

EUROPEAN WORKS COUNCILS IN PRACTICE¹

/text extract/

Training measures, Network

Language courses

In most companies, employees are able to attend language courses. However, these are often too short to enable the participants to gain the required fluency. The educational background of the employee representatives in other cases is such that adult employees cannot easily learn another language. A number of interviewees, particularly management representatives, complain about a lack of interest among employee representations in language courses. The employee representatives emphasise that participation in such courses does not easily facilitate discussion of complex issues. It is at best helpful for social exchanges.

Email and Internet access

Normally, email/Internet access for EWC members is provided. On the one hand, employee representatives in the EWC often have these facilities already at their workplaces. However, in a number of companies, members who are employed in production areas are denied access. In such cases, the EWC committees or management make access available to members.

The use of email for communication between the meetings differs very much according to language capacities. In many cases, the language barriers are a real obstacle.

On the other hand, in companies where English is a working language or in companies with highly qualified workforces, the EWC members communicate with each other mainly by email, mostly with English as the common language.

Release from work for EWC activities

Full-time release from work for EWC activities is not granted in any of the companies. Otherwise EWC members are released from work only to attend meetings. A functioning infrastructure already exists for employee representation at different levels. Frequently, the representatives have a double or multiple function.

Training measures

Training measures mainly relate to languages courses. In general, employee representatives complain about the lack of training opportunities and the difficulties they face with regard to the understanding of labour law and industrial relations in other countries and the understanding of business data and business processes. Insufficient training measures are portrayed as a real obstacle for improving the operation and functioning of EWCs.

The provision of specific training measures for members is an important matter for French and Italian EWCs, whereas there are no specific training measures for German EWCs. Some examples of training measures which enable EWC members to fulfil their tasks and/or improve their skills are given.

¹ European Foundation for the Improvement of Living and Working Conditions: **European works councils in practice**
/2004

Training for EWC members

Company	Training provision
Air France	<ul style="list-style-type: none"> • members of the EWC have a right to eight days' group training to prepare them to carry out their mandate • content of training course is defined by mutual agreement between the 'officers' and the chair or vice chair as management representatives
Michelin	<ul style="list-style-type: none"> • with each 3-yearly renewal, all representatives receive 5 days of training (economic, social and legal) • 3 days are chosen by the select committee and 2 days by management
BOC Group	<ul style="list-style-type: none"> • preparatory meetings are used to train members of the EWC • the agreement entails a specific clause: 'The Company undertakes that representatives and deputies (if required on a temporary basis) will be supported, encouraged and trained in the skills and topics necessary for them to function effectively as members of BOCEF.' • at various meetings training had been provided on corporate finance, pensions and the working time directive
Lafarge	<ul style="list-style-type: none"> • training courses follow immediately after the annual meeting • these last from half a day to a full day
Merloni	<ul style="list-style-type: none"> • introduction of a labour policy course (2 days) • organised by the industrial relations manager • directly funded by the company
Aventis	<ul style="list-style-type: none"> • one training session (2? days) had been organised in Dublin on employee representation across Europe in liaison with the Foundation • another training session (2? days) dealt with national pension systems
SKF	<ul style="list-style-type: none"> • entitlement to education on labour law in the EU and on business administration
Eiffage	<ul style="list-style-type: none"> • training at the preparatory meetings • in 2002, 3-day seminar in Portugal (with the complementary financial support of the European Commission) • this seminar resulted in an EWC work plan
Club Med group	<ul style="list-style-type: none"> • annual budget of 100,000 French francs stipulated by the agreement
Suez	<ul style="list-style-type: none"> • initial training period of 5 days: knowledge of the group, its business and its economy, European social legislation and practices • training measure for all 40 full members organised by the European Trade Union Academy dealing with communication and industrial relations approaches throughout the EU
Whirlpool	<ul style="list-style-type: none"> • courses on reading economic data • courses on new company procedures
Boehringer Ingelheim	<ul style="list-style-type: none"> • specific training measures in the context of fulfilling the tasks of EWC members are not provided • on request and if required, the company will pay for outside training measures • external experts are invited for the presentation on certain issues, such as company pension systems
British Airways	<ul style="list-style-type: none"> • training for new representatives is currently under review

Communication of EWC

Arenas for interactions between management and employee representatives

Although the regular plenary meetings are the central arena for interactions between management and employee representatives, the role and function of these plenary meetings can differ considerably. At one extreme, they comprise the only forum for interaction between management and employee representatives while, at the other, they are a focus for bringing together all actors involved, with the day-to-day exchange or dealing with exceptional circumstances taking place in smaller groups.

Interactions in the context of the regular plenary meetings concern the agenda setting, the preparation and organisation of the meetings, the meetings themselves, and the drafting and agreement of the minutes.

Actors at the plenary meetings on the management side are members of the central management and/or EWC management representatives in the case of joint committees. On the employee side, all members of the EWC and external experts from national or European trade union federations are present.

Extraordinary meetings

Provision is made for extraordinary meetings in most of the founding agreements in the case of exceptional circumstances such as group restructuring involving two or more countries. However, in a number of case studies no extraordinary meeting had been convened to date. The actors at extraordinary meetings are in principal similar to those at the ordinary plenary meetings.

Select committee meetings

Interactions between management and employee representatives in select committees differ between joint committees and employee-side committees. On the employee side, the members of the select committee are either elected or appointed. Increased attempts are being made to include representatives from countries other than the home countries. Trade union representatives attend the select committee meetings either as members of the EWC or as external experts.

Other committees of employee representation

Management representatives and employee-side EWC members often also meet in other committees of company-level employee representation.

Other committees are national level bodies of employee representation, the most influential of which are the supervisory boards.

Key actors

Regular dialogue between some of the key actors on both sides is quite common, particularly in the head offices.

Divisional meetings

In some EWCs, divisional meetings are organised. It is a half-day sector-related meeting between employee representatives and central (sector) management before every general EWC meeting.

Informal contacts

Numerous case studies underline the importance of informal contacts between employee representatives and management. These informal contacts can be on a regular or occasional basis. Informal contacts are very influential, and links between corporate (top) management and EWC chairs or select committee members can be beneficial for the development of the councils.

Joint working or study groups and joint seminars

Joint working or study groups on a particular topic can lead to intensive interactions between management representatives and employee representatives. Such groups have been established in

several EWCs and are described as crucial positive experiences for the (further) development of the EWCs and improvement of company industrial relations.

Socialising at the meetings

Meals and coffee breaks at meetings provide an arena for informal contacts. They are significant in that they offer space for informal discussions. Such contacts also provide an opportunity for informal conflict resolution, for closer interaction or a way of exerting influence. Most of the interviewees attach importance to the social aspects of meetings. Participants of plenary meetings can learn much from the visits to company plants that are combined with EWC meetings in those companies where meeting venues rotate.

Information

Quality of information

There are four sources of information provided to the EWCs:

- information given at regular plenary meetings;
- information given in the event of transnational business decisions and consultation;
- information given to the select committee or key actors;
- informal information.

In summary, the value of information can differ considerably between the EWC members:

- The value of the information given by the central management is often limited for EWC members in the parent company as they already receive most of the information provided at the EWC meetings at the national level.
- EWC members from the parent company gain information regarding the situation in the other countries.
- The value of the information for EWC members from the other countries is usually higher, and they often receive information to which they normally do not have access.

Transnational versus local/national issues

Local or national issues in contrast to transnational issues are relevant in several respects:

- A frequent subject of controversy and debate in the context of agenda-setting, or at the meetings, is the determination of national or local issues as opposed to transnational issues.
- There are major controversies regarding the necessity of convening extraordinary meetings and consulting the EWC.
- Another aspect is the way in which national issues are dealt with at the plenary meetings. These issues are often raised and tend to be formally rejected by management although often tolerated and in some cases even encouraged. Occasionally, because of conflicting positions and concerns, there are objections to raising national or local issues.
- Transversal issues are related to the national situation but are of interest to all countries.

Consultation

Apart from the general information at regular meetings, the main interaction between management and employee representatives centres on transnational business decisions. This is the most contentious area in the context of EWC activities. The views of management and employee representatives on the timeliness of consultation differ considerably in many descriptions of how events unfold.

The first question concerns the reason for the consultation. Whereas the employee representatives focus on the process of decision-making and the options taken into account, the focus of the management side is generally on the impact of the decision.

As business decisions are not a matter for annual meetings of the EWC, provision is made for extraordinary meetings in many agreements. Such extraordinary meetings are not summoned in all

cases. Instead of informing and consulting the entire EWC, the select committee, sometimes augmented by the members from the countries concerned, is convened.

The fundamental controversy relates to the timeliness of the information and consultation.

Information and consultation regarding a transnational business decision can take place:

- before the final decision is made, thereby giving the EWC the opportunity ‘to deliver an opinion’ (Directive preamble);
- when the decision is taken and made public;
- after the decision is made with a focus of consultation on implementing/realising the decision;
- subsequently, at the following ordinary plenary meeting.

The majority of EWC committees were informed after the decisions were taken. Therefore, no consultation of the EWCs was possible. In consulting the EWC or some representatives, management tends to seek EWC involvement in the implementation of the decisions and to ensure (subsequent) acceptance.

In cases where consultation takes place regarding the implementation, final negotiations are carried out at national or local level. The EWC wields some influence in respect of the direction and shape of the implementation.

One central development in the practices of the EWC is the increased importance of the select committees insofar as they have an executive function. In particular, in those companies with a select committee and co-determination, at least a few EWC members will have been informed before the EWC as a whole.

In general, in cases of acquisition, restructuring etc, neither side waits until the next EWC meeting. Extraordinary meetings are explicitly not provided for and have never been requested. There are contacts with the locations concerned in advance, and many ways of conveying information on transnational issues. For example, in the case of a plant layout study, the personnel department is involved. The personnel department informs the personnel directors of the locations who discuss the matter with their employee representatives. Other members of the board of directors such as the finance director and the production director are also involved. The procedure is described as a permanent process of communication and dialogue. At the EWC meetings, the results achieved through the involvement of employee representatives are presented and finally adopted.

An insider management representative underlines that, in the case of the EWC, a formal structure was developed that has to be dealt with in an informal way. Otherwise, such a company does not function. Dealing with it in any other way will lead to tensions and disputes, with all their negative impact. Management also emphasises that reservations by the employee representatives will be taken into account in any case. Where, for example, a subsidiary is involved in another country there will be a meeting on the employee side with the employee representatives from the subsidiary and a meeting on the management side. Both will take place in a smaller group. The management side will also attempt to find agreement with the employee representatives.

When the restructuring plans – after being decided by the company board – were made public, the order of being informed was the EWC, the local level and the press. In the steering group, the overall issues and transnational relocations were discussed and contentious items dealt with.

Processes of negotiation were always carried out at the local level. In some cases, meetings were arranged between top management and local employee representatives.

Transnational business decisions were not a subject in all companies. In some, the ‘transnational’ character of the activity was denied. In the majority of cases studies, transnational business decisions had to be dealt with and the EWCs were informed when the decisions had been made. In a few cases, the EWCs were involved in the phase of the final decision. The EWC is more commonly involved in the detailed implementation and realisation of decisions taken by the management side. Although the

involvement of the EWC, select committee or a few EWC members occurs particularly in cooperative industrial relations environments, the decision itself is taken by management. Thus, the influence of the EWCs is confined to how such decisions are implemented and realised with regard to the interests of the workforce.

The descriptions given in the examples are not really surprising given the limited role of the EWC. Employee representatives in national committees, particularly on supervisory boards, participate to a greater extent in the relevant business decisions. In the majority of case studies, the EWCs have no direct influence on the development or on decisions made regarding the restructuring of the group.

Select committees

The tendency is for select committees to gain importance in the practice and functioning of EWCs. This applies particularly to select committees with an executive function.

The growing significance of the select committees is especially reflected in:

- the later establishment of such committees or the increase in the number of members when agreements are being renewed;
- the increased number of regular or extraordinary select committee meetings;
- a willingness on the part of management to involve the select committee to a greater extent in the business processes.

The executive function and competencies of the select committees differ considerably. This ranges from simply being a point of reference for management to managing the EWC. The scope of action on the side of the employees greatly depends on the way in which the management involves the select committee. The select committee can be either formally informed and consulted, rather than the entire EWC, or can be a partner for management through constant dialogue.

Select committees have developed even where no formal provision was made in the agreements. In several cases, the select committees extended their functions and developed from being a committee charged with drawing up agendas into a body that is taken into confidence by management and involved in business processes.

The practices, and particularly the activities and interactions with management at meetings, differ between the joint select committees and those composed only of employee representatives. In several cases, preparatory meetings of the select committee take place; follow-up meetings would seem to be more of an exception.

A distinction must be made between the regular meetings and extraordinary meetings of the select committees. Some select committees meet regularly in addition to extraordinary meetings. In other cases, select committees usually meet in order to set the agenda and arrange meetings. They only act in their executive and representative capacity in exceptional circumstances.

Joint working groups

An interesting field of interaction between management and employee representatives are the joint working groups, comprising both management and employee representatives. They were established to deal with specific thematic issues. These working groups serve as a basis to develop issues and create a foundation for benchmarking and best practice examples at European level. They can also reveal the limits of cross-national solutions owing to their different legal backgrounds. The establishment of such joint working groups goes beyond the mere functions of EWCs as laid out in the Directive. A crucial side-effect of the joint working groups within the EWC is that they can create a greater acceptance of the EWC by management.

Employee-side interactions

Central to the understanding of the employee-side interactions are the often limited opportunities of exchange outside the regular EWC meetings as a result of language barriers. The main occasions for interactions and of developing positions are the preparatory meetings of the EWCs. In some cases, the preparatory meeting only lasts half a day and this is the main contact and platform for exchange. Language barriers are a core problem for the development of continuous and informal interactions and relationships outside the formal plenary proceedings or select committee meetings where language

interpretation is provided. This applies to the opportunities for mutual exchange of information between meetings and at coffee or lunch breaks, or meals in the evening.

Role and organisation of preparatory meetings

The role and the impact of preparatory meetings on the development of EWCs are closely related to the resources provided. The organisation and duration of meetings will determine their success along with the provision of interpreting services and the translation of documents such as the country reports.

Two central items are on the agenda of the preparatory meetings:

- the so-called country reports by the EWC delegates;
- preparation for the plenary meeting with management.

Comparisons and the sharing of experiences of the differing industrial relations systems are a key element of meetings. The outcome of the preparatory meetings would be greatly enhanced through the provision of training in the different national systems of industrial relations. The potential role of the European trade union representatives in this regard has been emphasised in many case studies.

Core outcomes of the preparatory meetings for the employee side are:

- an enhancement of knowledge of industrial relations in the countries;
- better information on the situation in the locations in other countries;
- developing a joint position on crucial issues;
- networking and coordination.

Increasing interactions

The EWCs contributed significantly to establishing or increasing contacts between the employee representatives from the various countries. A central aspect in the interactions is the exchange between EWC members from the parent company and the subsidiaries.

Different industrial relations cultures and structures

The different industrial relations cultures and structures are predominantly considered as a source for tensions and misunderstanding, and a reason for the slow development of a European vision for EWCs.

Conflicts and tensions between the EWC members

Differences between delegates from different countries, but no rows or serious disputes, are reported. Tensions between EWC members from different countries are described to be less evident between the countries than within the countries due to trade union rivalries.

Cultural differences, language barriers, and lack of reciprocal knowledge of the countries' legislation produce misunderstandings which make it difficult for the EWC to build a common platform. In particular, the employee representatives seek training measures and efforts to achieve a basic understanding. Obviously, different perceptions and a lack of understanding, combined with the cultural differences and different customs, hindered the development of the EWC and spoiled the chances of mutual cooperation. (German exemplar)

Competition between locations and employee-side interactions

Tensions and conflicts within the **company** EWC are not primarily related to cultural differences but to the potential competition between plants. The difficulties in finding a joint union perspective of the EWC role, the different national and regional cultures and traditions, plus the fact that many of the transnational issues on restructuring usually entail disputes over jobs and employment are in themselves three major drawbacks for gaining influence. *In this instance, it should be noted that the one country have three representatives (and the majority of employees) whereas the other country have only two.*

Some national differences also emerged that occasionally caused tensions. An employee insider described that it is extremely difficult to achieve a common position on issues. Interestingly, in the debates on outsourcing clerical work, some unity was generated among employees by virtue of the fact that representatives from the different countries faced a shared problem rather than one that might divide them.

An important aspect of interaction between employee representatives from the parent company and the subsidiaries are the different situations of the EWC members. In contrast to the highly professional full-time employee representatives at the parent company, EWC members in foreign subsidiaries are for the most part either part-time or voluntary. The asymmetry between the production and distribution centres weakens the coherence of the employee side.

Interaction between the select committees and the EWC members

Interactions between the select committee and the EWC members are discussed in the previous section on the select committees. Two aspects are fundamental. Opportunities for continuous interaction are dependent on the resources of the EWC, in particular translation and language interpretation. The language barrier is a core obstacle. The other aspect is the increasingly important role that select committees play in the EWCs. On the one hand, the existence and activities of a select committee with an executive function can make the EWC a more effective and influential body. On the other, this can take place at the expense of the involvement and social cohesion of the entire EWC.

Interactions within management

In general, the EWC does not play a significant role in the international management of companies in the studies. The EWC is not an important issue at meetings on the management side. There are three types of interactions within management with regard to the EWCs – interactions within the parent company (insider–outsider), interactions between parent companies and subsidiaries, and interactions within the subsidiaries (insider–outsider). Management structures vary widely. Not all of the case study reports describe the managerial approach and/or clearly link the EWC practices to these structures. The degree of centralisation or decentralisation of human resource management or of coordination across the group seems to have an impact on how the EWC is integrated in the group's European industrial relations. The relationship between EWCs and the degree of centralisation/decentralisation or coordination is almost unilateral. The impact of the EWCs on the management structures is minimal. In contrast, the managerial structure obviously influences the way EWCs are positioned and integrated in the companies' labour relations. Strategies towards the EWC, as far as there are any, are determined by the attitudes of the board and the human resource or labour relations managers actually concerned with the EWC. A clear managerial strategy towards the EWC is evident in only a few cases. In such cases, the involvement of the EWC was closely related to the overall industrial relations approach. The EWCs were regarded as a means of more transnational involvement by employee representation. They were further seen as a means of smoothing out difficulties in restructuring processes and resolving disputes in subsidiaries with the support of EWC members.

Insider–outsider interactions

The available information on the insider–outsider interactions is rather sketchy due to the small number of interviews with outsiders, and the lack of emphasis on this dimension in most of the case study reports.

Company external outsiders

In all case studies, trade unions were involved in setting up the EWC and trade union experts played an important role. The subsequent involvement of the trade unions differs considerably. Trade unions are more strongly integrated in activities. (in Italy and France. In Germany, existing committees of employee representation play a stronger role.) Trade union experts are insiders in some EWCs where trade unionists are appointed as full members of the EWCs. (for example in Italy).

Company internal outsiders

EWCs seem to be an arena for specialists both from the management side and the employee side. Although the experiences and practices regarding the dissemination of the outcome of the EWC activities are extremely diverse, they are at one in failing to inform fully. More remarkable is the one-way flow of information. No direct input had been reported in any of the cases regarding the issues on the agenda. Influence is exerted – if at all – via other channels such as works councils or trade union meetings. Across the case study reports, the workforce is often reported not to be aware of the existence, role or activity of the EWC, or is described as showing little interest in the EWC activities. Other than scraps of information at workforce assemblies, in the company internal journal, or on the Intranet, news of EWC activities does not reach the majority of the workers.

<i>Employee side</i>	<i>Management side</i>
<p>In the majority of case studies, the dissemination of information on the activities of the EWCs and the outcome of the meetings depends on a system of unstructured often informal distribution. There are no established ways of passing on information or results. The most far-reaching procedures of dissemination take place where either internal company employee representation procedures and bodies exist or in cases where the trade union structures offer channels for information flow. The institutionalised communication procedure depends on the national industrial relations structures. The particular company context is a further factor.</p> <p>The practices of the EWC members differ considerably between the parent company and the subsidiaries and between the subsidiaries in a group. In general, there is no straightforward dissemination of information directly from the EWC to the national level employee representations within the companies or to the trade unions. Therefore, the spread of information depends strongly on personal practices and national procedures. No efforts to improve the flow of information were reported. A bottom-up flow of information and demands, which would be reflected in the EWC agenda, is rarely mentioned in the case studies. In such a case, the flow occurs via personal contacts or by means of discussing issues in other employee side bodies in which EWC members are represented.</p>	<p>On the management side, the practices range from detailed information by management representatives participating in the activities, or the use of normal management information notices, to restricting information to key management. In most case studies, the policy is that the wider management is not regularly informed about the EWC’s activities and outcomes. Minutes of the meetings are often not circulated among the ‘outsider’ managers.</p> <p>Although the information in the case studies is too sparse to draw conclusions across all the case studies, it appears as if the familiarity with works councils and co-determination in the German companies led to good basic information at an early stage regarding the requirements of the Directive, the management approaches towards the establishment of an EWC, and the role of the EWC. Similar information policies have not been reported in the other case studies.</p>

Cross group inside–outsider interactions

Some of the German case studies show that subsidiary management representatives receive information on EWC activities or the minutes from their local employee representatives delegated to the EWC. One feature is noteworthy in this context. The management representatives receive information on transnational issues from the respective employee representatives. Thus, employee representatives on the EWC have an information advantage over the management representatives in a number of cases.

Impact on company practices and decision-making

Employee-level assessment

All the case studies reveal that the EWCs had little or no influence on general management practices and on transnational business decisions. For the employee side, the core outcome of EWCs can be summarised in the following way:

- The quality and quantity of general information on company development provided by the management has been described as sufficient, good or very good in the majority of cases studies.
- Regarding the outcome in respect of consultation and influence by the employee side, the assessment is mainly negative. Consultation of EWCs in the context of transnational business decisions rarely occurs in the companies. Typically, employees are informed after the event. Employee representatives' reservations or proposals are considered only during the final implementation of the decisions made unilaterally by the management. Consultation of select committees or key members of the EWCs is more likely but at the expense of the involvement of the entire EWC. The assessment of the EWC by the employee representatives with regard to core aspects of the Directive depends on initial expectations and on previous experiences with company level industrial relations. In general, the employee representatives aspire to more influence and regard the legislation as not being strong enough to empower them to secure fuller consultation. There is a widespread view that as long as the legal regulations do not change nothing really important will develop. Most employee representatives aim to achieve real negotiations on specific issues at European level.

Management-level assessment

In interpreting of the assessment by management, it must be remembered that the study looks in particular at the 'good end' of the experiences with EWCs and companies that agreed to participate. Nevertheless, the assessment of experiences with the EWCs by the management representatives might be encouraging and inspirational for the establishment of EWCs or the improvement of practices in other companies. In summary, in the view of most of the management representatives, the advantages of the EWCs clearly outweigh the disadvantages.

Impact on industrial relations

EWCs can have different effects on industrial relations. They can contribute to:

- a harmonisation of industrial relations in the group;
- an export or transfer of industrial relations cultures from the home country to the other countries;
- an integration and mediation between the countries or within the countries;
- finding a place for transnational interaction in the architecture of company industrial relations;
- an establishment or improvement of industrial relations in subsidiaries;
- an improvement of industrial relations in the parent company.

Several case studies give evidence of an underlying approach of harmonisation of industrial relations in the group. This has an important bearing on the expansion strategies of the majority of companies. The EWC or employee-side members support management in efforts to integrate the newly acquired subsidiaries.

Harmonisation of labour relations within the group

In several case studies, the attempts of the management to achieve convergence in labour relations and transporting the company's philosophy were described.

Mediating role

Besides the indirect integrative impact of EWCs in the harmonisation of industrial relations in a group of companies, EWCs or members of EWCs play a mediating role in a number of cases.

Role in the architecture of company employee representation

The general architecture of employee representation and the role of the EWC in such a structure is very important. The roles of EWCs vary greatly, the main forms being the following:

- EWCs that act as a strategic integral element within the specific purpose of employee representation at the European transnational level;
- EWCs that are embedded in the structures of employee representation but not considered as effective and important due to the limited rights compared to other committees;
- EWCs that are not really integrated 'stand-alone' committees;
- EWCs that are considered as an artificial 'foreign body'.

The interrelation and overlap between employee representation bodies depends very much on the specific national level company representation and trade union structures.

Cross-national level impetus to industrial relations

An important outcome of the operations of EWCs is to stimulate the establishment of employee representative bodies or to improve or revitalise existing committees in subsidiaries.

Joint texts and agreements

Management emphasises the information and consultation function of the EWCs and places the national level committees and trade unions to the forefront for negotiations. Nevertheless, the case studies show that a number of agreements or joint texts have been concluded.