



# Attractive workplace for all: Contributions to the Lisbon strategy at company level

## Context

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**Orientation 2 – Increasing labour market participation of underemployed groups**

**Orientation 3 – Integrating people at risk of exclusion into the labour market**

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**National research teams**

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# Context

## The Lisbon strategy – an ambitious goal for Europe

At the Lisbon European Council in March 2000, the European Union (EU) set itself a ‘new strategic goal’ for the next decade: ‘To become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion.’

A series of ‘guidelines’ and quantifiable operational targets of an economic, social and environmental nature was subsequently established; these sought to encourage non-inflationary gross domestic product (GDP) growth of about 3% a year, along with high employment levels with a view to ‘sustainable development’, adhering to the values inherent in the ‘European social model’ (Gothenburg European Council of 2001).

This study on ‘attractive workplaces for all’ was launched in mid-2005, when the mid-term review of the Lisbon strategy had revealed mixed results. Subsequently, on the basis of the second High Level Group Report, led by Wim Kok, the Stockholm European Council gave priority to the economic targets and employment, while reaffirming the three dimensions – economic, social and environmental – of the strategy.

The Council also noted that, in order to achieve these objectives, ‘the Union must mobilise to a greater degree all appropriate national and Community resources – including the cohesion policy’. Moreover, ‘alongside the governments, all the other players concerned – parliaments, regional and local bodies, social partners and civil society – should be stakeholders in the strategy and take an active part in attaining its objectives’.

Against this background, this study looks at companies’ capacity as stakeholders and at the ‘employment’ dimension of the Lisbon strategy, with a view to examining how companies can play their part in helping to achieve the strategy’s objectives.

## Presidency Conclusions

In the Presidency Conclusions of the European Council of March 2005, the following passages correspond to the analyses that Eurofound has sought to undertake through this project.

- ‘The objectives of full employment, job quality, labour productivity and social cohesion must be reflected in clear and measurable priorities: making work a real option for everyone, attracting more people into the labour market, improving adaptability, investing in human capital, modernising social protection, promoting equal opportunities inter alia between men and women, and fostering social inclusion.’
- ‘It is essential to attract more people into the labour market. This aim will be achieved by following the course of an active employment policy, of making work pay and of measures to reconcile working life and family life, including the improvement of childcare facilities.’
- ‘New forms of work organisation and greater diversity of contractual arrangements for workers and businesses, better combining flexibility with security, will contribute to adaptability.’
- ‘Human capital is Europe’s most important asset. Member States should step up their efforts to raise the general standard of education and reduce the number of early school-leavers [...] Lifelong learning is a *sine qua non* [an essential element] if the Lisbon objectives are to be achieved [...] The European Council calls on Member States to make lifelong learning an opportunity open to all in schools, businesses and households.’

## Objectives of the project

### Findings, assumptions and intentions

The majority of the guidelines and policy principles issued by the European Council and the Commission are aimed primarily at governments, which have responsibility for implementing these measures; nevertheless, it should be noted that – for several years – the role and mobilisation of social partners and civil society have been increasingly cited as success factors.

The open method of coordination (OMC), used in implementing the Lisbon strategy and in monitoring and evaluating the national action programmes, is based on comparative assessments or ‘benchmarking’ between Member States; it uses indicators expressed essentially in macroeconomic terms or ratios, which are precise but of a global nature, measured at Member State level.

The formulations used, by their nature, are not sufficiently concrete to be translated directly into companies’ decentralised initiatives, socioeconomic strategy or organisational development. Furthermore, they would need to be capable of being viewed by companies as a means of improving their achievement of medium and long-term objectives – namely, to satisfy their various stakeholders (clients, employees and shareholders). In fact, the Lisbon strategy remains relatively unknown to many companies, although once it has been explained to the parties involved, it generally meets with their approval.

The objective of this study has therefore been to complement and illustrate the aims of the Lisbon strategy, or at least those relating to employment, by identifying and demonstrating, by means of case studies, company policies and practices that offer examples of what can be done ‘on the ground’. The project was constructed on the assumption that companies implementing internal policies corresponding to the Lisbon strategy exist, or even predate the strategy. Of course, the companies cited in this report have not explicitly implemented initiatives in order to apply the Lisbon strategy; on the contrary, it could even be suggested that similar achievements by pioneering companies have in fact partly inspired those who framed the strategy.

### Research orientations

For the purposes of the work of the research team and the network of researchers, the ‘work’ pillar of the Lisbon strategy has been divided into six research areas – known as ‘orientations’. This term has been retained in the report to classify the company case studies illustrating the objectives of the Lisbon strategy. The orientations are organised as follows.

Three of the orientations concern the qualitative and quantitative improvement of the human resources present in the labour market:

- Orientation 1 seeks to improve skills and foster employability generally through companies’ development of the workers whom they employ;
- Orientation 2 aims to increase the labour market participation of underemployed groups, such as women, young people and older workers;
- Orientation 3 seeks to integrate people at risk of exclusion into the labour market, such as early school leavers, people who are long-term unemployed and disabled people.

Two of the orientations involve policies that aim to make work ‘pay’:

- Orientation 4 aims to make working more financially attractive than not working;
- Orientation 5 seeks to provide benefits and rewards for the desired internal flexibility in the organisation of work.

Lastly, Orientation 6 gathers examples of companies, generally large companies, whose focus is the local development of business and employment through supporting the creation of microenterprises or the development of existing small and medium-sized enterprises (SMEs).

Each of these orientations is described in detail and illustrated in this report, on the basis of the principal characteristics of the cases selected.

As regards the cases to be researched, two possible options were available:

- either to take one or two examples per orientation, giving about 10 case studies in all, the specifics of which could be analysed in depth from all perspectives;
- or to seek examples which are as diverse as possible, presenting more succinctly as examples two or three achievements per orientation; these examples would span seven different countries, covering various sectors and company sizes.

The second option was chosen, in order to demonstrate a greater variety of achievements; at the same time, it provided an opportunity to analyse and compare the elements and factors identified in that variety. Moreover, through the differences and similarities identified, this option would be more conducive to providing information and material for reflection for the social partners, observers or political leaders involved in these issues.

Lastly, this approach allows for the option of progressing the research through subsequent studies – either through a more detailed examination of a certain type of initiative or by extending the research to other countries.

In summary, through the case examples outlined, this study seeks to demonstrate how companies’ achievements can illustrate the two emblematic slogans associated with the Lisbon strategy, namely:

- ‘more and better jobs’;
- ‘improved employment and productivity levels’.

By achieving these objectives, companies can in turn help to reconcile competitiveness with the European social model.

## Scope, structure and content of study

### Case studies in seven EU countries

The research was undertaken in seven of the former EU15 Member States, which launched the Lisbon strategy in 2000 – Austria, France, Germany, Italy, the Netherlands, Sweden and the United Kingdom (UK). One country was taken from each broad geographical zone, corresponding to a type of ‘regional’ social model – such as the Scandinavian or Mediterranean models. In each of these countries, national researchers in conjunction with the Eurofound project team in Dublin were responsible for identifying 15 cases – or two to three cases for each orientation – in various companies and sectors of the economy. Overall, some 105 case examples were researched in total.

Information was collected by way of interviews with company managers, based on a questionnaire devised in advance for each orientation and for all researchers. A similar approach was taken, wherever possible, in relation to the employee representatives, such as those from trade unions or works councils.

For each country, prior to researching the cases, the national researchers prepared a short national report reviewing the Lisbon strategy; this included a particular focus on the national context, against which each of the six orientations researched was viewed.

Due to the lengthy nature of these reports, they cannot be summarised in this report; however, they are available online on the Eurofound website at <http://www.eurofound.europa.eu/ewco/employment/quality/attractiveworkplace.htm>

To complete the research in these seven countries and prepare for any extension in the scope of the investigation, a feasibility study was undertaken for four of the 10 countries that joined the EU in 2004 – the Czech Republic, Hungary, Lithuania and Slovenia. The national reports drawn up by the researchers give an overview of the national situation with regard to the Lisbon strategy in these four countries. The results of this work are also available online on the Eurofound website at the above link.

### Case examples and ‘exemplarity’

The cases researched concern companies of varying sizes, ranging from small or even microenterprises to multinationals; the latter, however, are only considered in one country with respect to one initiative.

The practices and policies have been chosen by virtue of their ‘exemplary’ nature, although it should be noted that what is exemplary in one country in relation to standard practice may or may not be so in another country. The term ‘exemplary’ is used here in its original sense, without emphasis, to mean that by going beyond the standard or average practice of the particular country and being implemented by ordinary methods in that country, the cases should not remain as exceptions; rather, they are capable of being replicated, with certain adaptations, in other companies if there is the political willingness to do so.

Consequently, almost all of the case studies presented have a sufficiently long track record to demonstrate that they are sustainable in competitive companies operating in a competitive sector. In other words, they are not merely the product of philanthropic organisations or those primarily financed by public aid (being limited to two or three cases per orientation in a given country, this can only be considered a ‘sample’ at a given time, namely when the data was gathered in 2006–2007). As an exception, certain cases involving public aid have nevertheless been included, particularly for Orientation 3, due to the nature of that orientation and on condition that the aid is temporary, available to all enterprises in the country for similar initiatives and considered a form of investment for safeguarding the persons concerned from the risk of exclusion.

Lastly, particular attention has been paid to:

- the social dialogue surrounding the implementation of these practices, such as consulting employee representatives, exchanges or joint projects with the works councils or trade unions, formalising commitments in a signed agreement, and the monitoring of projects by a joint body; however, in small companies, such practices are less formalised or structured;
- considerations relating to gender, in cases where they could be significant to the practice being studied. Gender issues are most likely to arise in the cases cited for Orientations 1, 2 and 5.

### **Presentation of the cases**

With the consent of the companies concerned, the cases have been published online on the Eurofound website at <http://www.eurofound.europa.eu/areas/qualityofwork/betterjobs/search.php>

The case studies are listed under four possible search criteria – by orientation or category, by country, by company size, or by economic sector. Each of the studies is presented in the same format, according to the context, description of the initiative, analysis and exemplary factors.

In this report, the case studies are presented in the following six sections – one for each orientation. Each section, in turn, sets out:

- the justification and content of the orientation, with reference to the Lisbon strategy;
- some of the company cases investigated, in the form of short summaries presented alphabetically by country;
- the principal observations drawn from these cases.

# Orientation 1 – Improving competencies and fostering employability

As outlined, the Lisbon strategy seeks to make the EU the most competitive, knowledge-based economy in the world. The close link between employability and a lack of qualifications, training, education and apprenticeships has already been noted in the conclusions of the Lisbon European Council, of 2000. Improving employability is, in turn, a means of achieving the objectives set in terms of increased employment rates.

As the study is centred on companies, it focuses on their role in the development of human resources, beyond basic school education. Investment by companies in human capital is one of their principal social responsibilities and has proved to be a fundamental factor in European economic development. In particular, it is a key tool in dealing with technological and organisational change and in increasing competitiveness.

Updating competencies – that is, the knowledge, know-how and interpersonal skills of a company's employees at all levels – enables those employees to meet the changing demands of their roles and to develop a fulfilling career.

This study will therefore not only consider formal or informal training initiatives, but also the validation of the competencies acquired, as defined above, along with the certification of those competencies and their transferability to more highly qualified internal or external jobs.

## Case studies

### ACC Verdichter (Austria)

ACC Verdichter, a company producing refrigeration compressors, used to employ a relatively unskilled workforce. To ensure the success of future investments, the company recognised during the initial stage of its modernisation process that it would need to have a more appropriate skills base in place. Following discussions with the works council, ACC Verdichter established the 'ACC Academy', an initiative which offers training to its 600 employees, including temporary staff. The programme is free of charge and takes place outside of working hours and on a voluntary basis. It enables the employees to attend training modules at different levels and, after completing their final exams, to obtain a qualification which is recognised both internally and externally.

### KCCS (Austria)

KCCS provides custom manufacturing of chemical products for major chemical companies, mainly in Germany, Switzerland and the United States of America (US). Following a restructuring initiative, KCCS employed some 60 persons in total. However, it needed to employ a number of chemistry technicians, who are in short supply in the labour market. Moreover, in view of the company's size, it could not launch a retraining programme independently. As a result, it joined forces with two other larger companies to launch an apprenticeship programme, which was to be open to all employees. The programme took place during working hours and comprised external theoretical training and complementary training in the workplace, leading to a diploma. It should be noted that the company has a high rate of trade union membership and that the initiative, which originated from the works council, was eventually taken over and supported by management.

### Mars (Austria)

Mars is a global player in the food sector and operates at two sites in Austria, each of which employs about 300 staff. Mars Austria has implemented a comprehensive human resources (HR) policy, including a system of competence development and career management with a long-term perspective. The initiative aims to ensure that everyone has a personal training and development plan in place, based on two interviews a year between the employee and their manager. The system seeks to foster internal mobility and career development.



### **Sick AG (Germany)**

Sick AG is a medium-sized company producing sensors for industrial applications and process automation. Since 1995, the company has implemented a range of policies to develop its organisation and workforce. The company seeks to reconcile its needs with those of its employees, and its strategy with their employability. Competence development is based on tailored management initiatives and targeted training schemes, whose concrete application in the workplace is closely monitored.

### **Boehringer Ingelheim (Germany)**

Boehringer Ingelheim GmbH is a large German pharmaceuticals company, with over 10,000 employees, 45% of whom are women. The company is the originator of the eponymous global group. It has implemented a comprehensive strategy of personnel and organisational development, which is in turn associated with a long-term vision based on excellence and innovation. Central support for individual management is provided through the annual assessment and development interview; this determines the skills to be developed among the workforce, along with the technical and managerial knowledge to be acquired, notably at the company's Boehringer Ingelheim Academy. The works councils, in existence at all levels – local, company, European and group level, are heavily involved in these development programmes.

### **AXA (France)**

AXA France is one of the French, as well as global, leaders in the insurance sector, employing about 17,000 people in France. The company has set itself the ambitious objective of improving both productivity and quality of service. An important aspect of this policy is a collective agreement known as 'CAP Métier', which was introduced after extensive trade union discussions. Its implementation in the period 2003 to 2005 encouraged large-scale redeployment of workers, based on professional mobility within the company. This initiative, in turn, prevented a number of redundancies.

### **FNAC (France)**

FNAC distributes cultural products, hi-fi and audiovisual equipment, as well as office equipment, through its network of medium and large retail outlets. The company has set up a system of support, online training and time credits; the system seeks to enable participating employees to have their skills and experience certified, without necessarily having to sit an exam. Reportedly, 93% of candidates succeed in so doing. (This initiative is conducted in the context of the system of certifying acquired skills and experience (*validation des acquis de l'expérience*, VAE) – a complex procedure introduced by a 2002 Act permitting all or part of a diploma to be obtained with dispensation from examination.)

### **BNL/Banca Nazionale del Lavoro (Italy)**

In 2004, this sizeable Italian bank signed an agreement with the trade unions relating to continuous training and lifelong learning. The agreement provides for tailor-made training initiatives for employees, as well as modular programmes linked to their professional fields. In addition, employees can avail of a 'training credit', which guarantees their entitlement to training and enables them to 'reclaim' a previous unused entitlement.

### **Hospital of Guastalla (Italy)**

In 2000, the Hospital of Guastalla, which has 500 employees, set up an organisational improvement project in association with trade unions representing the health sector. The project sought to: redesign the organisation and integrate the various professional profiles around the same working process; reinforce mutual cooperation and training; shorten management lines; improve the quality of care and services; and eliminate unproductive time. A database covering all competencies was created, which also helped to identify qualified employees capable of assuming the role of internal trainer.

### **Painters and plasterers (the Netherlands)**

To make work in the painting and plastering industry more attractive, the tripartite organisation in this particular case study initiated job enlargement and improvement projects in four companies. The benefits for the companies are better quality, more flexibility, more satisfied clients and better-motivated employees. At the same time, employees have enjoyed more varied, interesting and generally better-paid work. In addition, their employability has been increased due to training initiatives diversifying their skills and which are certified.

### **Philip Morris (the Netherlands)**

This Dutch company is a subsidiary of the cigarette manufacturer Philip Morris International. The company practises a proactive employability policy. It defines this as the ability to react to changes in tasks and in the working environment, in accordance with employees' own aspirations and abilities. HR managers, as well as specialised workshops, can assist staff in undertaking such reviews of their careers.

### **VX Company (the Netherlands)**

VX is a small company operating in the field of information technology (IT), whose employees provide assistance throughout the country to client companies. This decentralised aspect of the company makes it difficult to implement a 'learning' arrangement to develop competencies. To solve the problem, VX has created four managerial categories, attributing specific roles to each of them: business unit managers, operational managers, quality managers and technical managers. This categorisation offers the opportunity to develop and provide guidance for employees' development from different perspectives. The starting point is a career development interview, and over the course of the year employees receive intensive coaching.

### **Karlskrona Employer Ring (Sweden)**

Karlskrona Employer Ring is a joint venture between seven, primarily manufacturing, companies, employing 6,000 staff in total. The initiative aims to support its members in the retraining and redeployment of employees made redundant through restructuring or in cases where conversion to other jobs is deemed necessary. It offers solutions that are mutually beneficial and supports the individuals concerned through job coaching, transfers and training.

### **Volvo Cars Engine (Sweden)**

Volvo Cars Engine (VCE) is a division of Volvo Cars responsible for the production of engines for other factories that assemble the cars. Industrial procedures are stringent and require particular skills. An agreement on skills development has been negotiated with local employee representatives, and a bipartite committee monitors its application. The starting point for individual development is a review of competencies with the employee's manager, leading to the creation of a three-year personal development plan. The Volvo Competence Centre, located on the same site, provides training courses in technology, management and social aspects.

### **Schaeffler UK (UK)**

Schaeffler UK is the British subsidiary of a German multinational group that manufactures mechanical precision components for motor vehicles. It employs 440 persons, including 360 workers at its Welsh factory. An increasing proportion of the company's production has been transferred to eastern Europe for cost reasons. In response, management has decided to focus on high value-added products and, to ensure the success of this venture, has launched a general initiative to boost the skills of staff. The main success factors of this initiative include: communications focusing on employability; the offer of diversified training opportunities recognised as National Vocational Qualifications (NVQs); the involvement of managers; and support from the trade union Amicus.

### Serco (UK)

Serco is a large outsourcing company that provides support services to mainly public- but also private-sector companies. The company employs 29,000 people in the UK. Serco has launched a basic skills training initiative known as 'Skills for You', which aims to enhance employees' literacy, numeracy and language abilities. The trade unions are also involved in this initiative on a local basis. Serco has sought to implement the programme across a wide range of different work contracts, in different workplaces and among different groups of workers.

### Principal observations

The various initiatives outlined in this orientation underline the strategic role played by human resources, in terms of skills and in company performance and development. Employability implies that an employee's skills are up-to-date or do not pose a major problem when an internal or external change of role takes place.

The cases selected illustrate initiatives that correspond to different aspects of competencies and employability. They demonstrate one of the following:

- general HR strategies;
- projects that require action when there has been a strategic change in production, service, clientele or context;
- an ability on the part of certain companies to recognise the skills acquired.

It should be noted that these three possibilities may co-exist in a single company.

### General strategies

The companies referred to, mainly large ones, have long-standing HR policies, which are an integral part of their global strategies and success. Developing their staff with a view to fostering long-term company development clearly forms part of the management's role. They may have the support of specialised HR departments, procedures such as periodic appraisal meetings, or training methods set out in yearly or long-term programmes, as in the cases of Volvo Cars, Boehringer Ingelheim, Mars Austria and, in schemes of a smaller scale, in BNL, Philip Morris NL, Sick AG or even VX.

### Individual strategic projects

In some cases, the company has accompanied these initiatives with measures for retraining the staff involved, changing or broadening their skill set and, in several cases, enabling them to obtain a certificate or professional diploma. Such efforts are made due to a significant change in the company's technology and products (ACC Verdichter and Schaeffler), or in the nature, quality and organisation of its services (AXA, Serco, Dutch painters and plasterers initiative, and the Hospital of Guastalla).

### Recognition of qualifications and competencies

In addition, some companies have set up programmes whose explicit objective is to recognise particular qualifications or competencies (FNAC, SPL and KCCS). The clear purpose of such efforts is to enhance the employability of the employee concerned, either within the company or externally.

Lastly, it should be noted that while the impetus for these initiatives generally comes from management – except in the case of KCCS – discussion, consensus, and sometimes partnership generally takes place with the trade unions or works councils.

### Influence of national cultures

National cultures do not appear to be a distinguishing factor in this particular orientation.

# Orientation 2 – Increasing labour market participation of underemployed groups

The Lisbon European Council, and subsequent Councils, emphasised the need for robust growth within the EU – a yearly average GDP growth of 3%. An aspect part of this target is raising the overall employment rate to a minimum of 70% in all Member States; however, only four countries had achieved this level by 2000 – Denmark, the Netherlands, Sweden and the UK.

Faced with an ageing and declining population, the mobilisation of all workers, quantitatively and qualitatively, was highlighted as a priority – in particular, for groups that are underrepresented in the labour force:

- women, for whom an ambitious target employment rate of 60% was set at the Stockholm Council, a level only attained by six countries in 2000 (Denmark, Finland, the Netherlands, Portugal, Sweden and the UK);
- young people (aged 18–24 years), for whom the unemployment rate exceeded 10% in eight of the former EU15 in the year 2000; in five of these countries, the rate was as high as 20%;
- workers aged 55–64 years, for whom an overall target employment rate of 50% was set (achieved at that time in four countries), along with measures to postpone the age of retirement from the labour market, as proposed in the Stockholm and Barcelona European Councils.

Orientation 2 is limited to company initiatives that contribute to raising the employment rate of women and young people. Company initiatives concerning the employment of older workers, also the subject of specific studies by Eurofound, are not dealt with here. A database of such company initiatives in all EU Member States is available on the Eurofound website at <http://www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm>

## Case studies – Women

### Erste Bank (Austria)

Erste Bank is the second largest bank in Austria and employs some 4,850 workers, 54% of whom are women. The company has launched various measures that aim to reconcile work and family commitments. Most notably, these provisions include: childcare facilities and assistance with childcare and care for elderly relatives; ‘contact programmes’ during parental leave or measures helping parents to prepare for a subsequent return to work; and working time arrangements based on trust. All of the provisions have been the subject of discussion with the works council, a women’s works council and a ‘family’ committee.

### BMW-Leipzig (Germany)

The decision of car manufacturer BMW to build a state-of-the-art factory in Leipzig with the highest standards called for a progressive and innovative employment policy. This included the employment and retraining of women, people who are long-term unemployed and older workers. Through the company’s ‘PolePosition project’, some 650 participants with few qualifications successfully completed their training and obtained jobs at BMW-Leipzig.

### Henkel (Germany)

Henkel is a German producer of detergents, cosmetics and adhesives, employing 52,000 workers, 80% of whom are located in Germany. The company promotes the employment of women, a factor which is a key element of dialogue with the works council. Henkel aims to increase the proportion of female positions at all levels of qualification; for instance, 40% of staff recruited today are women, compared with 4% in 1990. A 2002 agreement provides for a series of measures on part-time working, on contact during maternity leave and assisting a return to work, and on leave arrangements to facilitate the care of children or sick relatives.

### **Société Générale (France)**

Société Générale is one of the largest French and international banks, with 40,000 employees in France. It has negotiated a nine-point equal opportunities agreement with its trade unions, covering such issues as recruitment, career opportunities, mobility, salaries, and reconciling work and family commitments, through specific objectives. Employee representatives of trade unions and works councils monitor the application of this agreement.

### **Marazzi (Italy)**

Marazzi produces ceramic tiles and employs 5,800 people worldwide, of whom 2,500 are located in Italy. In December 2004, it negotiated an agreement with the representative trade unions on the employment of women at its Italian factories. This agreement provides for team organisation and working time arrangements for the mothers of young children, as well as financial assistance for childminding, and training measures.

### **IBM (the Netherlands)**

IBM Netherlands is a subsidiary of the global IBM information technology group. The company has set itself the objective of increasing the number of women that it employs. This objective comprises multiple initiatives, including: work experience placements offered to teenagers; relationships with universities and the coaching of top students; a specific recruitment drive and coaching for young employees; the expansion of career opportunities; specific meetings and networks; and work–life balance measures.

### **DSM (the Netherlands)**

DSM is an industrial group in the chemicals sector (originally in the mining field), which previously had the reputation of being a ‘male-dominated company’. Motivated by societal developments and changing legislation, DSM decided to make itself a more attractive company for women. To help achieve this aim, the company has put in place an individualised system of flexible working hours. This option, managed on a decentralised basis, is nevertheless subject to the constraints of the department and organisation of the work-team. The system was established on the basis of a negotiated agreement with the trade unions and the works council.

### **Folksam and Swedbank (Sweden)**

Folksam is a large cooperative in the insurance sector, employing 3,800 persons in branches across Sweden. Swedbank is one of Sweden’s main banks, with an 8,000-strong workforce. The two companies have a strong company tradition coupled with client-orientated ‘mirror’ strategies. These two factors have long since led them to operate gender equality policies, which are also encouraged by Swedish legislation.

In this respect, the two companies have introduced a series of measures covering working time arrangements, parental leave, entitlement to training and promotion, and access to management positions. In addition, these provisions are largely monitored by employee representatives.

### **HSBC (UK)**

HSBC is one of the world’s largest banks. It employs 57,000 staff in the UK, 62% of whom are women, and has set itself the objective of increasing the number of female managers. In this respect, the company has implemented a series of ‘classic’ family measures – including flexible working hours – together with a package of child-related services or assistance with childcare costs through a voucher system, which is available to all employees.

### **Siemens Industrial Turbomachinery (UK)**

Siemens Industrial Turbomachinery (SIT) is a subsidiary of the German Siemens group and employs 2,300 people at its factory in Lincoln, in the east of England. SIT recruits 20 apprentices a year but has experienced difficulties in finding a sufficient number of good candidates. As a result, the company has launched a series of initiatives to help schools

encourage an interest in industry, particularly among girls. Due to its efforts in this area, the number of good apprenticeship candidates is reportedly rising among both boys and girls.

## **Case studies – Young people**

### **Voestalpine Stahl GmbH (Austria)**

Voestalpine Stahl is one of the largest Austrian companies and a division of the eponymous global group. A leader in the steel sector, it employs 7,500 people, over 90% of whom are men. The company has a long tradition of apprenticeship. Out of about 1,000 candidates each year, it selects between 130 and 140 apprentices. As a result, almost 500 young apprentices are currently working at the company, training for 20 different types of roles both for the company itself and for about 30 other associated companies. As part of the apprenticeship training programme, Voestalpine employs 30 full-time trainers. It has also been running a specific programme for several years for about 30 young women, as well as a programme targeting young people with difficulties.

### **Schneider Electric (France)**

Schneider Electric is an international group that manufactures products and provides services for electrical distribution, automation and control. The company employs 88,000 people worldwide. Since 1993, it has trained 5,000 apprentices in France – about 500 a year at all levels – a third of whom are women. A proportion of these apprentices are employed by the company once they are fully trained; nonetheless, all of them have acquired genuine employability. In addition, a mentor is responsible for every two apprentices and, at the end of the apprenticeship, the individual is assisted in their search for a job for a period of one year.

### **Basell (Italy)**

Basell Ferrare is a chemical research company, which has experimented with a type of fixed-term contract – known as a CAT – encompassing theoretical training, a placement with a company and a fixed-term employment contract. This initiative seeks to provide young people with on-the-job training and an opportunity to develop their skills. The pilot programme has become a standard access route to a first job for about 50 young people each year. From the outset, the initiative has been run in association with the employee representative body (rappresentanza sindacale unitaria, RSU). Since its inception, the programme has become a reference model and has been used by several dozen companies in the region. Reportedly, young people who have the benefit of a CAT subsequently find it easier to secure a job.

### **Atlas Copco (Sweden)**

The Swedish group Atlas Copco is a manufacturer of compressors and technical equipment for industry, mining and construction, employing 26,000 workers worldwide. The company introduced an initiative, in partnership with a municipality near Stockholm, encouraging adolescents in school to take an interest in technical careers when they are making career choices. The initiative involves the provision of information and small vocational training sessions, run by technicians from the company.

## **Principal observations**

### **Progress in employment of women**

One group of companies described in this section uses relatively traditional initiatives, whose positive impact on female employment is clear, but which continue to require a proactive approach.

These companies use a series of measures concerning working time arrangements and working conditions, and facilitate childcare, child-minding, or the care of elderly relatives, while advancing gender equality principles. Such measures include provisions for parental leave, ‘contact programmes’ during periods of leave, and measures helping parents to

prepare for their return to work after a period of parental leave. These measures can be seen, in particular, in the cases of Erste Bank, Marazzi, DSM, Société Générale, Henkel and HSBC.

Certain, more proactive initiatives aim to promote women's access to jobs that were previously predominantly reserved for men:

- either due to the technical characteristics or image of the sector, as seen in the steel, automobile or construction industries (BMW, DSM, Voestalpine and SIT);
- or in relation to the hierarchical level (IBM, Société Générale, Folksam, Swedbank, Henkel and HSBC).

These initiatives are not only aimed at women employees, but may also be directed towards clients, resulting in a 'mirror effect'.

As regards social dialogue, the works councils and trade unions are frequently involved, often resulting in more formalised, specific agreements. These sometimes give rise to the creation of specialised committees for the implementation and/or monitoring of such initiatives.

### **Development of youth employment**

The lack of workers in a particular sector may lead companies to develop contacts with young people, as early as possible, when they are choosing their future career options and direction. Certain companies are involved in an educational capacity, informing young people about the professions and careers in their sector – as seen in the cases of Atlas Copco and SIT, as well as IBM NL, which has put in place a series of measures.

In addition, various kinds of transition and/or complementary support following initial training are evident, in the form of fixed-term or apprenticeship contracts. These measures offer young people valuable initial work experience. This sometimes leads to a permanent job in the same company; where this is not the case, this initial work experience nevertheless increases the individual's chances of finding a permanent job with another company (Voestalpine, Schneider and Basell).

### **Influence of national cultures**

In this orientation, the various countries studied show a tendency towards disseminating practices that are culturally rooted in certain Member States. Moves to encourage more women into the workforce, for example, began many years ago in the Scandinavian countries; this trend seems to be extending towards the southern Member States. It can be attributed to the enactment of provisions relating to family commitments and to measures facilitating access to professions and hierarchical positions traditionally seen as exclusive to men. For young people, a certain 'Germanic' apprenticeship tradition (in Germany and Austria) appears to be spreading gradually to other countries, sometimes in simpler forms.

# Orientation 3 – Integrating people at risk of exclusion into the labour market

The objective of the Lisbon strategy is to increase overall employment rates and to mobilise all available human resources in order to encourage economic growth. The strategy also aims to integrate as many people as possible into the job market with a view to enhancing social cohesion. In the countries studied, a range of initiatives has often been implemented to address the full diversity of situations.

Orientation 3 represents a particularly sensitive and complex challenge in social and human terms.

The investigation has, nevertheless, been limited from the outset. First, in terms of the social groups concerned, it covers:

- early school leavers who therefore have no qualifications – the proportion of whom the EU is seeking to reduce;
- people who are long-term unemployed and who have few or outdated qualifications; people in this category often find it difficult to reintegrate into the job market due to an extended period of unemployment, often accompanied by other social, family or personal difficulties;
- those who are ‘less severely’ disabled; once appropriate arrangements are put in place, access or return to normal work seems to be possible for people in this category (this report cites only a few cases of this kind, as other national and European sources can provide more examples).

Secondly, in terms of initiatives, the analysis mainly covers transitory, proactive initiatives; these relate to specific arrangements or investment, which offer opportunities for integration or reintegration into the job market.

Lastly, due to the particularities of the social groups covered and the range of possible initiatives, it should be noted that Orientation 3, unlike the other orientations, includes initiatives that have benefited from public assistance or tax concessions – on condition that these investments are transitory in nature and/or that they would not distort competition if made available to other companies.

## Case studies – Early school leavers

### Spar-Jobfabrik (Austria)

In association with a non profit-making organisation called Jobfabrik, the large supermarket chain Spar launched a programme for young people who do not have the abilities or knowledge to pursue an apprenticeship and who risk exclusion from the labour market. This programme includes the offer of employment in a supermarket, theoretical training courses and extensive coaching spread over four three-month periods; at the end of this placement, the participant can sit an exam, which leads to a ‘qualified sales assistant’ diploma (*Qualifizierte Verkaufshilfskraft*). Those who are successful are offered a permanent employment contract with Spar.

### Bayer (Germany)

Bayer is a large company in the chemicals industry and a member of the eponymous international group. In 1988, the company launched a professional apprenticeship programme that specifically aimed to support young people with educational and social difficulties. Altogether, some 175 young people were invited to take part in the programme following a rigorous selection procedure. The participants benefit from a one-year programme, which combines basic skills training aimed at filling educational or social gaps (self-discipline, communication, teamworking) and theoretical and practical professional knowledge. They also receive payment during this period and coaching is intensive. Since the outset, over 800 young people have achieved the diploma provided for in this programme; they have also been employed



– a majority (85%) by Bayer, the rest by other companies. This programme forms part of both sectoral and company agreements.

### **Indesit (Italy)**

Indesit, formerly Merloni, is one of the three leading domestic electrical appliance manufacturers in Europe. Since 1998, Indesit has been running a project offering seasonal work contracts to young offenders, most of whom have left school early, enabling them to return to the job market and receive training. Following six months of satisfactory performance, the contract may be made permanent. This project is supported by the trade unions.

### **Philips (the Netherlands)**

Royal Philips Electronics is one of the world leaders in electronic products. In 1982, the company launched a programme reserved, at that time, for young people who were long-term unemployed. The programme has gradually evolved since then and has been opened up to women returning to work, and to disabled people. The programme is run over the course of a year for those who have basic professional experience, or over two years for those with no experience. During the six months after completion of the programme, the participants are assisted in their search for work. On average, 80% of them are successful in finding a job. An update is provided every six months to the trade unions. Since its inception, over 10,000 people have benefited from this programme.

### **ScottishPower and Laing O'Rourke (UK)**

ScottishPower is an electricity and gas distribution company operating mainly in the UK, where it employs almost 9,000 workers. Among its initiatives aimed at young people is the 'Skillseeker programme', which offers young people aged 16–17 years without qualifications the opportunity to attain basic general and professional skills. This, in turn, enables them to obtain employment either within the company or elsewhere, as well as providing access to a recognised qualification under the NVQ scheme. The involvement of top management, trade unions and 30 supervisors/mentors is an important factor in the programme's success. Since 1996, nearly 1,200 young people have benefited from the programme.

Laing O'Rourke, a major construction company, is developing a similar scheme for young people without qualifications, as well as people who are long-term unemployed and immigrants. The scheme seeks to enable them to (re-)enter the job market with qualifications.

## **Case studies – Long-term unemployed people**

### **Eurogate (Germany)**

Eurogate is a large company specialising in logistics and container terminals, and employing over 4,000 people. The company has been implementing a policy for the recruitment of people who are long-term unemployed. Following a rigorous selection procedure, candidates receive three months' training, leading to a permanent employment contract with a qualification as an operator of cranes, gantries and vehicles. Several hundred unemployed people have received employment and training through this scheme since 2002 at the ports of Hamburg and Bremerhaven. This includes a number of women, which is unusual in this area of activity. Since 2005, labourers have been employed exclusively from the category of long-term unemployed people.

### **Flexwork (Austria)**

Flexwork is a temporary employment agency that seeks to integrate into employment people who are at risk of exclusion due to various reasons – such as having a poor curriculum vitae (CV) or social difficulties, or even due to their place of origin. The agency is the product of a tripartite initiative. It finds temporary workers for its client companies; if these workers manage to impress the company, they are often given jobs which they would not have obtained directly on the basis of their CV. About a third of these jobs are held by women.

### **'Company A' (France)**

'Company A' is a small private association financed by public funds, which seeks to integrate people who are at risk of exclusion into the job market. It targets, in particular, those receiving income support, long-term unemployed people and individuals with low or no qualifications. The company operates on the basis that each person has the potential skills to satisfy an employer's needs; it does not aim to place people in the labour market by simply matching job offers and job demands, but to act directly in relation to the job offer by changing companies' recruitment practices. Based on a similar approach to that of Flexwork, this frequently leads to employment at the client company, which may otherwise not have been achieved purely on the basis of the employee's CV.

### **Adecco (Italy)**

Adecco is a world leader in HR solutions. Its subsidiary Adecco Italy was set up in 1997 and with 500 employment agencies across the country has become a key market player. In 2001, it established the 'Adecco Foundation' to promote equal opportunities. The foundation subsequently launched a programme encouraging the return to work of people who are long-term unemployed for over a year at least, by developing long-term integration paths. Following an assessment of the reasons for labour market exclusion, the company identifies, together with the worker, the most suitable training opportunities and professional path to upgrade their skills.

### **Koersvast (the Netherlands)**

Koersvast is a temporary employment agency for people who are long-term unemployed. The agency recruits workers for jobs at the lower end of the labour market. Over a period of seven years, it has enabled 600 long-term unemployed people to return to work in SMEs in a wide range of economic sectors. Despite a changing economic climate and the cessation of regulations encouraging the temporary employment of unemployed persons, Koersvast continues to succeed in integrating people with limited opportunities into the labour market.

### **De Schalm (the Netherlands)**

De Schalm is a recycling company that runs two workshops repairing the items being recycled, in addition to two shops for their resale. While largely self-financed, the company uses aid from the European Social Fund to help it reintegrate long-term unemployed people – often with psychosocial problems – into society through work. A programme is established for each person and is combined with coaching over a maximum period of two years. About a hundred people work on this basis, the majority of whom spend a year with the company. On an annual basis, about a third of the participants manage to obtain paid employment in the labour market.

### **Spectra Collection AB (Sweden)**

Spectra Collection is a small company, comprising 100 workers, which operates in the wood processing sector, manufacturing interior fittings either to order or in a limited series. Due to difficulties in locating qualified workers capable of operating machinery, the company decided to take part in a collective initiative with the wood industry, seeking to provide training to long-term unemployed people. Altogether, 17 out of the 22 trained workers found a job at the end of the scheme, four of whom were directly employed by Spectra Collection.

## **Case studies – Disabled persons**

### **Deutsche Steinkohle (Germany)**

Deutsche Steinkohle (DSK) is a coal mining company employing more than 30,000 people that is due to close down. For 20 years, the company has been running an apprenticeship programme for deaf people and those with impaired hearing, catering for five people a year. The programme is run in association with a large school for deaf people in the region. Over the last few years, about a hundred such persons have been trained in technical trades, such as engineering and electronics, in an ordinary environment, although outside of the mine for safety reasons. The instructors are competent in sign language.

### **EDF (France)**

Electricité de France (EDF) is a French, partly state-owned company, which operates in the field of electricity generation, distribution and supply. Since 1990, the company has been running a policy aiming to integrate disabled people into its workforce. One of the objectives of this initiative is to ensure that the company complies with legislation in this area; accordingly, the company is required to ensure that at least 6% of its workforce comprises disabled workers. Nevertheless, the initiative has also been undertaken as part of a broader vision. Based on collective agreements at company level, this policy includes both quantitative and qualitative measures and involves all levels of the company. A specific department is dedicated to these initiatives, monitoring and supporting implementation at all levels.

### **Adecco (France)**

Adecco is an agency for temporary employment, which runs a specialised division that supplies client companies with disabled workers. Adecco seeks to help companies comply with their legal obligations in this area, whereby companies are required to ensure that at least 6% of their workforce comprises disabled workers. More generally, the company provides advice on employment, training and the improvement of qualifications for more than 6,000 workers on secondment, and for its own disabled workers.

## **Principal observations**

The principal contribution of the companies discussed in this section relates to their efforts to facilitate access to or a return to work. One characteristic which can be seen across all of these initiatives concerns the fact that they are predominantly undertaken in companies with a 'humanist' culture.

### **Early school leavers**

For young people in this category, it is necessary to re-establish a positive momentum following a period of failure at school. Without external assistance, a fruitless search for work could result in early school leavers becoming permanently excluded from the labour market.

The initiatives outlined in this section generally reflect the achievements of large companies, such as Bayer, Philips, Spar, ScottishPower and Laing O'Rourke. Such companies may offer these young people appropriate apprenticeship courses to compensate for educational or behavioural shortcomings; alternatively, they may offer them an opportunity to acquire basic professional qualifications, which are either integrated into or a preparation for actual work situations. These measures clearly avoid recreating a school-like environment where these young people failed to achieve success. The process enables early school leavers to rebuild their life and gain confidence in their capacity to move forward.

Most companies accompany these programmes with coaching, to assist the young person in overcoming difficulties and to sustain their motivation. The companies generally issue a diploma, which is often the first qualification to be obtained by these young people, thus formalising this part of the training path.

### **Long-term unemployed people**

Those companies developing policies that aim to assist people who are long-term unemployed have some points in common with those offering initiatives for early school leavers; some of the examples could even be classed under both headings (Indesit, Eurogate and Laing O'Rourke). However, the circumstances of people in this category are often made even more difficult by factors such as age, social and family background, living conditions or health.

The initiatives that involve a rigorous selection procedure reduce the extent of potential difficulties by ensuring that the best candidates are chosen for the scheme. A process of requalification is then subsequently launched through short training courses, which offer participants improved career prospects (Eurogate, Spectra).

Other policies require an intermediate stage, involving personalised training (De Schalm, Flexwork, Adecco Italy, Koersvast); this applies both to associations and to temporary employment companies, which have differing philosophies but obtain results by allaying the concerns of user companies, notably small firms; at the same time, they enable some of the employees benefiting from the scheme to subsequently obtain stable employment.

### **Disabled persons**

For Deutsche Steinkohle and EDF, two very large companies, the employment of disabled persons forms part of a more global, socially-focused employment policy.

In Adecco France, the role of the intermediary is emphasised, with particular reference in this case to small companies, and to combining social usefulness with the provision of services.

### **Additional comments**

Information on these initiatives is often provided to works councils or trade unions. This sometimes gives rise to agreements linked to the social culture of the company, although they could not be classed as negotiations in the true sense of the term.

National culture does not seem to be a determining factor in this particular orientation – except in terms of the influence of legislative or fiscal measures encouraging the employment of these particular categories of people.

Certain gaps in the workforce in particular sectors also provide incentives for these initiatives.

# Orientation 4 – Making work pay, making work attractive

European employment policy has for a long time emphasised the need to make work attractive in order to motivate all available workers to participate in the job market, thus sustaining economic growth. The Lisbon strategy has made reference to this from the outset, as have the guidelines for employment that accompany this strategy.

The first Kok report, *Jobs, jobs, jobs: Creating more employment in Europe*, from 2003, stated that ‘efforts must be pursued to ensure that working is always a more lucrative option than depending on benefits, i.e. “make work pay”’; in particular, it referred to the French incentive scheme as a potential option.

In 2002, the European Commission emphasised the advantages of financial participation: ‘employee financial participation does not only enhance productivity and competitiveness...[but] can at the same time encourage workers’ involvement, improve the quality of work and contribute to greater social cohesion’.<sup>1</sup>

This part of the study focuses on companies that provide all of their employees with financial benefits as a reward for their contribution to the company’s prosperity (in addition to and independently of a negotiated salary).

An analysis of the salaries paid and negotiated within sectors or companies does not therefore fall within the scope of this study, which relates exclusively to other methods of increasing employees’ financial resources. Accordingly, examples are given of initiatives that improve the financial attractiveness of work without impacting on labour costs, therefore without affecting competitiveness or generating cost inflation, and thus taking account of European concerns in this area.

Two principal research areas have therefore been investigated:

- profit-sharing schemes, which are not expected to have an impact on working costs in terms of the company’s operating accounts and which should not compromise the company’s future;
- the allocation of shares to employees at a reduced price, or even free of charge, which are either directly or indirectly financed by the shareholders themselves.

## Case studies

### Stasto Stocker KG (Austria) – Profit-sharing

Stasto Stocker is a small family-owned company, with 50 employees, which undertakes wholesale distribution and repairs in the automated processes sector (pneumatics, hydraulics). In 1993, the company implemented a relatively simple profit sharing scheme in keeping with its size. Under this scheme, once a predetermined proportion of its profits has been set aside to provide for the company’s future, the rest (up to a certain limit) is distributed using three criteria assessed by the beneficiaries.

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<sup>1</sup> *Communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions – On a framework for the promotion of employee financial participation*, COM (2002) 0364 final

### **Opel Hoppmann GmbH (Germany) – Profit-sharing**

Opel Hoppmann is a medium-sized company involved in the sale and repair of motor vehicles, with 380 employees. Profit-sharing was introduced as far back as 1961. Employees receive a total of 50% of the distributable profit – after a fixed deduction of interest at 7% of shareholders' equity. The profits are distributed equally among the employees, with half being paid directly to the employee and the other half being placed in a reserve account for retirement and treated as a loan from the employee to the company. Financial participation forms part of a participatory management system involving a joint economic committee – which takes part in decision making, beyond simple consultation – and the direct participation of employees within the working teams.

### **Alcatel (France) – Profit-sharing/share ownership**

Alcatel is an international communications provider employing over 50,000 workers. In France, it comprises four companies with decentralised management, although the initiative described in this case study is common to all of them. The company's salary policy seeks to develop a comparative advantage in order to attract and retain the most qualified employees in the market. The group not only systematically applies all of the provisions laid down by French law, but develops this policy with respect to all employees. The following schemes have therefore been implemented:

- profit-sharing in which the payments may be placed in a company savings plan; these savings can be used to purchase Alcatel shares, among other things;
- an increase in share capital reserved for employees in 2001 and 2002: each share purchased provided entitlement to three stock options, which could be exercised for one year after a four-year period in which they were blocked.

### **De Zeeuwse Stroom (the Netherlands) – Profit-sharing/bonus**

De Zeeuwse Stroom is a hotel and conference centre, with 43 permanent employees. Following a period in which losses were sustained, a new structure with autonomous teams was put in place. This was accompanied by a complete performance evaluation system, whereby a proportion of the company's profits are distributed to employees as a bonus. To meet their goals, the owners of Zeewse Stroom have created highly autonomous teams, placing the employee at the centre of the process. This has reportedly increased employees' commitment to their work; at the same time, the profit-sharing scheme has helped to create positive feelings of mutual respect between the employees and owners.

### **Handelsbanken (Sweden) – Profit-sharing/complementary retirement saving**

Handelsbanken is one of the principal Swedish banks, with subsidiaries in the Scandinavian countries and in the UK. The company's profit-sharing scheme has been operating for over 30 years. When profits exceed the average for comparable banks, a third of the difference is paid into a fund called the 'Octogonen'. Each employee is entitled to one share in this fund for each year of service. At the age of 60 years, employees may withdraw their shares in the fund, regardless of whether they are still working or not, and obtain payment either as a lump sum or by way of annual instalments over a period of up to 10 years. Octogonen is managed by a board of directors representing the employees and is free to choose its investments, although it has in fact invested the majority of funds (78% in March 2006) in Handelsbanken; therefore, the employees collectively hold a large share of the company's capital, and an Octogonen representative sits on the board of the bank.

### **Polyproject (Sweden) – Profit-sharing**

Polyproject is a small company that produces components and equipment for the treatment of industrial wastewater. The company has 35 employees, the majority of whom are trade union members. It runs a profit-sharing scheme, as well as providing extensive information to employees on the company's trading. The scheme has helped to improve the flexibility and involvement of employees, which has in turn improved the company's overall performance.

### **SSAB (Sweden) – Profit-sharing**

SSAB is one of Sweden's leading steel companies, employing 8,000 people in the country, and with subsidiaries all over the world. For more than 10 years, it has operated a profit-sharing scheme. Under this scheme, a proportion of the profits in excess of the targets set by the board of directors is shared equally among the employees; this amounted to over €3,000 in 2006. The money is paid into a fund and invested in shares for a period of three years. Following this period, which is imposed for tax reasons, employees may choose to receive the funds or transfer them into a pension fund for their retirement.

### **RHI (Austria) – Share ownership**

RHI is an international company manufacturing materials resistant to fire and high temperatures. It employs 8,000 persons worldwide, over three quarters of whom work in 30 subsidiaries outside of Austria. In 2000, RHI launched a shareholding scheme called '4+1 shares'. For every four shares purchased, an additional share is 'gifted' by RHI; gifted shares are tax exempt in Austria. This is a joint initiative between management and the works council, the latter being the depository of the shares and the body that exercises voting rights. Initially restricted to Austrian employees, the system has since been extended internationally, and RHI uses it as a unifying instrument for the group.

### **Salinen Austria AG (Austria) – Dividends without actual share ownership**

Salinen Austria is the country's leading salt producer, which was originally state-owned and privatised in 1997. At that time, a foundation was set up, into which 10% of the company's shares were placed. The resulting dividends are now allocated through the foundation to the company's 350 employees; a proportion of this amount goes into a social fund and the rest is distributed in equal shares among the employees who have over one year's service. All of the managing bodies of this foundation are made up of employees. This arrangement was devised with the members of the works council and trade union representatives; 90% of the company's employees are trade union members.

### **Grünbeck Wasseraufbereitung (Germany) – Share ownership**

Grünbeck is a medium-sized company producing water treatment equipment, which employs 380 workers. In 1970, the company developed a profit-sharing scheme, which was gradually transformed into a share ownership scheme, resulting in shared ownership of the company. Financial participation forms part of the company's culture and of its social partnership philosophy. The employees hold almost 50% of the company's shares.

### **Vodafone Omnitel (Italy) – Share ownership**

Vodafone Omnitel is a subsidiary of the British mobile phone operator Vodafone Group Plc. In 2004, the Vodafone Group decided to freely distribute its shares to all of the approximately 10,000 employees at Vodafone in Italy. In this way, the group aimed to give staff a stake in the company's future development and to show each employee, regardless of their role or status, how they could play a part in the company's future success.

### **HBOS (UK) – Share ownership**

HBOS is one of the largest financial institutions in the UK, with almost 70,000 employees. The company has put in place a 'global remuneration' policy negotiated with the trade unions. In addition to their salaries, employees benefit from various schemes enabling them to become shareholders. For example, all or part of the bonus linked to their departmental targets may be converted into shares, allowing for a top-up in the number of shares and the costs being borne by HBOS. In addition, a stock-options system enables the employees to withdraw their shares three years after allocation, at the original price, and to re-sell them immediately at market price, therefore virtually without any risk. The trade unions are associated with this policy.

### **Tesco (UK) – Share ownership**

Tesco is the UK's largest supermarket chain and leading private employer, with some 260,000 employees. Since 1981, the company has been operating an employee share scheme, which it extended when new legal incentives were introduced. Three schemes are currently in operation:

- a voluntary savings scheme ('Save as you earn') enabling employees to purchase shares at the end of a certain period at the price prevailing at the start of the period; the company can also offer a discount on the original price of up to 20%. If the share price has increased, the employee has the option of buying the shares at the original discounted price and then selling them for a profit. This scheme has over 100,000 members;
- a scheme enabling employees to buy shares at the current market price each month, but with exemption from tax and social security contributions ('Buy as you earn');
- a bonus system linked to individual or collective performance, whereby free shares are allocated to the employees ('Shares in success').

The earnings of the beneficiaries, considered as the product of their contribution to the company's prosperity, have been considerable in recent years. The company recognises trade unions and has trade union membership of 50% along with 2,300 workplace representatives.

### **Unipol Banca SpA (Italy) – Company-assisted savings scheme**

Unipol Banca is a large Italian bank and the lead company of the eponymous banking group. In 1998, it signed an agreement with its five trade unions to set up a company savings scheme, financed by three sources: a percentage of the employee's salary; a proportion of the termination benefit, that is, capital built up through the accumulation of annual payments that are blocked until the employee's departure; and a substantial additional sum from the employer obtained through negotiation. The bank, through the intermediary of an insurance company, gave guarantees of anticipated minimum gains to the scheme's beneficiaries.

## **Principal observations**

### **Financial benefits to employees**

Whether the employees in the aforementioned case studies are part of a profit-sharing scheme, employee share ownership plan or savings plan with top-up benefits, they stand to gain financially – often up to a significant proportion of their salary. It should be noted, however, that such schemes differ from a salary, due to:

- their nature, which is not linked to the value of a skill in a certain market;
- the fact that the gains are paid at variable intervals and in irregular amounts;
- the non-availability of the funds, whereby they are not paid over in cash but instead invested into a fund or in the form of shares.

It should be noted that two of the cases of profit-sharing, which were set up in periods of crisis and involved very small companies (Stasto Stocker in Austria and De Zeewse Stromen in the Netherlands), are atypical in this instance and have some similarities to salary-linked bonus schemes.



### **Additional benefits derived from financial participation**

In relation to profit-sharing, once the gains have been distributed among the employees, the company may stop at that. However, in some cases, the company may go a step further and invest the funds in a long-term savings plan and, as the case examples have shown, set up a form of supplementary pension plan (Opel Hoppmann, SSAB and Handelsbanken).

With respect to share ownership, when the company is a group, permitting employees of the various companies to acquire group shares can act as a unifying instrument; this has even greater significance if the scheme is available to employees on an international basis, as seen in the case of RHI in Austria.

### **Motivation as managerial policy**

In all of the companies referred to, evidence emerges of a desire to associate employees with the company's performance or prosperity and to motivate them from this perspective. The influence of company culture on the type of scheme chosen can also be seen, most notably in the cases of Opel Hoppmann, Handelsbanken, Grünbeck Wasseraufbereitung, Salinen Austria, HBOS and even Vodafone Italy.

### **Human resources as a strategic asset**

One concept that seems to underpin these schemes is that employees can have an impact on the company's profitability (the rationale for profit-sharing) or are associated with the value of the company (the rationale for share ownership). This is true regardless of company size, as the examples of Stasto Stocker and De Zeewse Stromen show, whereby the system of profit-sharing was introduced to give the company a boost following a crisis. Such links are even further deepened when the employees own a significant proportion of the share capital (Handelsbanken) and have voting rights (Grünbeck Wasseraufbereitung and RHI). Consequently, these policies are rooted in a long-term perspective.

### **National cultures and social dialogue**

National cultures can influence the existence and extent of financial participation. More specifically, they seem to determine a preference either for share ownership in a variety of forms – as evident, for example, in the UK – or instead for participation in profits – as seen in France, for instance, particularly with respect to profit-sharing schemes.

National characteristics in terms of social dialogue also play a noticeable role: certain countries encounter more difficulties than others in establishing a partnership with regard to profit-sharing and, even more so, with regard to share ownership.

Lastly, it can be seen that tax systems – which can be favourable to these types of schemes, albeit to varying degrees depending on the country – have an appreciable impact on their development.

### **Company size**

Profit-sharing is not reserved exclusively for large companies, as some SMEs adopt a formula which appears to suit them.

Conversely, share ownership presupposes that the company is quoted on the stock exchange, in order for the shares to be easily sold; this makes share ownership less feasible for SMEs.

# Orientation 5 – Towards a balanced flexibility

The implementation of the Lisbon strategy, notably following its reformulation in 2005 after the second Kok report, *Facing the challenge: the Lisbon strategy for growth and employment* (2004), regularly refers to flexibility in all of its forms. It is considered a means of improving competitiveness, increasing labour productivity and dealing with economic and technological change through the adaptability and proactive approach of companies and their workers.

In some instances, the term refers to flexibility in employment contracts, which must be reconciled with security of employment; balancing these two considerations is implicit in the concept of ‘flexicurity’, which has been implemented in certain countries. Flexibility can also be seen at organisational level and/or in terms of working time arrangements.

As this study focuses on companies’ achievements, it relates primarily to organisational flexibility and working time arrangements, as well as the financial rewards and benefits received by the employees concerned.

Flexibility of employment contracts and notably ‘flexicurity’ make reference to national models, represented by the companies in the countries concerned; these policies cannot be implemented by a company on its own outside of the national legislative framework. As a result, this type of flexibility is not dealt with in this report. The report is limited to giving a few examples of initiatives that seek to improve the working conditions of employees on fixed-term or temporary employment contracts, which by their nature have a link with flexibility.

It should also be noted that, in Orientation 1 (relating to employability) and Orientation 2 (relating to activities targeting women and young people), certain initiatives described refer to the role and specific rights of workers on atypical work contracts. Moreover, in Orientation 6, although flexicurity is not mentioned, certain initiatives take into account the consequences of restructuring in aiming to revitalise local employment – notably, with respect to the company’s employees.

## Case studies

### **E+E Electronics (Austria)**

E+E Electronics is a medium-sized company, employing 180 people, which has international importance due to its area of specialisation – the development and production of electronic sensors and transmitters. Up until 2002, two of the company’s departments, employing about 15 specialists in support roles, used a function-based working time structure; this was a source of tension for the workers. In 2002, the system was replaced by a decentralised system, organised by the employees themselves to meet the constraints of production. The project was devised by the parties involved with the company’s works council representatives, and was translated into a company agreement. The trust-based system has been operational for five years and has proved satisfactory.

### **Palfinger (Austria)**

Palfinger produces hydraulic equipment and is the Austrian parent company of an international group employing 3,600 people, about 1,000 of whom are based in Austria. In 2002, the company sought to make profitable a large-scale investment project that aimed to modernise production in Austria by moving from a two-shift to a three-shift structure, allowing for a margin of flexibility. An agreement was finally reached following intensive negotiation with the works council and with the assistance of a trade union expert. The agreement provided for compensation for employees, notably through an average reduction in weekly working hours with no loss of salary, along with the possibility of individual arrangements, and a monthly bonus of €150 for workers placed in three-shift teams.

### **Walter De Gruyter (Germany)**

Walter De Gruyter is a small German company that publishes scientific and academic texts. It employs 100 staff, 70% of whom are women. Over time, it was found that the working time arrangements were poorly suited to the varying needs

of the company and gave rise to a significant number of overtime hours. As a result, management and the works council devised a more favourable system, which was formalised in a contractual agreement. This scheme is based on trust between the employer and employees, rather than a system whereby each employee records their hours and has them checked by their manager. Instead, the employees in each section organise their working hours to ensure continuity of service. Management and the works council agree that this system offers an improved work–life balance for the workers; moreover, management attributes the improved productivity and a reduction in absenteeism to the new system.

### **Randstad (Germany)**

Randstad is currently Germany's largest provider of temporary agency staff and was the first such company to draw up a collective agreement with the United Services Union (*Vereinte Dienstleistungsgewerkschaft*, ver.di) in 2001 and to have works councils. Since 2006, Randstad has operated an innovative training programme for unskilled workers, called the 'Modular Qualifications' (*Modulare Qualifizierung*) programme. The initiative is a response to the reported mismatch between the demand for and supply of skills: for instance, the company estimates that 40% of temporary agency workers possess either limited qualifications or none; moreover, the demographic problems facing Germany indicate that this labour market bottleneck for skills is likely to get worse. The programme takes into account the needs of the participants and benefits from the support and knowledge offered by recognised German educational authorities.

### **Laboratoires Boiron (France)**

Laboratoires Boiron is a French international group that produces and distributes homeopathic medicines. It employs 2,700 people in France, some 2,000 of whom are women. The company is renowned for its social policy. More specifically, in relation to working time, the company has since 1976 entered into four complementary collective agreements on:

- the progressive reduction of working time for employees aged over 54 years;
- variable working hours, chosen by employees in accordance with certain rules and based on trust;
- selected part-time working;
- the reduction of working time to 35 hours a week for all employees (implemented in 1998).

Working time arrangements resulting from these agreements are flexible; at the same time, they are tailored on a local basis to optimise the operation of the sites due to the large-scale decentralisation of management and social dialogue. As a result, very few overtime hours are worked.

### **WHSmith France (France)**

WHSmith France is a bookshop employing 50 people, mainly sales staff. In 1998, the company signed a collective agreement to reduce weekly working time to 35 hours, with the approval of a representative from the General Confederation of Labour (*Confédération générale du travail*, CGT). All employees were consulted on the matter through a series of meetings; the majority of employees favoured a working time arrangement spread over four days, which was formalised in the aforementioned agreement. Work is now organised by rota and each employee chooses their working days, on condition that the needs of the company are met.

### **Ferrari Auto (Italy)**

The car manufacturer Ferrari Auto employs about 2,700 workers, including 300 women. The company wished to improve its productivity, notably by extending the operating hours of its plants. After lengthy negotiations with the trade unions, an agreement was reached to lengthen the operating hours, albeit to a lesser extent than Ferrari had wanted; the agreement also provided for an increase in the flexibility of working hours, offering part-time working, in addition to the payment of a bonus if certain objectives were achieved, along with a revised classification of workers.

### **Siemens Vdo Automotive Spa (Italy)**

This Italian subsidiary of Siemens produces injectors for engines at its two factories. For several months, the company entered into negotiations seeking to extend production hours at weekends, in order to enhance the productivity of a production operation which was at risk of relocation. An agreement was subsequently reached, establishing a continuous cycle in three 24-hour shifts covered by five teams of workers, the 'fifth' team being created on a voluntary basis. As a result, the average weekly working time dropped from 35 to 32 hours; in addition, individual salaries increased significantly and 16 permanent staff were taken on.

### **University of Siena (Italy)**

The University of Siena (*Università degli Studi di Siena*, UNISI) is one of the oldest universities in Italy, founded in the 13th century. In 2005, the university and trade union organisations representing workers in the teaching sector and atypical workers affiliated to Italy's main trade union confederations signed an agreement improving the rights of employees on 'project contracts' – a type of temporary employment contract. The agreement, which was the first of its kind in Italy, grants these workers trade union rights, along with rights of access to training, sick leave and maternity leave – similar to those of other employees.

### **Bosch Rexroth (the Netherlands)**

Bosch Rexroth, employing 700 workers, manufactures drive and control systems for industrial equipment. In order to deal with frequent fluctuations in activity, it has arranged its production workforce into autonomous teams composed of employees whose skills and versatility have been developed through significant investment in training; these skills are recorded in a 'flexibility matrix'. In this way, a team may decide to vary its work rate or temporarily extend the length of the working day, within set limits; overtime hours are then recorded in a pre-established manner. This flexible system was negotiated with the company's works council and trade unions.

### **Falu Hospital and Sättra Brunn (Sweden)**

Falu Hospital and the Sättra Brunn hotel and spa facility both employ a few dozen workers each. Due to the nature of their business, both establishments have to deal with frequent fluctuations in activity levels, requiring several categories of specialisation. As a result, they have put in place a computerised planning system, which indicates requirements according to professional category of staff; the employees can register themselves based on these requirements and are able to match these needs with their individual preferences.

### **BT (UK)**

BT, formerly British Telecommunications, was privatised in 1984 and is one of the UK's biggest telecommunications and information technology companies. It employs 93,000 staff in the UK and its trade union membership stands at 80%. Over the years, through extensive dialogue with its workforce, the company has developed multiple forms of working time flexibility – such as flexible working hours, annualised working time, distance working, personalised leave and working schedules, and time-banking schemes. Two factors have facilitated these practices: technological advances and a climate of trust between the employer and employees. BT states that these practices have served the company's needs, raised the number of women employed, enhanced productivity and reduced absenteeism. At the same time, they have enabled the company to develop its image as an employer dedicated to facilitating a satisfactory work-life balance for its workforce.

### **Newcastle Building Society (UK)**

This relatively small financial institution employs about 800 people, almost three quarters of whom work at its head office in Newcastle. The company competes with much larger businesses. To increase its flexibility, it has invested in technical systems providing it with a flexible organisation and enabling it to deploy its staff in such a way that it satisfies both staff constraints and those of the company: for example, a virtual call centre automatically directs calls to the homes

of consenting employees, in return for personalised working time arrangements. Based on these arrangements, 200 employees work either full time over four days, or part time, or divide their work between the office and home. Both the company's needs, through appropriate arrangements, and those of the employees appear to be satisfied. The trade union Amicus considers this arrangement to be an improvement compared with the minimum legal requirements.

## Principal observations

### Scope for self-organisation

In the first number of case studies outlined in this section, the companies have increased flexibility in order to deal more effectively with fluctuations in activity; this leaves plenty of scope for self-organisation by employees, which is often synonymous with trust between the employer and employees.

### Prevalence of SMEs

The proportion of SMEs, most of which are in the services sector, is notable here. Social dialogue and direct communication of the company's needs foster an understanding of the roles and constraints of each party, with a view to satisfying clients' requirements and providing an opportunity for self-organisation. In certain cases, computerised support systems facilitate the reconciliation of time and skills with requirements. Employees' satisfaction is attributed to factors such as increased autonomy, responsibility associated with qualification, mutual trust and the desire for an improved work-life balance – as seen in the cases of E+E Electronics, WHSmith France, Falu Hospital, Sättra Brunn and Walter De Gruyter.

### UK cases

The UK cases – BT and Newcastle Building Society – are also located in the services sector. Although they are much larger companies, they have a philosophy which is quite similar to that of the other companies cited; however, their size means that more organisation is required, including the use of sophisticated technology to reconcile the respective requirements. As a result, less self-organisation is evident in these two cases.

### Priorities of manufacturing companies

Another series of initiatives concerns manufacturing companies. In order to increase productivity, this group of companies has, in general, negotiated organisational methods extensively with the works councils and/or the trade unions, which have resulted in improved use of their plant. Such measures include increases in the operating time of the plant's equipment through temporary or permanent variation in the number of teams in rotation, weekend working, staggered hours, or changes through decentralisation in terms of proximity to the site. The benefits obtained by employees include improved qualification or remuneration, reduced average individual working time and an increased proportion or number of permanent jobs – as observed in the cases of Palfinger, Ferrari, Siemens Vdo, Laboratoires Boiron and Bosch Rexroth.

### Improved working conditions for atypical workers

Lastly, two cases demonstrate an improvement in working conditions for employees on atypical employment contracts: this includes improved trade union rights and better access to training and qualification, as shown in the cases of Randstad and the University of Siena.

### Dialogue and national cultures

Most of the cases demonstrate the importance of dialogue with the works councils and/or trade unions and, when staff numbers permit, the direct participation of the employees concerned in such dialogue, in seeking a win-win solution. Nevertheless, it should be noted that, depending on national cultures, the principle of flexibility is accepted to a lesser or greater extent and has different connotations; moreover, there is a perceived need for negotiated compromise.

# Orientation 6 – Business creation and entrepreneurship

The Lisbon strategy, through its economic and social dimensions, recommends efforts to encourage business creation and entrepreneurship. The second Kok report from 2004 points to the urgent need for the EU to facilitate job creation and foster an entrepreneurial culture. The 2005–2008 EU guidelines for growth and jobs, aimed at governments, confirm the importance of this focus, as well as referring to the need to create an environment which is more favourable to SMEs.<sup>2</sup>

In its focus on company initiatives, this report seeks to demonstrate how some companies, generally large ones, can contribute to these objectives as drivers of local development. Such objectives could be achieved, for example, through efforts to revitalise a labour market area that may have been affected by the company's own restructuring, or through a policy of local involvement or expansion; this, in turn, could lead companies to support the launch of a new activity through start-up projects or the provision of additional help to small companies in developing their activity.

## Case studies

### Philips Austria

Philips is one of the best-known global players in the electronic sector, with its headquarters in Amsterdam. In 2004, the Philips group decided to transfer certain research activities from its facility in Austria to Singapore, reducing by half its 200-strong workforce in Vienna. In January 2005, following intensive negotiations with the works council, Philips assisted in the reclassification of employees and, in particular, provided support for the creation of a specialised start-up business in the field of electronics projects launched by four Philips ex-managers and researchers. This company subsequently recruited 16 permanent staff and the same number of temporary staff within a few months.

### Sanofi-Aventis (France)

Sanofi-Aventis is a French international group operating in the pharmaceuticals sector. For about 20 years, the company has been operating a policy of support for business creation, independently of restructuring issues. This policy is implemented by a specialised department, which assists and advises employees wishing to set up their own business. Since 1987, about a thousand employees have benefited from the company's support.

### SODESI (France)

The Employment Development in Services and Industry Company (*Société de Développement de l'Emploi dans les Services et l'Industrie*, SODESI) is a subsidiary of Air France, specialising in advice and assistance to employees who wish to set up their own business. Initially, the company was responsible for assisting in the retraining of crew members. It has retained this role and Air France remains its principal client, although its activity has expanded to cover other voluntary departures of company staff who intend to set up their own business. SODESI helps individuals to examine the feasibility of their project, to structure it and to undertake the administrative and banking formalities required for its start-up. The company retains a support and advisory role for the first year of the start-up. Altogether, about a thousand people have benefited from SODESI's services since 1996.

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<sup>1</sup> *Communication to the Spring European Council – Working together for growth and jobs: Integrated guidelines for growth and jobs (2005–8)*

### **DI.CO. Service (Italy)**

DI.CO. Service is part of a flexible network of microenterprises providing services in the field of automatic machinery and mechanical engineering. The company was established as a start up project in 1987 by a handful of employees. Each time an opportunity for a new complementary activity presented itself, rather than incorporating this internally, the company created a new start-up business with local partners. Today, the network comprises a dozen or more specialised microenterprises, with a flat structure and joint support functions. Although these enterprises collaborate on joint projects, they are required to develop their own portfolio of business and clients so that they do not depend on the network for more than 50% of their turnover. The network currently employs 150 people.

### **Whirlpool (Italy)**

Whirlpool is a global manufacturer of household appliances. In 2005, the Whirlpool factory in Naples, which employs 700 people including 600 labourers, signed an innovative 'programme agreement' with the local and regional authorities. The agreement sought to respond to competition in terms of cost reduction and to react to the risk of decentralisation. The objective of the agreement was to create a large business cluster, named 'Genesis', for domestic appliances, consisting of 18 production and logistics suppliers and universities involved in research. Coordinated by Whirlpool, the initiative aims to improve the competitiveness of the factory's production through innovation in products and processes, centred on quality.

### **Philips Research (the Netherlands)**

Philips Research is involved in inventing technologies that will lead to new consumer products. With the assistance of its parent company, Royal Philips Electronics, it has founded High Tech Campus Eindhoven, a technological centre in which a range of companies work together. Innovation forms the basis of future products, generating new companies through spin-offs. The employees of Philips assist with the setting up of new start-up companies and often become employees of these new enterprises.

### **Business Arena Imaging (Sweden)**

Business Arena Imaging (BAI) is a unique initiative that arose out of a regional project for the south of Sweden. The company researches potential products or business ideas that large companies may not have exploited because they are not sufficiently consistent with their 'core business'. When the idea for a product is identified, BAI conducts a search among people who are registered as unemployed to determine if they may have the qualifications and motivation to launch a project. Following selection and interviews, one individual is recruited as project leader. The other persons needed for the start-up are also recruited and start work on the launch and validation of the project on the basis of a procedure that comprises several stages; however, they still continue to receive unemployment benefits. This lengthy procedure enables seven or eight projects to be initiated each year, half of which eventually come to fruition.

### **Saab Venture Capital Council (Sweden)**

The Saab Corporation welcomes suggestions on products or activities from all of its employees; these suggestions are then subject to in-depth consideration by the company. Since its launch in 2001, the Saab Venture Capital Council (VCC) has been operating as a unit within the Saab organisation, maintaining responsibility for the exploitation of innovative ideas that are considered to be outside of the company's 'core business'. The unit functions as a profit centre, with its own budget and a specialised team located close to the group's general management. In the first five years of operation, 11 projects have been completed, generating a profit of €15 million.

### **UK Steel Enterprise (UK)**

UK Steel Enterprise, a subsidiary of the Corus Group, provides finance, property, advice and assistance to a wide range of small and start-up businesses in areas of the UK that are or were dominated by iron and steel industries. After extensive restructuring at the end of the 1970s, involving thousands of job losses, the structure was put in place to help

the labour market areas affected to recover. The initial structure has been transformed into a specialised advisory company which has helped more than 4,000 businesses to create 70,000 new jobs. The trade unions have been represented at board level from the outset in this initiative.

### **Ford UK (UK)**

In 2000, the Ford Motor Company announced its decision to stop vehicle assembly operations at its principal site in Dagenham, east of London. The redeployment plan, which involved trade union representatives, led to the redeployment of 800 workers to other sites and to 1,100 voluntary departures of various forms, notably involving retraining programmes. In addition, Ford sought to compensate for the impact of the job losses on the local economy. With the aid of local universities, it established the Centre for Engineering and Manufacturing Excellence, which provides different types of technical training up to university level. It also created a ‘business incubator’ capable of housing start-up projects.

## **Principal observations**

### **Efforts to recreate local employment**

The first type of arrangement described in this section concerns businesses that, at the time of restructuring, made efforts to recreate employment locally. Such efforts include assisting the employees concerned to create a start-up project, offering finance, materials or the assistance of experts from the original company, or even guaranteeing a proportion of the start-up activity by way of sub-contracting (Philips Austria and SODESI).

### **Developing local businesses**

Certain initiatives go a step further during restructuring, by assisting in the creation or development of local businesses which may be able to offer jobs to their former employees or also to external candidates, in order to revitalise the job market affected (Ford UK, UK Steel Enterprise and, by assimilation, BAI).

### **Encouraging business start-ups**

Finally, other initiatives provide similar resources and assistance for the creation of local start-up businesses by their employees or external candidates, even in the absence of restructuring. Such efforts include promoting an entrepreneurial culture in the company, or encouraging local development through the company’s involvement (Sanofi-Aventis and Saab). Certain companies get involved in activities in which they are a leader, encouraging the creation of specialised clusters around themselves, or acting as business incubators, sometimes with the association of a university (Philips Research NL, Whirlpool Italy and Ford UK).

It should also be noted that not all of these initiatives concern large companies; some are launched by small businesses such as DI.CO. Service.

### **Additional comments**

In relation to this orientation, social dialogue seems, at best, to be limited to notifying the works councils and is more relevant to large companies – except in the case of initiatives relating to restructuring.

While certain national similarities may be observed, it is difficult to say if these are the result of national culture, national legislation or simply the national researchers’ perception of the orientation.

Lastly, the variety, originality and creativity demonstrated in a number of the examples are certainly worthy of note and of further study.



# Conclusions

Judging from the cases studies examined in this report, it is clear that the two emblematic slogans of the Lisbon strategy's social pillar – 'more and better jobs' and 'improving employment and productivity levels' – can genuinely be brought to fruition.

Orientations 1, 2 and 3 should be seen in the context of an economy based on competencies and employability at all levels. The development of competencies – not only knowledge, but also know-how and interpersonal skills – enables employees to gain a good command of their role, to deal positively with career development and sometimes to effect a career change, either within their own company or elsewhere. These orientations seem to be conducive to a 'win-win' situation in economic and social terms, both for the businesses and employees concerned. The initiatives involve not only training, but also 'learning' or 'qualifying' organisations and forms of management that recognise the competencies thus acquired and managed as a joint asset.

Orientations 2 and 3 have a further dimension, whereby participation in the job market by under-represented groups and those at risk of exclusion from the labour market not only encourages greater social cohesion and its underlying values, but may also mitigate the consequences of population decline in Europe. It appears that certain sectors that are already facing a shortage of workers in some countries have taken this message on board.

In addition, Orientations 1, 2 and 3 demonstrate that the development of competencies and employability largely overlap and that consensus on this point can be found in all countries.

Orientation 4, relating to profit-sharing or employee shareholdings, and Orientation 5, concerning balanced flexibility, both deal with approaches that depend on national culture, corporate culture and are affected by the manner in which they are drawn up and implemented. At the same time, these approaches open up additional fields to social dialogue, which attempts to find solutions appropriate to the different contexts, as demonstrated by the variety of initiatives described. Trust between employers and employees, or at the least mutual understanding within companies, appears to be a key factor for success in this area.

Finally, Orientation 6 demonstrates that companies often cited in connection with job cuts may also be focal points for developing employment, sometimes to compensate for the local impact of their own restructuring activities; examples of this are becoming more frequent. However, companies may also encourage such initiatives even in cases where restructuring does not take place. The initiatives in this final orientation are sometimes highly innovative. Company size, business sector, country and national culture or legislation can influence the way in which these initiatives are implemented or their smooth functioning. These factors are therefore significant as facilitators, but do not seem to have been sufficient to determine whether or not an initiative goes ahead.

While national provisions of tax law may also have assisted or accelerated the initiatives, it appears that the determining factor is ultimately the 'willingness to do it' at company level.

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EF/08/29/EN