know-how between the generations in the opposite direction (from younger workers to older ones), managing workload, etc.

These two generic orientations are not necessarily mutually exclusive, and a European Works Council could in theory pursue both approaches simultaneously.

Having said that, the approach selected in either case will certainly have different implications regarding the tools to be used or built at European level. Focusing on the present will therefore lead us to favour transnational tools that are already in existence, or at least the conventional tools normally used for handling digital transformation: transnational agreements at company level relating to change management, especially to enhance the monitoring of these agreements¹⁹ or to envisage their negotiation in order to set common European standards that will guarantee the employment prospects of employees, for example. On the other hand, choosing to prioritise long-term issues will surely lead to the construction of new tools at European level, e.g. a European company ethical charter governing the links between human beings and AI²⁰.

Even so, it seems to us that European Works Council actors who are keen to work together productively should consider choosing a generic orientation for the EWC's involvement.

¹⁹ See the example of AXA in Section 3.

²⁰ In the spirit of the joint declaration established within Airbus, see section 3.

Methodology before substance: should a concerted accompaniment programme for digital changes be constructed and implemented at European level?

Although the answers to the questions previously raised can probably shed light on possible initiatives taken by European Works Councils in conjunction with their respective managements, they do not create a general and orderly framework for action at European level. In light of the complexity of the subjects in question and of the possible limitations of ad hoc initiatives that are already apparent²¹, it may be legitimate to ask whether the issue at stake, for European Works Councils that would like to see digital transformation as an area with scope for taking action, is first and foremost the task of preparing a concerted methodology for accompanying change at European level. On this basis, we are trying to put forward a number of exploratory ideas. These could give rise to a methodology agreement concluded between the European Works Council and the management of a multinational group, whether formal or otherwise, identifying and spelling out the various stages of the process and the resources it will require.

- **The stages involved in a concerted accompaniment programme for change at European level: general aspects**

1. THE PROGRAMME INITIATIVE

Our workshops have shown that a joint and open-ended accompaniment programme for digital change can come into being at the initiative either of management, or of workforce representatives on the Works Council, or of both of these actors. Here, everything will depend on the company in question: its history, its culture (the extent to which it embraces dialogue with its workforce representatives), the existing relationship it has with the idea of employee representation at European level, etc.

AN EXAMPLE OF A CONCERTED APPROACH TO TRANSFORMATION, TAKEN AT THE COMPANY'S INITIATIVE²²

Electricis, a specialist in electrical installation, is a European company that still bears the hallmark of its origins as a family business. The company is currently going through a deep-rooted and rapid transformation process seeking to harness the benefits of innovation with a view to creating more efficient and environmentally-friendly products, the overall aim being to strengthen its positioning within its markets and to assist its development, particularly in Asia. The company is committed to maintaining communication and a dialogue regarding its strategy with its stakeholders, and in particular the actors involved in social dialogue, both at local level and at the level of the European company. In this context, European social dialogue is perceived as a decisive factor in reconciling the

goal of achieving a rapid transformation (of products and customer service, and also of the skills required by employees) with respect for the group's DNA. Over and above formulating strategic objectives, the challenge lies in clarifying "how" transformation can be achieved via "empowerment" of employees over the long term. Accordingly, as part of a social dialogue process that seeks to be both dynamic and sustained, since December 2018 group management has mobilised members of the European company's Works Council at a "sustainable development" workshop. This has come up with its first concrete proposals (notably in the area of health and safety in the workplace), thus making European Works Council members feel that they are genuinely involved in the group's transformation. The programme is under way and it can be expected to give rise to further developments in the future.

2. LAYING THE FOUNDATIONS FOR DIALOGUE BETWEEN EMPLOYEE REPRESENTATIVES AND MANAGEMENT

Objective:

²¹ See section 3

²² The company's name has been changed for the purposes of this publication

-
- To enable the actors involved to exchange ideas around the subject of digital transformation and its impacts, and thus establish the basis for a relationship of mutual trust.

Resources available:

- Discussion and work sessions involving management and employee representatives.
- Training for European Works Council members, also involving management.

Possible resources:

- Agreement establishing the European Works Council and associated resources.
- European co-financing based on a call for proposals.
- Other *ad hoc* resources, as provided for by a possible methodology agreement, whether formal or otherwise, reached between management and the European Works Council.

3. PRODUCING A JOINT ASSESSMENT OF THE IMPACTS OF DIGITAL TRANSFORMATION

Objectives:

- Identifying the opportunities presented and the threats posed by digital transformation within the company.
- Establishing a basis on which joint initiatives can subsequently be constructed.

Means:

- Conducting surveys or expert analyses within the group.
- A dedicated working party with contributions from management and employee representatives, or even mobilising the group's employees directly.

Possible resources

- An agreement establishing the European Works Council and associated resources.
- European co-financing based on a call for proposals.
- Other *ad hoc* resources, and especially financial resources, as provided for by a possible methodology agreement, whether formal or otherwise, reached between management and the European Works Council.

4. POSSIBLE CONSEQUENCES AND PRODUCTS

There must be room here for diversity: everything will depend on the previous stages and the choices they have given rise to. Nevertheless, in the light of previous developments, a diagram can be produced of the various possible postures that the European Works Council can adopt. Once again, these various approaches are not mutually exclusive, and can be combined with one another. The graphic below merely seeks to identify, as clearly as possible, the various horizons and outputs that can be envisaged as part of a joint programme.

OVERSEEING TRANSFORMATION

- Helping to implement the strategic plan in concrete terms
- Outputs: concrete proposals to be considered by the group's central management, transnational agreements setting out the main policy priorities (e.g. ethical guidelines)

MONITORING THE DEPLOYMENT OF TRANSFORMATION

- Compiling an ongoing record of changes and their impacts
- Outputs: European Works Council to be informed/consulted on an ongoing basis; setting up European databases (employment, skills, working conditions, etc.); monitoring local social dialogue processes

FOSTERING AND SUSTAINING SOCIAL DIALOGUE AT LOCAL LEVEL

- Encouraging local initiatives, based on information relating to the group's strategy,
- Outputs: local action plans, local collective agreements

- **What might a concerted and global accompaniment programme for digital transformation look like, in concrete terms? Examples**

For the purpose of going beyond an approach that, while seeking to be methodical, might nevertheless appear somewhat detached from reality, we report briefly below on two different examples of accompaniment programmes for digital transformation. One is directly related to a European Works Council's activities. The other is not linked to European Works Councils but demonstrates, at national level, the possibility of combining an initiative decided upon at central level with actions taken at local level, and thus in our view, is of heuristic value for European Works Council actors.

- **THE UNILEVER EUROPEAN FRAMEWORK AGREEMENT ON THE FUTURE OF WORK (2019)** ²³

How it works in brief

This text was concluded in 2019 between Unilever group management and the group's European Works Council. It is based on explicit sharing between management and the European Works Council of common values and objectives: guaranteeing the group's competitiveness vis-à-vis its competitors and enhancing its appeal to its own shareholders by adopting a socially responsible approach that benefits its

²³ http://www.irshare.eu/fr/unilever-accord-cadre-europeen-entre-la-direction-et-le-ce-europeen-sur-le-travail-du-futur-barcelone-20-fr_1015.html

employees and their employment prospects. Based on this shared interest, the agreement establishes a basic framework to be fleshed out appropriately at all levels of the group in Europe, drawing on the resources earmarked by management for this purpose. Accordingly, the agreement acts as a catalyst for the development of social dialogue at a devolved level on a series of topics (training, skills development, career progress and new forms of employment). In point of fact, the text calls for dialogue as much as it organises it. It is actually about encouraging the idea of innovation (creating new mechanisms) in the various subjects dealt with, by defining the principle that a dialogue is necessary between management at local (country) level and local employee representatives, and the framework for this, which is supposed to encourage “co-creation”. In this regard, especially in the countries in which it is operative, the agreement suggests setting up pilot projects that are focused on innovation, in the form of two joint working parties, each one dedicated to two specific topics covered by the European agreement. The agreement provides for systematic monitoring of the projects to be managed, at the time of the Works Council’s plenary annual meeting and via regular milestones checked by the Council’s select committee.

Lessons to be learned

This initiative is interesting insofar as it combines several dimensions of the role that a European Works Council may have to play in a context of potentially disruptive transformations. It is firstly the outcome of a shared policy assessment reached between management and the Works Council, regarding the transformations in play and their potential impacts on employees in terms of jobs. Secondly, it illustrates a joint desire, at European level, to foster and sustain social dialogue in individual countries by putting forward general principles and methodologies capable of dealing with current and future changes. Although we cannot prejudge the outcome of this initiative, we must accept that it seemingly turns the Unilever European Works Council into an active player in the transformation process, while granting the actors engaged in social dialogue at local level significant margins for manoeuvre.

- **SUPPORTING CO-DETERMINATION AS PART OF DEALING WITH THE DIGITAL TRANSFORMATION PROCESS: THE IG METALL FEDERATION’S “WORK AND INNOVATION” INITIATIVE** ²⁴

How it works

In Germany, following the launch of the “Industry 4.0” concept at the Hannover trade fair in 2011, there has been a great deal of debate regarding the future effects of digitalisation on the world of work. There is now a consensus in that country that digital transformation may potentially mean radical changes for the world of work. With its green paper entitled Working 4.0 (2015), the Federal Ministry of Work and Social Affairs launched a debate on work policy that was explicitly intended to involve employees. It was in this context that Germany’s largest trade union IG Metall embarked on a series of projects called “*Arbeit und Innovation – Kompetenzen stärken + Zukunft gestalten*” (W + I). This experimental arrangement seeks to encourage dialogue and the signing of collective agreements within companies. It comprises three main elements:

- Operational projects identified at the level of volunteer companies: before pilot companies can be accepted, they must first submit an application, setting out a proposal for the project envisaged. The expectations and objectives of the company actors concerned are then discussed at an initial joint workshop. A project confirmation is then required, to be signed by the Works Council and the company’s management. The company promises firstly to release the selected employees during working hours so that they can take part in a series of training courses, and secondly to implement its project on the basis of a social partnership (i.e. with the Works Council).
- A series of training courses intended to turn the participants into work 4.0 experts are then run for

²⁴ For further details see G. Mueghe and T. Harbecke, “Supporting co-determination in restructuring: the experience of Arbeit + Innovation, case study report”, due to be published (2019), www.diresoc.eu

the pilot company employees who have been selected by the company (participants should include managers and experts, as well as employee representatives).

- Subsequently, the company is entitled to benefit firstly from bespoke support with the implementation of its project, provided by a network of experts who come both from an internal (i.e. within the trade-union federation) and external background, and secondly from an exchange of practices with other companies involved in the programme. This mechanism has now led to many projects coming to fruition in subsidiary companies or company establishments in the metalworking sector in Germany, including the car industry. In particular, these projects culminate in the signature of collective agreements at company level, which aim to maintain and develop employment in the context of digitalisation within companies.

Lessons to be learned

As an initiative taken by a national trade-union federation, this example clearly does not present any immediate link with the possible role to be played by European Works Councils. On the other hand, it seems particularly valuable to envisage the idea of a concerted approach to innovation management which, in terms of its objectives and its various stages, may inspire the thinking of European Works Council actors who wish to engage in active or pro-active management of digital transformation: grasping hold of digitalisation as a project for social dialogue and the actors involved in it, encouraging a concerted approach to transformation, including the formulation of diagnostic assessments and training actions, and support for negotiations held at a level devolved as far away from the centre as possible, for the purpose of accompanying change and its possible impacts in terms of employment and skills.



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