

**How can the issues of
employment and work be
linked when considering the
impact of restructuring on
the role of the work group as
a factor in the (re)building of
professional expertise?**

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1. Study Background

Restructuring has become a central management tool for the company. There is a proliferation of reorganization plans with increasingly shorter intervals. In large corporations, restructuring has become permanent feature. It is nonetheless an "event" full of risks and marked by trauma. It is, despite its frequency, an extra-ordinary moment that changes the course of business and regional development as well as workers' careers. By changing the basic structures of the company as an institution, restructuring undermines the routine practices, the social pact (between workers and the company, and between workers themselves), the collective beliefs, and the sharing of know-how...

The magnitude of restructuring as a phenomenon, the depth of its effects, and the implied risks - all justify the implementing of means intended to prevent and deal with the issue. Thus, a permanent social dialogue - that serves these objectives - has become essential.

From the trade union perspective, restructuring is first and foremost a risk in terms of employment. The attention and the energy of trade union officials are focused on safeguarding employment and negotiating the best social plan possible. However, the issue of labour, working conditions, actual conditions to carry out one's task, come second during the bargaining. Indeed, negotiations are often conducted in emergency circumstances due to a lack of proactive policy on the part of company management. Clearly, over the last ten years, the "human" dimension of restructuring has increasingly been taken into account. This is demonstrated by a greater sensitivity to psycho-social risks involved in restructurings. The most dramatic example is perhaps the decision of a French court to annul a social plan on account of the health risks posed to employees (FNAC, December 2012).

In its Green Paper on Restructuring published in January 2012, the European Commission recalls that *"the social and health effects of employment insecurity, adaptation, loss of employment, and long-term unemployment need to be addressed by effective approaches which enable employees to adapt to change at workplaces, quickly reintegrate into labour markets and mitigate the health effects of transitions"*.

In the Green Paper, the Commission emphasizes that *"smooth adaptation to change clearly requires skills needs and adequate human capital investment."*

The issue of skills gradually emerged as one of the main pillars of management of restructuring. But it must be stated that, for the time being, it is confined to the consideration of individual skills. And such an approach misses a fundamental dimension of any company: it is a group whose dynamics cannot merely be defined as the sum of the trajectories of those involved.

Thus, the "blind spots" of restructuring remain labour and the work group, which have the effect of masking the direct and indirect effects of the reorganization on the future of professional know-how.

Whether this trend is part of a deliberate strategy or merely an "identification deficit", the impacts are still similar: restructuring tend to reduce, weaken or even eliminate the work group. However, devitalizing the work group leads to the death of the Profession (in the medium-to-long term), thereby reducing the psychological function of the labour with all the psychosocial consequences that this can entail. The latter weigh both on the individual and the work collective. They relate to both those who remain ("survivors") and those who leave ("victims").

Work Group: Definition and Conditions

It gathers several workers who all contribute to a common task AND whose base is the sharing and respect of the rules of their profession (i.e. the appropriate ways to carry out their work and an adequate behaviour). These rules differ from the procedures laid down in a code because they result from the confrontation with reality (and thus from practice), they are developed and discussed by the work group itself. These rules have a regulatory, cohesive and protective function. However, they are not static. In order for a work group to be considered "alive", the exchange of its members' views on the rules - and thus a share in their development - must be allowed. It must therefore have its own deliberative framework, be it formal or informal.

The work group should not be confused with:

- the collective activity: series of actions implemented jointly by several individuals
- the workgroup: a formally defined group of several people working together toward a common goal / purpose

For the work group to operate, commitment, cooperation, trust, mutual support, and loyalty between colleagues are at the very least required.

But the construction and retention of work group are also conditioned by managerial practices and work organization in which they are embedded. Indeed, the group - if it exists - can be weakened or even destroyed by managerial practices that either suddenly change the rules and turn (organizational) flexibility into rigidity, or introduce excessive competition among workers in a context of fear generated by job insecurity.

2. The Project and its Approach

Reducing and "absorbing" the lack of visibility and understanding of the multilevel consequences of restructuring on professions and the transfer of know-how is imperative and urgent. For this purpose, several questions must be asked:

- What is the impact of restructuring on the role of the work group as a player in the (re) construction of professional know-how?
- What happens to the individual and collective know-how after the reorganization?
- Does the restructuring process change the way employees interact with the flow / the transfer of know-how within the work group?
- Are the impacts and mechanisms the same for the "remaining" and the "departing" workers?
- Are there ways of restructuring that would be more harmful than others?
- How to coordinate the issue of employment to that of labour in a context of restructuring?

The project that we conducted aims to assess progress made on these issues and gauge the relative absence of consideration of these issues within companies.

Our first objective is to raise awareness of the necessity to take into account the collective skills and work group in the restructuring process. We do not presume to present indisputable conclusions. Instead, we want to highlight avenues for reflection that are necessary and of use to the trade union movement. We focused on a methodology based on the search for clues and problems, rather than the presentation of good practices that (by and large) are still to be invented.

The project was conducted as an action-research project. We not only relied on current scientific knowledge available and documented, but also on the knowledge gained from the experiences of field players - workers involved in restructuring situations (experts, union representatives, employees, management representatives). This project is primarily geared towards the social partners. This is why we opted for a participatory approach - with a steering committee involved not just in the project management but also in its reflection. Finally, beyond the new issues that have emerged, the project brought about the development of practical tools for analysing situations (grids) and formulated recommendations for action (practical handbook) for the social partners.

Beyond a burst of visibility, this project aims at promoting a better intelligibility and a better understanding of the issue of collective skills and work group in the restructuring process. To this end, a literature review was produced.

This literature review was supplemented by a review of experiences and case studies in six countries and seven companies. These case studies were conducted on the basis of individual and group interviews with management officials, trade unions representatives, workers remaining in the company and, at times, some former employees which have gone through restructuring processes. In all, 67 people were interviewed (please see detail below), sharing with us their experience, reflection, proposals, and often their discomfort. Primarily, their words provided the material for this report.



Mapping of the case studies in Europe

This study would not have been feasible without the support of the trade union organizations. However, it has not been possible to conduct all the interviews intended - especially with management officials.

The analysis of these interviews helped identify common characteristics in terms of impact of restructuring on the collective skills and work group. It also confirmed the "invisibility" of this process. As a conclusion to this report, we therefore wanted to include some tools that would allow the positioning of this issue at the core of the negotiations during the restructuring process.

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We hope that this report will contribute to a greater visibility on these issues. We would like to thank all those who were involved in the steering of this project and those who agreed to answer our questions.

This report centres on the presentation of case studies. This presentation is preceded by a summary on:

- cross-sectional analysis of the impact of restructuring on the collective skills and work group
- analysis of mechanisms involved in different types of restructuring

▶ **Summary**

Key elements of cross-sectional analysis

ETUC – How can the issues of employment and work be linked when considering the impact of restructuring on the role of the work group as a factor in the (re)building of professional expertise?

1. Impacts and determinants of restructurings on the role of the work group in the transfer of competencies

1.1. Restructurings are altering the conditions required for the work group to operate

Reminder: The role of the work group in the transfer of know-how

Although it is undeniable that an individual learns and decides to do so, this dimension is not sufficient to ensure the success of the learning and the level of ownership of know-how that are that are required to provide good conditions in the pursuit of the activity.

The acquisition of such an experience is optimized by the support of the work group because it is able to:

- "distil" the tricks of the trade, the "tips" already found by the group to deal with the task difficulty (source of efficiency)
- acquire the know-how in terms of "caution", given the occupational hazard, and defensive strategies to deal with the source of "pain" at work (source of protection and risk management)
- compare points of view and ways of doing things, and thus contribute to the progress of everybody's practices (source of organizational progress)
- ensure compliance with the regulations in force, the business rules - "what is done and what is not done" (source of reference)
- recognize work quality according to criteria shared across the business - recognition is essential to anyone in order to continue mobilizing one's resources to "act" (source of recognition)
- regulate the group activity - for instance, by distributing the workload or by helping each other to cope with a difficulty (source of regulation)

The work group is, at the same time, **a source of learning, reference, and protection**. It allows the individual to build one's professional identity around the mastery of the business know-how - an expertise that is shared and gives meaning to one's work. In return, the work group plays its role of primary guarantor of the survival and development of the business activity by framing the "construction" of individual experience. It thus embodies the collective skills, beyond the sum of the individual skills, and helps to professionalize individual careers.

But for the construction of individual experience and for the work group to fulfil its indispensable training role, **some requirements must be met**. Most are related to work organization which, depending on its characteristics, will more or less be an incentive to

cooperate. Indeed, in practice, cooperating and be willing to transfer one's know-how is not straightforward. This implies among other things that:

- there is something for everyone (regardless of its nature)
- an atmosphere of trust and a sense of security are shared by the collective's members, which implies a fair conduct
- individual skills are identified and recognized
- there is a professional framework and exchange time
- possible margins of manoeuvre in the pursuit of the activity
- staffing is adapted to the actual workload
- at the very least, the quality of the "living together" (conviviality) permeates the work group
- there is more cooperation than competition.

However, from the outset and in essence, restructurings are likely to undermine the smooth running of the mechanisms described above, since they generate employment instability and involve organizational changes, thus inevitably destabilizing the operating routines. They therefore make staffing as well as scopes of action and conditions governing the pursuit of activities go through a "shifting" process.

The case studies helped identify a series of impacts that act as deteriorating mechanisms in terms of operating conditions of the work groups¹. Thus, for employees who remain, the following impacts were noted:

- **Impact 1:** The **increase in workload** and the **absorption of new peripheral tasks** (generated by downsizing) mobilize a large part of the individual's resources and limit the individual's ability to find the time to ensure the informative transfer of know-how. This impact usually takes place in the post-restructuring phase and can remain over time if no action is taken relating to the reduction of the workload. Thus, the "go with the flow" mentoring - that could be carried out before the restructuring - is at best put to one side and at worst is stopped.
- **Impact 2:** The possible reconfigurations of various kinds (change of position, status, and modified content of the job ...) imply the **questioning of competencies that were recognized so far**. This relates both to the individual faced with oneself (no longer sure of one's expertise as before) and with others (no longer owning the "informative" status he had acquired within the group through the recognition of skills through his / her peers). In trying to meet the injunction of versatility, some find themselves having to integrate highly specialized skills that are "distant" from their area of expertise. They end up with the impression of being more expansive and doing a host of tasks poorly (including what they mastered before). Feeling less

¹ We only report here the main impacts that are directly involved in the decline of the learning function of the work group. Other repercussions were observed, confirming the impact of restructuring on the psychosocial climate in general or even the health of individuals. Some of these are mentioned in the presentation of the various case studies.

confident in mastering their jobs or finding themselves performing poorly, employees are then less prone to transfer a know-how that they do not ultimately own or at least not any more. Thus, an ongoing restructuring process induces a paradoxical effect: rather than experiencing an upskilling over time and employment developments, employees find themselves facing a situation of **ongoing unlearning**.

- **Impact 3:** This questioning is not only about skills recognized so far, but also on the very existence of competencies - it is as simple as that. In many instances, groups are deeply concerned when they realize that specific skills - owned by "older" ones who left under the restructuring plan - are no longer available although the need is still present. The question is no longer whether individually "I know what to do" but whether collectively "we will figure out what to do while knowing full well that no one know what to do". Concern turns into doubt - about the expertise of the group, its legitimacy, and its ability to rebuild the lost expertise. In some situations, such doubt can trigger **the downward spiral of loss of skills:**

[We do not know how to do this task and we doubt we can do it → We give it up
 → This impacts other tasks → We waste time and we focus on finding ways to mitigate these negative impacts or we still try to "do something anyway" → We use our own expertise - in downgraded mode → And hence we lose some expertise]

This downward spiral may be accentuated in cases where crises in industrial performance (productivity and / or quality) are being felt. Helplessness may then be experienced - leading either to the management / executive officers being blamed, or to a collective guilt ("we are not able to do"). With respect to the attitude, this can lead to demotivation and / or the desire to leave the company for those who can, thus accentuating the downward spiral of loss of skills. With respect to the company, its potential attractiveness is decreasing and may lead to recruitment difficulties. In any case, the feeling of job insecurity is increasing, which is not conducive to the sharing and transfer of competencies.

- **Impact 4:** Whether it is a net deletion of posts or redeployment on the posts of people who left, the constitution of the work group (collective members) can be deeply altered and **pre-existing balances can be challenged**. All the bearings, the identity and the group dynamics are to be readjusted. If departures exceed a certain quantitative threshold and / or involve the "backbone" of the group, the socio-affective reconstruction becomes compromised or very difficult. The group can experience both "an amputation" and "a transplant": the collective is not only mourning the departed colleagues, but also getting used to other co-workers. The risk involved is that the group stagnates as a collection of individuals and practices - which do not have the time to progressively harmonize. In some cases, this can result in a **disruption of the process of integrating new employees**. This, in turn, leads to a greater difficulty in transferring their existing skills.
- **Impact 5:** For all the reasons mentioned above, to which may be added the repercussions of defensive strategies developed individually or collectively (see next §), **the emergence of interpersonal tensions** is a common occurrence during restructurings. But these tensions impede cooperation and tend to turn constructive

confrontation of opinions (on the job, working methods or activity) into quarrels between individuals. By crystallizing and monopolizing energy, they spoil the atmosphere at work, undermine confidence among members, create clans, generate isolation and, ultimately, prevent the smooth flow of formal and informal expertise. At times, these tensions go beyond the work group and arise between work groups, teams or departments. Hierarchical relationships (especially with local management) may also be affected. In the most adverse case, this may generate deception amongst colleagues (which may lead to disparagement, as outlined in the Polish case for instance).

Would the "survivor syndrome" be supplanted by a "beneficiary syndrome"?

We have not encountered any case of survivor syndrome across all our case studies. This syndrome has long been a feature of the effects of restructuring on those who remain. The smaller share of redundancies in favour of voluntary departures is the root cause that explains the apparent "disappearance" of the sense of guilt felt by those who remain with regard to those who leave, especially when priority is being given to the age and hardship criteria.

But the most interesting and also the most alarming finding, is the reversal of the process which apparently is becoming a trend. Indeed, the weariness of the employees in the face of ongoing restructurings, the extent of psychosocial risks and, more generally, the deteriorating conditions and quality of life at work lead the remaining employees to envy those who were "fortunate enough to leave the company." Of course, this is all the more pronounced since the "departing" conditions are favourable. As to those who leave, they do not necessarily see themselves as the victims of the restructuring and they sometimes feel guilt for leaving their colleagues and letting them absorb the workload and manage without them...

1.2. Restructurings generate some defensive strategies that may block the transfer of know-how

In addition to the direct repercussions on the work group, restructurings can trigger defensive strategies on the part of employees. These strategies turn against the work group and / or serve to undermine the transfer of skills.

At a collective level: Reactive forms of cohesion that are backward-looking and are impervious to others

- **The defensive withdrawal into oneself of the work group:** A group that has been destabilized, or feels threatened by restructuring may, as a reaction, strengthen its internal cohesion to protect oneself (protect what remains) instead of breaking

down. We observe that this withdrawal varies from one situation to the other and therefore does not always have the same repercussions.

- ▶ In one instance, the withdrawal may intend to unify its members so as to meet successfully its new challenges (in terms of workload or competencies). As a consequence, this group is not receptive to others anymore and turns away from others (not always intentionally), it is struggling to welcome newcomers, and the know-how does not "cross its borders" (e.g. the French case).
- ▶ In other instances, the withdrawal may be stronger and based more on resentment than on the need to cope. The remaining members of the original group close up on themselves and refuse to integrate (or be integrated) to a new group, to cooperate or transfer their know-how to others - because the feeling of injustice and unfairness (feeling of making one-sided efforts) generated by the restructuring outweigh the rest (see the "encapsulation" described in the German case).
- **The longing for the past (also called passeism):** This type of nostalgia for the company or the group as it used to operate before, diverts the group from its role in the business and future development (this process is highlighted at the scale of the economic system itself in the Polish case, and it also appeared at various levels in some other cases). However, the very principle of the transfer of skills is based on the idea of extension and projection. To invest in it, one needs to think that it is worth it and that these skills have a future. Tinged with regret, exchanges are more about what was done before than what could be done now and how. Moreover, this passeism may result in a breakdown in communication between generations of employees (the youngest are tired of hearing the oldest dwelling on the past and thus they manage on their own, depriving themselves from the contributions of more experienced workers).

At the individual level: What may bring an employee to become reluctant to transfer one's competencies

- **The retention strategy in order to protect one's position in the future** (or "cart syndrome" as referred to by a French trade unionist): Going through a restructuring generates a feeling of insecurity about future employment (no matter what the site viability assumptions are). Sometimes this fear provides enough incentive for the individual to intentionally keep the specific expertise to oneself in order to maintain an edge over others in the prospect of a further restructuring.
- **The withdrawal strategy related to the deterioration of the sense of recognition** (or "Kleenex syndrome"): The central element of this type of defence is the minimum preservation of one's image. When there is a lack of understanding of the company's strategic decisions and modes of management along with a denial of workers' past involvement in work and of the value of acquired skills, the employee finds himself psychologically destabilized in his / her relationship with work in general and his / her job in particular. The moral contract - which the employee thought he had with the company - is breached. Now that the worker is aware of being a "pawn" (as status), the whole validity of the commitment is being called into question. The employee

feels tricked or diminished and work loses its meaning². He / she may then decide to do less work or not to transmit what was acquired. The transfer of know-how cannot take place without any prior recognition: something valueless cannot be transferred. This mechanism can be observed both for those who leave and those who remain.

- ▶ For an employee whose position is deleted, the sense of usefulness is jeopardized ("ultimately, what I was doing was of little use"). The impact is even greater if the job deletion actually means the elimination of the function or the required skill, and that no time or arrangement to transfer the know-how is planned by the management. The specific competencies are not recognized, so the employee has no reason to make any effort to transfer them to anyone and perhaps may hope for a delayed recognition (i.e. later, when the employee's know-how will be missed) if he refuses to do so.
- ▶ For the employee who remains, the mechanism works in a similar fashion - if he / she identifies with the departing colleagues. Seeing how they are treated, the remaining worker projects oneself, guesses that he / she would have been treated the same way, and therefore becomes less willing to transfer a know-how - while assuming that it is not recognized.

About the time of onset of the restructuring impacts, we note that they are not necessarily concentrated on the post-restructuring phase: some are initiated even before the official announcement while others are at their peak during the negotiation process and some other ones may even occur much later. Moreover, the sequencing of restructurings tends to blur the 'before' / 'during' / 'after' sequences. It thus tends to produce cumulative or simultaneous effects which can become self-reinforcing.

1.3. The main factors that bring out the impact of restructuring

Although the main effects were observed in most of the configurations, the case studies show that the scale and type of impacts may vary from one situation to another. The question is therefore to determine what makes one work group more resilient than another. In other words, are there factors that aggravate the generic impacts of restructuring operations or, on the contrary, are there conditions that make it possible to tone down the negative effects and to continue despite the transfer of know-how? We have identified 11 decisive factors.

1. **Timing:** allowing enough time for the transfer of skills and the duration of this timing are a decisive factor. The only cases where there is a minimum loss of skills inherent to departures are in situations where the departures have been staggered to enable the transmission of skills between those leaving the company and those remaining in the company (see the British case). Conversely, sudden departures facilitate the emergence of withdrawal strategies and its consequences, for those leaving the company and those remaining in the company alike (see the case of France and Germany) as well as defensive withdrawals. More generally, what aggravates the effects is the **absence of a post-restructuring transition period**.

² As a reminder, many investigations on psychosocial risks show that one of the most harmful factors for the employees' health is to do with work losing its meaning.

2. **Existence of an operational mentoring system:** the transfer of skills will not happen simply because there is a mentoring system or a strategic workforce planning in place. It has to be implemented, in particular by setting up the conditions for it to work.
3. **Social management model adopted:** when the market model prevails (i.e., the short-sighted and opportunistic management of employment based on immediate market trends), restructuring has a greater impact. It steps up the pressure in terms of workload and forced versatility and increases the possibility of seeing a rapid drop in skills. This reveals the financial rationality of the management and also encourages employee withdrawal strategies. Conversely, although models that label themselves as socially responsible (see the British case) can result in massive redundancies, at least, they have the merit of proposing a much higher level of support, in particular when it comes to skills.
4. **Reshaping of management modes and processes at the same time as restructuring:** restructuring is increasingly the occasion to carry out a profound change in working methods and collective operating methods of employees. In addition to downsizing, the management proposes (sometimes even presenting them as "solutions") organisational changes aimed at implementing the individualisation of performance and remuneration, standardising working methods and reinforcing procedures. The effects of these changes are devastating for the work group (competition can replace cooperation) and this shows in the quality of work (decline in the mastery of the activity) (see the Italian case)
5. **Quantity and distribution of job cuts:** we usually measure the harshness of a restructuring process by the number of positions abolished. The quantitative dimension is important, not only at the macro level (the company as a whole), but also at a micro level (a department, a team). For example, cutting twenty jobs in support functions will not have the same impact on work groups and the loss of skills depending on whether these jobs are concentrated in a few departments or spread over all departments. In the long-term, **the breakdown of abolished jobs among the various shared service centres** (for example managerial staff/operational staff) or major functions (support / production) is important in order to reduce the feeling of injustice among work groups.
6. **Type of professions and skills concerned:** the more the jobs draw on built-in and implicit skills (the sense of touch, the eye, intuition), the more difficult and longer it takes to transfer skills. And yet, paradoxically, when skills are less formalised, they are considered as being less critical and difficult and are thus allocated less time and conditions for transferring know-how. Conversely the more a skill is shared, the less the risk of losing it completely. However, although specific skills are also those that bring added value to the company's overall strategic skills, it is these skills that tend to be the first to go during restructuring plans.
7. **Culture and status of the work group prior to restructuring:** the resistance and resilience of the work group depend a lot on its initial cohesion and the value that it attributes itself to cooperation and the transfer of know-how. Nevertheless, the deterioration built up as a result of repeated restructuring plans raises fears that a point of no return will gradually be reached.

8. **Related training opportunities:** if training is proposed to those who remain with the company, to absorb the skills of those who leave or to assist with internal mobility, the effect of restructuring is mitigated (see the Swedish and Italian cases)
9. **Status of employees concerned:** there are lesser impacts on highly qualified employee categories and managerial staff because they have a weaker bond with the work group and also because they benefit more often from training or career opportunities (see the Swedish case).
10. **Position of managers faced with the issue of skills transfer and the role of the work group:** the more managers are aware and conscious of the role of the work group in the transmission of skills and the need to maintain collective skills to reach performance objectives, the more they are disposed to develop strategies to preserve them (see the French case).
11. **Voluntary departures:** when departures are voluntary, there is less resentment from those who leave and they are more willing to transfer their know-how. Nevertheless, the principle of voluntary departure plans has the mechanical effect of favouring the departure of senior employees (who are often the most experienced). This aggravates the risk of a loss of skills if the plan is a massive one. Moreover, the voluntary departure plan does not necessarily eliminate the feeling of discredit or denial of skills when the departures are rushed or candidates feel that they were pressured into volunteering.
12. **The foreseeability of the restructuring plan:** regardless of its extent or the possibilities of voluntary departures, restructuring plans have a much less psychological destabilisation effect on work groups during and after the restructuring when employees are expecting it.
13. **Maintaining of social benefits linked to the former position:** when the restructuring goes hand in hand with deskilling or various losses for the employee, the feeling of injustice and professional regression can prevent commitment to the work group and the transfer of know-how on the other hand.
14. **The recipients of the skills transfer:** there is more reluctance when skills have to be transferred to subcontractors (case of outsourcing), to employees from other sites (offshoring or other – case of the transfer of teams from sites that have been shut down), temporary staff or new hires that arrive in the post-restructuring phase. The withdrawal into the original work group is stronger in this case (German case).
15. **The quality of the content of social dialogue and its capacity to deal with diverse themes** (see next section).

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The analysis of these elements infers that the very type of restructuring is in itself a deciding factor. According to their nature, restructurings more or less intensifies the role played by the factors mentioned above.

Has age become a distinctive factor?

Several cases have revealed an apparently lesser impact of restructuring on younger employees, although they are often the first casualties.

Older employees complain about their lack of commitment to their work, the liberties taken with rules, their individualism and sometimes their vision of the profession. Younger employees reply that they know that they will go through several companies in their professional life, that restructurings are not states of crisis but the normal state and that they will receive no promises or compensation for their commitment.

The issue here is not to plunge into the philosophy of the so-called "Y Generation" but rather to reflect on the far-reaching upheavals that are currently taking place in the building of the relationship with work and work groups; to reflect on the establishment of defensive strategies that would no longer be created in reaction, but rather in anticipation: to become invulnerable, it's better to go protected with a shell and keep a distance. When there is no hope, there is no disappointment.

But what are lasting repercussions for each employee, for work groups that are already weak, for companies and the future of the know-how that was usually passed on from generation to generation?

2. How has this deleterious situation come about?

It must be acknowledged that in most cases, work groups are not supported in the reconfiguration process that affects them directly in their day-to-day work and that is likely to hamper their function of passing on know-how. Why is this?

2.1. A question that is missing from discussions between social partners during restructuring

Although social partners seem concerned about this issue, for all that, it does not have the place it deserves in discussions about restructuring. Employee representatives and trade union representatives seem to be the most concerned about the massive loss of skills in their companies. However, they lack the concrete resources and tools required to impose this issue during negotiations. In most of the cases observed, there is a prevailing fatalism that sometimes even verges on passiveness. Our analyses have led us to identify the following difficulties or curbs:

- **Under-estimation of the actual know-how of employees** by the management and the senior management in particular. Since they are not familiar with the content and complexity of the micro-skills of the various businesses, they do not identify their real value and their role in the overall strategic skills of their company. This underestimated problem results in an under-estimated answer.
- **The overlooking of the role of the work group:** although this is not always explicitly stated, the work group is often perceived by the senior management more as a curb and a social factor of destabilisation than as a driver of performance and skill-building. Many management methods have gone to great lengths to break them up without thinking of the side effects and end up giving paradoxical orders (such as, "you must cooperate, even though you will be individually assessed and rewarded"). Its role in the transfer of know-how (which used to function informally thanks to the "slack" that work organisations could offer and less tense objectives), which is not very visible and enhanced is therefore under-estimated.
- **More generally, the relegation to the background of work-related issues compared with employment issues:** management generally adopt the rationale that they can use the capacity of employees to mobilise their own resources to meet new requirements. They are rarely interested in the actual work and still under-estimate the difficulties. They therefore find it difficult to factor this into their risk analysis. We also observe the "trade union dilemma" where unionists have the impression that they do not have leeway in protecting certain jobs if they do not give ground on working conditions. However, to kill work is to kill employment in the long run. In addition to its effects on the health of employees, the deterioration of working conditions hinder upskilling, the circulation and renewal of know-how, as well as the capacity to work together to build distinctive skills. And without this virtuous loop, the downward spiral of loss of skills sets in and the threat hanging over employment is heightened. This results in social compensation.

- **Focusing of negotiations on social compensation:** as nearly all the case studies showed, when the social component is addressed, the linkage with the two previous dimensions becomes even more complicated. As if they were caught in a system of making amends to those who are leaving the company, attention is not focused on those who remain.
- **The difficulty in abandoning the short-term, financial and management-oriented rationale,** as the guiding principle of restructuring: obsessed with cost-cutting targets (most often imposed by shareholders), restructuring managers forget to evaluate long-term induced and hidden costs, which include the loss of skills.
- **Shortcomings of change management methods:** these are seen in particular by the rareness of cases where the need for a post-restructuring period that focuses on transition and appropriation (and therefore supposes at least a slackening of targets and the weighting of benchmarking targets) is identified and implemented. Furthermore, the haste with which employees leave the company suggests that the asynchronicity³ that exists between restructuring players and employees is not taken into account.
- **Myths that die hard:** the illusion of unlimited versatility, the infinite capacity of human adaptation, the possibility of making up for the lack of skills transfer by inflating procedures or the standardisation of work and the belief in the fact that pitting employees against each other will be an exponential and continuous factor of performance.

2.2. The weakness of systems and tools available

There seems to be a dearth of concrete and efficient tools to support social partners in their negotiation:

- A lack of qualitative anticipation tools, in general, and limited application of strategic workforce planning, in particular
- No cyclical tools to be mobilised during restructuring
- No policies or tools for managing the acknowledgement of work and the recognition skills and experience

The few tools that are sometimes used, such as mentoring or skills mapping processes continue to focus on the individual dimension and do not take collective skills into account.

Lastly, when support measures are proposed to those who remain, they are centred on tertiary prevention (and therefore on effects and not the causes). Examples of these are courses with themes such as "Stress Management", "Learning to live with loss" and "Accepting Change". They reinforce the message that each person must find solutions by

³ This asynchronicity is due to the fact that restructuring players (management first of all, followed by trade union representatives) are better equipped to anticipate the probability that restructuring is to take place and are informed of this before employees. They therefore have more time to get used to this idea, accept this scenario, while employees are not given this time.

managing their own resources, instead of working together to preserve the psychological function of the work group.

2.3. Can any best practices be identified?

There is only one case that comes close to a "best practice" scenario: the company studies in the United Kingdom. Putting forward its social responsibility (concept of CSR) and drawing on a dynamic social dialogue, the company expressed its concern for the future of its employees (those who were leaving as well as those remaining) and their know-how. This was done by identifying existing skills and by implementing a know-how transfer plan through staggered departures. Other companies implement a few actions that are more or less isolated, and that are more responsive than proactive: the training provided in the Swedish and German cases or the freezing of non-quality sanctions in the French case.

► **European panorama** _____

Illustration through 7 case studies in 6 countries

1. Case Study 1: The close-down of Honeywell Airport Systems GmbH in Germany

| Stefan Stracke (Wilke, Maack & Partner)

Information about the company/site

The former Honeywell Airport Systems GmbH (ASG) was located in Wedel near Hamburg. The company was a provider of airport management systems and equipment (both “landside” and “airside”), offering product development, project management and services.¹ Since 1998, ASG was part of the corporate group of Honeywell (with headquarters in New Jersey, United States). Germany is a large national market for Honeywell and an important manufacturing location. Worldwide Honeywell has approx. 132,000 employees, including more than 22,000 engineers and scientists, thereof about 69,000 in the Americas, 12,000 in both India and China, 6,000 in the Asia-Pacific region and more than 32,000 in Europe, the Middle East & Africa. In Germany, the Honeywell workforce is about 6,500 people in total.

In 2006, ASG was formally integrated in the Honeywell Building Solutions (HBS) division, belonging to the Honeywell business of Automation and Control Solutions.

ASG activities were strongly influenced by a “project business” in the field of providing airports with automation systems and equipment, which is – on the international market – increasingly performed with a high proportion of sub-contractors. Today, ASG automation systems and equipment can be found in more than 200 airports globally, e.g. Berlin Brandenburg (Germany), Dubai, Shenzhen (China), Incheon (South Korea), Kuala Lumpur (Malaysia).

By the end of 2010, ASG employed 79 people in Wedel, most of them engineers. The average age of the workforce was relatively high, most of the employees had been active for the company and its predecessors for more than 25 years.

1.1. The specific restructuring context

Restructuring process history

Since the acquisition of ASG by Honeywell in 1998, the management has continuously initiated restructuring processes in order to integrate the company into the corporate group. With the beginning of the integration of ASG in the HBS structure in 2006, restructuring measures had been intensified, with regard to organisational changes (e.g. the introduction of a matrix organisation), and changes of the sales and distribution structure, etc. According to the management, however, the integration of the Wedel site

into HBS was unsatisfactory and insufficient – ASG operated as an independent entity without effective involvement in the HBS business model.⁴

In February 2010, the ASG management announced that the company in Wedel should completely be closed by the end of 2010. All 79 employees would be affected by this measure. Remaining orders and processes should be continued by the HBS Airport Business, with no transfer of ASG staff to the “new” company.

According to the management, a main reason for the closure of the site were long-running deficits in revenues of ASG (in particular, with regard to international projects) and a change in the business model of services previously offered by ASG. As stated by the management, existing Honeywell resources were used insufficiently: About 75% of its human resources were located in Germany (i.e. a centralisation of business processes), but ASG operated in an increasingly international market. ASG has focused too much on project business, neglecting the service market. Overall, ASG failed to operate profitably and to reach a positive operating profit since the beginning of the new century.

For Honeywell the business segment of providing airports with automation systems and equipment is still of strategic importance, as HBS is one of the leaders in technical facility management on the international market. Therefore, Honeywell did not give up the ASG market, but the business was restructured within the Honeywell group in order to improve the profitability of projects. The existing ASG business continues and is now integrated in the global HBS structures, concentrating on a decentralised global distribution channel and a project management system increasingly operated by local HBS branches. Product support and technical development is more and more carried out by a Technical Assistance Center (TAC) for Europe, Middle East, India and Africa. The TAC is located in India.

The implementation of the reorganisation was based on the following steps: Where possible, ASG finished project contracts in 2010. Projects of longer duration, ongoing service contracts and current acquisition processes (in 2010) were transferred to HBS. Furthermore, for all control and monitoring systems and other automation systems and their configuration ASG had to create product and system documentations in English language, so that the special know-how could be transferred to HBS. Against this background, not the whole ASG workforce in Wedel had been dismissed by the end of 2010. Some employees moved to Honeywell Building Solutions GmbH in Hamburg mainly in order to manage the process of know-how transfer from ASG to HBS.

Nature of social dialogue and collective bargaining during the restructuring process

The local works council was highly surprised, when ASG management announced the closure of the company in February 2010. The employee representatives pointed out that there was a “lack of convincing economic arguments” for the close-down of the company. For the works council the management decision was a result of the global Honeywell strategy focusing on the Indian and Chinese market and concentrating the R&D and production capacities in central sites worldwide, especially in India and China.

⁴In its history, as part of AEG and Daimler-Benz Aerospace (DASA), ASG was often characterised by an apparently “autarkic business conduct”.

In the course of 2010, the works council realised that the decision of the management, which was made during the global strategy meeting of the Honeywell group one week before, was irrevocable and the closure could not be avoided. Thus, it indicated its willingness to negotiate with the management on a “reconciliation of interests” and a so-called “social compensation plan” as an agreement on company level concerning social aspects for leaving employees. The most important objective for the works council was to insist on measures to assure that the closure is “socially acceptable” for every single employee. As a result, management and works council, which was actively supported by the German metalworkers union (IG Metall), concluded an agreement based on two main issues:

- firstly, a “social compensation plan” with a volume of 13.1 Mio. Euros for 70 employees (who had to leave) in total, with a range of about 40,000 to several hundred thousand Euros for a single employee – based on the following criteria: impending redundancy (in consideration of the age of a single employee), minimum compensation (subject to seniority), loss of income of a possibly following job, temporarily limited pension compensation, severe disability, existence of children, etc.⁵
- secondly, the establishment of a “job transfer company”⁶ with a volume of 2.9 Mio. Euros for 70 employees (who had to leave) in total, based on a company agreement defining the duration of measures (12 months for a single person who gets up to 85 per cent of the last yearly salary after leaving the company) and the budget for activities of about 5,000 Euros per person (such as qualification, coaching, job search assistance, job application trainings, business start-up trainings, etc.)

Management and works council agreed on two dismissal dates for the leaving employees: December 31, 2010, and November 30, 2011. However, the date was postponed in some individual cases.

The Wedel site was closed by the end of 2010 and about 40 employees moved voluntarily to the job transfer company. Honeywell relocated previous ASG operations in Wedel to the HBS site in Hamburg. So, about 25 ASG employees who had not been dismissed by the end of 2010 moved to HBS in Hamburg. In order to mitigate possible economic disadvantages, the employees who had to move to Hamburg, got a financial compensation payment for increased mobility efforts, which means e.g. an extended distance to get to work. Such rules and provisions were laid down in an additional company agreement.

Today, 8 of the former 79 employees are still employed by the job transfer company. In total, 48 former ASG employees have accepted the offer to join the job transfer company. They moved successively to it between January 2011 and September 2012. 13 people have found a new job subject to social insurance contribution so far, 6 people decided to launch a business start-up, and 17 people (about 60 years of age and older) retired or are going into retirement respectively.

⁵ For employees who were older than 58 years, the financial compensation was sufficient to reach the retirement age of 65 years at least.
⁶ due to the German Social Security Code (SGB III); a job transfer company is usually managed by a “third party”

1.2. “Place” of the “the work collective” and the transfer of know-how and collective competencies in the restructuring process

At the social dialogue level

During the discussion and negotiation with the management, the works council attached great importance to the realisation of “socially acceptable” financial compensation payments for the workforce. In addition, it focused on the issue of work, especially on the working conditions for the employees who stayed in the job, but had to change the place of work. The works council emphasized the fact that adequate workplaces had to be made available for the works council and the employees who would move to the Hamburg site. It insisted on consultations between works council and management about the organisation and the assignment of the “new” workplaces. Such aspects were also set in a company agreement.

The transfer of know-how and collective competencies within the workforce was an important matter for the works council. The employee representatives worried about the impending loss of know-how, when a relatively big group of experienced “knowledge holders” had to leave Honeywell at the same time. However, the issue of the transfer or the maintenance of collective competencies was not addressed in a company agreement.

At the management level

The management was primarily interested to transfer the know-how of the remaining employees with reference to software development, construction and manufacturing knowledge to other HBS employees worldwide, e.g. employees in India. The aim was to establish self-managed work teams in India. However, the management did not pay attention to the transfer of know-how and collective competencies between different ASG age groups or between ASG employees leaving and those who stay. Since it was a matter of a complete shutdown of a company/site, there were no specific actions to strengthen or to maintain the cohesion between team members, as regards the management point of view.

“In reality”

After the announcement of the management to close ASG in Wedel many employees certainly worried about their jobs and their future income. Many employees were in a “critical age” (mid-50) at that time. They feared to be unemployed for a long time. A large number of employees were frustrated and disappointed about the management decision. Most of them had worked for ASG in Wedel for their whole working life, and now they had to leave the company more or less abruptly. For one interviewee the announcement of the closure appeared like a “sudden collapse”.

According to the interviewed employees and works council members, the transfer of technical knowledge from Honeywell employees in Germany to Honeywell employees abroad (e.g. India) has not functioned very well so far, because the transfer time set by the management was too short (sometimes less than a year). Some interviewees stated that it usually takes about five years to transfer the knowledge of operating processes and systems successfully. Another complicating factor is that many highly qualified employees (“knowledge holders”) left ASG and signed up with competitors before the closure.

1.3. Impacts of restructuring on the functioning of the “work collective”

Impact 1: Reinforcing the cohesion of the workforce

During the negotiation process between works council and management (i.e. before employees had to leave the company), there was a high solidarity in the whole workforce, a strong cohesion between the employees and a high commitment of the employees to “their site”. This fact can be traced back to traditional reasons: Cohesion and solidarity at the Wedel site had “grown” over decades – despite of or even because of several changes of company ownership and parallel restructuring steps.

The works council perceived a big support and confidence by the workforce – during the negotiation process it became apparent that the employees’ financial livelihood would be secured by high compensation payments. The solidarity was supported by the fact that 95 per cent of the workforce were nominated in the context of the works councils elections in 2010.

When the “social compensation plan” including the financial compensation was finally agreed, the cohesion between the employees who had to leave and those who could stay in the company was still very strong. It was evident that there would not be “hardship cases” – the compensation negotiated between management and works council was considered to be acceptable for nearly everybody. So, bullying and jealousy could be avoided.

Finally, it’s worth mentioning that currently a number of about 15-20 former ASG employees still get together monthly – informally and in a friendly atmosphere, and also using an internet platform for communication with each other.

Impact 2: Worsening of the working conditions of employees staying in the company and decreasing dynamic of the work group

According to most of the interviewees, employees who stayed in the company and moved to the Hamburg site in the beginning of 2011 had to cope with a deterioration of working conditions. After the relocation of operations to Hamburg, the functioning of the technical infrastructure (software, hardware, network, accounting system, air conditioning, etc.) was inadequate for three to four month. As stated by the employees interviewed, the relocation management was organised insufficiently. Sales and operations experts and employees specialised in product development had to share an open space office. The development experts felt bothered by the presence of the sales specialists whose main task seemed to be communication over the phone. This caused a negative impact on productivity. 12 months later the idea of an internal partition and office cubes could be realised. Overall, this situation had negative impacts on the dynamic of the work group and the cooperation and coherence of employees.

Impact 3: “Encapsulation” of former ASG employees and decreasing dynamic of the work group

It could be observed that some employees who stayed in the company and moved to the Hamburg site in the beginning of 2011 showed “encapsulation” tendencies, as stated by some interviewees. After the relocation to Hamburg, there was a strong cohesion between most of the former Wedel colleagues. Due to the reduction of their former Wedel team, some former ASG employees focused their direct personal interaction on their former reference group. They did not feel a strong commitment to the “new company”. So, they did not feel an inner impulse or an intrinsic motivation to “keep alive the business”. This situation had negative impacts on the dynamic of the work group and the cooperation and coherence of employees.

Impact 4: Refusal or individual difficulties to “hand over” know-how to new colleagues

Some employees who stayed in the company and moved to the Hamburg site in the beginning of 2011 refused to disclose and to transfer their know-how to their “new” colleagues at HBS. However, most former HSG employees were willing to cooperate with their “new” colleagues at HBS, most of them from India.⁷ Some interviewees complained that the knowledge transfer was unilateral and that it was very difficult to build a personal relationship to their foreign colleagues.

According to most of the interviewees, the main reason why the knowledge transfer was apparently not very effective could not only be seen in the refusal of the former ASG employees, but in the short time set to transfer the know-how: “You cannot transfer 30 years of experience in a period of one or one and a half years. The colleagues from India are excellent in programming, but they cannot understand how the business works in such a short time. The company failed to introduce young people to the business in the past. Internal know-how transfer did not take place in recent years before the closure”, as concluded by an interviewee.

Impact 5: A differentiated impact on the state of health of employees leaving the company

- Worsening of the state of health, however reinforcing the cohesion:

The interviewees reported a few critical cases of disease in 2010 concerning employees who had to leave ASG by the end of the year. One interviewee pointed out: “From one day to another we had to shut down our working level from 100 to 0. It’s hard to cope with that situation.” Thereby, age-related effects appeared. People who feared not to find a new job (and who were not near retirement age) were especially affected. Psycho-social disorders were typical, such as tiredness and depressive syndroms (three individual cases were reported where a permanent total disability is existing). Such individual fate contributed to the reinforcement of the cohesion of the workforce. Many employees felt affected with their diseased colleagues.

⁷For the purpose of transferring know-how, Honeywell employees from India stayed in Germany for a limited time.

- Improvement of the state of health of others employees leaving the company:

On the other hand, some employees who left the company by the end of 2010 reported that their state of health has been improved since the closure of ASG. After the beginning of the integration of ASG in the HBS structure in 2006, they felt an increase in psycho-social stresses and strains and a decrease in motivation, caused by a high workload and permanent restructuring pressure. So, they appreciated the premature leaving, “sweetened” by a sufficient financial compensation payment.

1.4. Summary and conclusions

The closure of Honeywell Airport Systems GmbH (ASG) can be seen as a special case in our European sample of restructuring cases. The negotiation between the management and the works council in the context of the restructuring process was focused on measures to mitigate the economic disadvantages of the employees affected by the closure of the site. Aspects of the transfer of know-how and collective competencies have been of secondary importance for the negotiating process.⁸ However, the intention of the management to intensify a know-how transfer from ASG to HBS or other sites of the Honeywell group caused problems also affecting the functioning of the “work collective”, e.g. the refusal of single employees to “hand over” their know-how to “new” colleagues at HBS.

The main impact of restructuring on the “work collective” functioning is the fact that the cohesion among the workforce could be increased. Thanks to the strong and influential works council a financial compensation with acceptable payments for the employees who had to leave ASG could be achieved. This fact strengthened the solidarity of the employees during the negotiation process in 2010.

⁸ Note: Because the restructuring type was “closure”, it was difficult to analyse impacts on the maintenance or the inner-company transfer of know-how and collective competencies. In this case study we analysed consequences of the closure of a company site belonging to a huge corporate group, taking into account that the management intended to transfer know-how within the group, i.e. from one site to other sites or parts of the group.

2. Case Study 2: A hurried voluntary redundancy plan in a steel factory in France

Sonia Abdesslem (Syndex)

Ana Isabel Martinez (Syndex)

The "U" metallurgical company – Information about the company / site

The company manufactures special steel products (stainless steel) currently has 2,000 employees. The workforce is spread across multiple production sites (hot and cold sectors). Most of these sites are located in France (other sites, smaller in size, are located in Italy and Germany). The distribution networks are spread across the country (5, of which 3 are located in France).

More than half of the workforce is concentrated on a French site (1,200 employees). The case study focuses on this historically significant site in particular. Its main production activities include steel mills, rolling mills, stretchers, finishing operations, as well as maintenance. Support functions are present on the site, notably in HR, Accounting / Management, Sales, Logistics, Quality, HSE, and Research.

The company was acquired in 2006 by another Group.

2.1. The specific restructuring context

Restructuring process history

During the past decade, the company experienced two major restructurings. The first one started in 2004 and was implemented until 2006. It was aimed at making the company more appealing for resale. It resulted in an Employment Protection Plan that led to the departure of 123 employees, i.e. 10% of the workforce at the time (at full scope, in the company, 336 jobs were cut and site closures took place).

The second restructuring took place in 2009, in a context of global economic and financial crisis. The company, like most companies in the sector, tried to implement measures to deal with the situation (decreased production, drastic reduction in the use of temporary staff, insourcing of a number of activities, and partial unemployment).

It also decided to launch a voluntary redundancy scheme. Its objective was to reduce the ratio of support functions / production functions, with a view to downsize staff by 200. Since there were not enough "volunteers" among the indirect staff, the Voluntary Redundancy Plan was extended to production staff. As a result, 58 employees in support functions and another 58 employees in production functions left their jobs. In the process, a second Voluntary Redundancy Plan was launched. It targeted only indirect staff. Thus, 28 more employees left the company. In the end, 124 jobs were cut, in full knowledge that

they involved staff with high seniority and experienced “knowledge holders”. Job cuts were implemented very quickly (from a few days to 2 months depending on the case).

The recovery in demand in the stainless steel market, which began in September 2009, caught the company off guard - at a time when staff involved in the Voluntary Departure Scheme were leaving or had already left the company. Finding themselves in a situation of under-staffing and missing the relevant skills, overtime, subcontracting and temporary staff are used again. However, from the first quarter of 2010, an unprecedented quality crisis broke out (for instance, the rate of customer disputes rose from 0.07 to 0.20, to the tune of at least 15 million Euros). It is coupled with a crisis in industrial performance and security. 3 years later, the company is still trying to turn the corner and does not expect any significant improvement before 2015.

Nature of social dialogue and collective bargaining during the restructuring process

During the implementation of the Voluntary Departure Scheme, the bargaining focused on the original criteria (and mainly on whether or not to extend the Scheme to production employees) and social aspects (benefits and accompanying measures for the concerned employees).

Regarding the first issue, trade unions were divided. Some representatives were of the opinion that it needed to meet the expectations of production employees who also wanted to take advantage of conditions of the Voluntary Departure Scheme - mainly older employees with the most arduous jobs. Other representatives identified a risk and a possible inability to cope in the event of market recovery and felt the need to give priority to alternative measures and, meanwhile, retain the workforce. Finally, and to meet its objectives vis-à-vis the Group's executive management, local management decided to launch the Voluntary Departure Scheme.

Concerning the second issue, many measures were negotiated and good conditions were offered in terms of voluntary departure. These include, as examples, financial compensation, aid to set up a business or search for a new job / orientation, leave for personal projects, long-term leave, early retirement, retirement projects, and relocation assistance. Internally, only a bonus as an incentive to mobility was provided for - in case of transfer from the support function to the production function - and ultimately seldom used (this type of job change was symbolically treated as a professional regression).

In addition, management hired a firm to assist officers in communication management during the restructuring, and set up a psychological support unit for (departing and remaining) employees. No consulting firm was appointed by staff representatives (as it was a Voluntary Departure Scheme and not an Employment Protection Plan).

2.2. "Place" of the work group and the transfer of know-how and collective competencies in the restructuring process

At the social dialogue level

When discussing the Voluntary Departure Scheme, although divided on the question of its being extended to production, all trade unions recognized that a problem would arise in terms of loss of competencies as the main beneficiaries were the "older" employees. They put the question to management - which could not provide any concrete answer. Thus, nothing could be negotiated or implemented on the specific issue of the transfer of know-how. As to preserving the balance of the work group, the plan being based on voluntary departures, there was no room for manoeuvre.

Furthermore, attention and measures remained focused on those who were leaving, without any operational solution to the issues of workload, skills to be redeveloped, and working conditions for those who remained.

At the management level

All officers interviewed admitted to having underestimated the difficulties arising from the departure of experienced and skilled employees. They acknowledged that it would have been necessary to pay more attention to address this issue. The most negative element in managing the reorganization was, from their point of view, the pace at which employees departed. They only identified a few instances of competencies deemed critical for which they could have planned for in a more gradual fashion. In their opinion, one of the key factors which can explain a failing analysis is the "brutality" and the non-anticipation of the crisis. They could not see the crisis coming and were taken by surprise. Thus, they had to make decisions quickly and under high stress. So, they focused on achieving the target set in terms of number of departures and their efforts were mainly on promoting the plan among employees. Other issues remained in the background - minimized or hidden.

Furthermore, existing GPEC tools (Strategic Workforce Planning, French GPEC) - including an agreement - did not seem "mature" enough, and were not mobilized in time to avoid this "haemorrhaging." In any case, management competencies are only mentioned at the individual level and no approach based on collective skills was mentioned. In addition, until the latest Voluntary departure Scheme, management favoured a formal approach (written) of the know-how rather than a "living" transfer of competencies within the group.

However, due to avoidance strategies developed by some managers, some "parts" appear to have been less affected. They anticipated the likelihood of a loss of expertise in case of restructuring. Thus, they deliberately transferred skilled staff, upstream of the plan, to activities previously performed by subcontractors - and preserved them for the future. But this finding is very marginal (a known example: the steel mill).

In the daily work

The fact is that no arrangement or device was provided to ensure the transfer of skills. Departures were very swift. No transfer of know-how, even informally, took place.

2.3. Impacts of restructuring on the functioning of the work group

Not all work groups were affected identically on the site, both from a quantitative perspective (number of departures) and a qualitative perspective (deficit in type of competencies).

Although all were surprised by the latest Voluntary Departure Schemes (or even "shocked" according to some) and work groups were destabilized, they were able to withstand nonetheless. Thus, in most departments, the professional mutual assistance as well as the reference to - and the sense of belonging to - a work group persisted. In the workers' opinion, this strategy - to ensure that solidarity and cooperation prevailed in spite of everything - was the only tenable option to cope with difficulties. Employees ascribe this to the collective culture and strong human values rooted in the staff of the site.

However, employees felt deeply the impact of the restructuring. They went through difficult times and could feel their work group weakened and they experienced a decrease in their personal commitment to work and its requirements.

Impact 1: A sense of chaos and the feeling of being overwhelmed about the work in hand

The hasty manner in which redundancies were carried out and the lack of proposed solutions in terms of adjustment of the actual organization of work after the redundancies, gave employees the impression that they were "on their own" and had to scramble to find the means and resources to perform as much (and later even more) while being fewer in number. An almost immediate recovery in orders following the Voluntary Departure Scheme meant they had to absorb a significant workload. This was compounded by the fact that time-consuming projects - under development before the restructuring (e.g. SAP) - were still underway. Workers added that they had particularly resented the disruption of work patterns, the lack of visibility on their workload and planning - which all depended on changing orders and led to overtime (or not) without any real anticipation. Some call this period "the yoyo period". Both the use of subcontractors (at the same time) and then the need to rehire compounded the perceived lack of economic rationality in the strategic choices made by the management, and thereby the reduced confidence in the ability and operating modes of the company.

The inability to train adequately new employees - given the lack of time (priority was given to production) - came as a further consequence. The leeway that existed before allowed more time to be devoted to training on the job during the activity (by showing, explaining ...). Whereas, at this time, such leeway - along with meeting time or work discussions - disappeared and the competency gap widened between newer and older employees.

Impact 2: A sense of lack of preparation and even of incompetence in the face of new working conditions

To the increased workload, was added the necessity of having to "do" new things, to increase one's versatility to compensate for the "net loss" of the skills of colleagues made redundant. From the collective point of view, and primarily at the level of support functions, this meant redistributing tasks (sometimes a source of tension), changing the usual cooperation modes, and rebuilding an internal network of resources (that is to say,

getting to identify the person now in charge of any given activity). This resulted in an expression often used: *"it felt like having to start from scratch."* In cases where employees had to "re-build" a sharp skill, helplessness and discouragement pervaded: *"I know I cannot do that and that, no matter what I do, I could not do that. I do not even know how to learn or where to go for information to do that"* (an employee in support functions that was to take over the work of a colleague made redundant). In addition to the sense of failure that could be felt individually, a shared guilt arose at the time of the crisis in quality. In production, for instance, remaining older employees did not have the time to properly train new employees and / or could see the deterioration of the group expertise (which is a given in such departure scheme). They resented *"the impression to do a bad job or to see a bad job being done"* and they explained: *"for the management, only the tonnage matter, but we wanted to produce 'good tonnage.'"* This feeling of collective rushing ahead dented the morale and motivation of the work groups.

Impact 3: Withdrawal into the local work group - at the expense of the organizational collective

To cope with difficulties in some departments, work groups tightened and mutual daily assistance increased. They then tended to withdraw into themselves and rejected the requests of other departments or teams. Their aim was to protect themselves. They had neither time nor resources to devote to others. This defensive decline resulted in interdepartmental and inter-teams tensions. A similar type of tension originated in the mutual rejection of responsibility - superseding an interdepartmental sense of solidarity and undermining the group at the scale of the company (= the organizational collective): *"In support and production functions, we should have been in solidarity with each other. But due to the pressure and the situation, staff in production indicated to us that it was our fault that the company was in trouble. And, in turn, we also ended up thinking that staff in production was responsible for the quality problems"* (an employee in support functions).

Impact 4: Sense of destabilization in the face of an overhaul of the collective

One of the most distressing points for the remaining employees was the lack of time to carry out a reconfiguration in the face of an overhaul of the work collective - perceived as a brutal experience:

- Upstream of departures: the feeling of not having the time to get used to the idea that soon (and sometimes immediately) a colleague / some colleagues will no longer be there. For some of those who left, even though they were comfortable with a decision made on a voluntary basis, this short period also led to a "shock" effect
- Downstream of departures: the feeling of not having the time to find again one's bearings within the collective before having to incorporate new people

The 'departures / massive recruitment' sequence was too short. It had the effect of disrupting the normal integration process and therefore the transfer of skills (from those who are about leave to those who remain and those who are to come).

Impact 5: An altered sense of commitment to work

This questioning of one's relationship with work has always been linked to a feeling of denial of the work performed and acquired skills:

For those who left, they could see that they could leave overnight without being asked to - or even try to - transfer their skills to their colleagues. This induced a sense of professional inconsiderateness (*"actually, I am not worth any more than that"*). This proves even more difficult to bear if they had displayed a strong commitment to their work during their career.

On seeing that it did not seem, by projection, to be a problem when an experienced colleague left so suddenly, some of the remaining employees began to doubt the value of their commitment to work (*"why bother putting much effort into my work if that is the end result"*), and even themselves (*"I came to wonder if it was not me who was stupid to invest myself as much"*). The consequences ranged from experiencing a lack of motivation during micro-periods to strategies to withdraw from work. But in any case, on the one hand, they all resulted in a decrease in the sense of pride and in the feeling of belonging to the company. And, on the other hand, it resulted in an increasing lack of meaning of the labour as such. It should be noted that these effects appear to vary by the generational status of employees (younger ones appear to be less affected).

2.4. Epilogue...

All players in the company (trade union organizations, management, and employees), to this day, agree that the risk of loss of skills was largely underestimated during the last restructuring and, more specifically, that no action was taken to facilitate the transfer of expertise between those who left and those who remained, and to preserve the work groups.

This episode of internal restructuring, from which they recover with difficulty, made such risk become part of their conscience. They all agreed that the players are not sufficiently aware of these issues. For some, this episode of restructuring (and especially its industrial consequences) will at least have had the merit of demonstrating the strategic dimension involved in all the know-how of the company. This is well illustrated by an example used by an employee in production: *"For instance, a greasing operator, nobody thinks that his work is really important, or that it is very complicated. So when he left, no one did his job. And after 6 months the machine was down with all that it implies. And when the job had to be done, nobody knew how to do it well."*

In response, the management established a methodology for error analysis and concluded that many of the issues stem from a lack of training, expertise and knowledge of employees (both at the level of support and production functions). This line has become a major focus, with the emphasis on job training and development of a real mentoring (in partnership with trade unions). Its objective is to improve the "ownership" of trades. It also set thresholds in the use of temporary staff and enabled a more qualitative recruitment policy. To avoid rushing into a deleterious dynamic the management decided not to sanction (individually or collectively) employee(s) involved in quality issues.

ETUC - How can the issues of employment and work be linked when considering the impact of restructuring on the role of the work group as a factor in the (re)building of professional expertise?

As to staff representatives, they would like to be involved "farther back" upstream of the process of restructuring. Currently, they rely on seniors agreements (currently under negotiation) to limit the impact if a similar situation would arise. They hope that a Strategic Workforce Planning (GPEC) will now actually be developed, implemented and used as a tool for continuous anticipation: *"A mindset must be created, in calm conditions rather than when there is an issue. The transfer of skills must be ongoing and be part of the company's business routines"* (a staff representative of the site).

3. Case Study 3: Rationalization of the production process at Intesa Sanpaolo Spa in Italy

Daniele Di Nunzio - IRES - Italy

Information about the company/site

Intesa Sanpaolo Spa is a banking group based in Turin with a clear leadership in the Italian market (it is the second largest banking group in Italy, after Unicredit Group) and a growing international presence. Intesa Sanpaolo is organized by six business units: a) “Banca dei Territori”, the Domestic Commercial Banking Division; b) Corporate and Investment Banking Division (support for companies development); c) International Subsidiary Banks Division; d) Eurizon Capital (asset management); e) Banca Fideuram (financial advice); f) Public Finance (support for the modernization of public administration promoting collaboration between the public and private sectors).

We focused our analysis on the “Banca dei Territori”, the Domestic Commercial Banking Division which is the most important business activity of Intesa Sanpaolo.

“Banca dei Territori” has 10.9 million of customers with 5,134 branches: a) 4,609 branches dedicated to 10.7 million Retail customers (Households, Personal and Small Businesses); b) 150 branches dedicated to 77,000 Private customers; c) 309 branches dedicated to 126,000 SME customers; d) 66 branches serving 50,000 Non-profit Entities. It includes “Intesa Sanpaolo Assicura” and “Intesa Sanpaolo Vita” for life and investment insurance. Goals of the “Banca dei Territori” are: supporting for regional brands; improving local commercial positions; offering services for individuals, small businesses, SMEs and Non-profit Entities.

3.1. The specific restructuring context

Intesa Sanpaolo resulting from the merger between Banca Intesa and Sanpaolo IMI in 2007, so we can consider the restructuring process as the process of birth of the banking group with continuous changes in the working process as a result of this merger. From the beginning of restructuring process employment increases at international level and decreases at national one. During the merger dismissals are not occurred: a good negotiation between social partners led to early retirement using the Pension Fund⁹ and by the latest agreement of 2011 5,024 workers have been encouraged to exit. In 2012, during the recent international crisis, business plan proposed to lay off 1,300 apprentices, but dismissals of redundancies were avoided by a good bargaining process confirming all apprentices.

⁹ In Italy, the system of Pension Funds reserved for employees of the Intesa Sanpaolo consists of over 30 pre-existing realities at the national supplementary pension reform, half of which with legal personality, made up of plans with defined benefits, defined and mixed contribution. The division of the system is a consequence of the history of each of the brands that have become part of the Intesa Sanpaolo Group. The first 7 funds based on size cover approximately 90% of managed assets and are self-governed, in accordance with legislation and trade union agreements in force.

More broadly - as explained by the unions' representatives - there is a good bargaining system considering all the aspects of negotiation, especially for: dismissals, shifts, mobility and flexibility, corporate welfare.

Intesa Sanpaolo: employment trends

	2007	2011	2012
Italy	70,734	70,217	66,427
International	25,464	30,982	29,743
Total	96,198	101,199	96,170

Source: Intesa Sanpaolo Financial Reports

3.2. Impacts of restructuring on work organization and working groups

Our research clearly identify main factors with a problematic impact on working conditions, even if there are some positive opportunities: 1) the rationalization process; 2) the system of performance evaluation and rewards; 3) reduction of the quality of work considering personal competences for “front office” workers at individual and team level.

Impact 1: Rationalization of the working process: between standardization and autonomy at work

The merger between the two banks - which is the starting point of the restructuring process - imposed to find a common work organization to manage the workflow among the many local branches. At the same time, work has become increasingly complex: in the past, banks were especially an institution where clients kept their money; now, banks sell products such insurance policies and investment packages, they give out loans and they need to apply strong measures to evaluate clients' solidity and their guaranties. As results of these drivers, after restructuring a increasingly process of rationalization started with the following consequences:

- Standardization of products, services and working processes: products and services are increasingly homogeneous at national level as well as the evaluation criteria of the clients and of the workers' performance using Information Technology programmed by the “back office” at central level.
- Centralization of the “back office”: it passed from the “branch level” to the “central level” with the aim to have a common organization with a central control on products and on the evaluation system of clients.

Opinion of unionists and workers is that standardization intensifies the individualization of work and increases the distance between “centralized back office” and “individual work at branch level”. Standardization offer some opportunities for the bargaining at central level but only for some specific issues of the work organization (i.e. shifts) but at the moment there is not a bargaining system on the content of work (i.e. products and services). Moreover, workers didn't know the real content of the financial products and they have only an approximate knowledge. During the interview, a worker said: “In the past there was a greater personal cognitive process. The knowledge of families and companies was central to give a choice for a product. Now you enter the data in a program, then program processes the variables and at the end you have the out-put”.

On the other hand, compliance with the standardized procedures reduces the risk of errors for the single worker and “*it is a safety way to work in a risky sector*”.

Management’s point of view is that standardization of procedures improves efficiency, predictability, calculability and control along the working process. It reduces the financial risk for the company and it is a guarantee for investors at national and international level. However, autonomy and opportunities of choice are reduced also for the local management at branch level.

Impact 2: Performance evaluation, business objectives and individual rewards

Second factor with an impact on working group is the strengthening of the performance evaluation: after restructuring, more than ever before, the performance of each single worker is evaluated in a system of business goals and rewards.

“PERforMER” is the performance measurement system introduced in 2010 and it involves all employees in Italy. It was designed to enhance performance excellence, to help managers to be more objective in identifying individual performance and to promote career paths. In 2011 “PERforMER” was fine-tuned simplifying and streamlining the processes with suitable IT support, with the aim to enforce at central level the standardized system of evaluation.

On the other side, Intesa Sanpaolo completed further fine-tuning of the incentive systems, reinforcing their alignment to the risks assumed, in connection with multi-year objectives and the use of quality objectives, in any event measurable, by extending the systems to all levels of the organization. Incentive systems have always been fully disclosed to employees by several information documents, envisage minimum thresholds below which bonuses are not awarded and apply the principle of symmetry for which the extent of the incentives are related to results actually achieved at three levels: Group, Business Unit and individual level. Focus is on the dissemination and promotion of the concept of performance based on assessment and on recognition of merit, both at group-unit level and individual performance.

Introduction of the new policy in the National and International Subsidiary Banks represents the need of standardization of the performance appraisal processes and tools at all levels of the organization. The coordinator of the branch has a certain degree of influence in the final evaluation of the workers with an effect on rewards according to the personal professional judgment for each workers.

Unions negotiate the wage by a national agreement but there is not a good bargaining system for targets and rewards in the evaluation system, consequently unionists would like to improve the bargaining on these issues at national level.

This system results in better economic benefits for the workers, especially considering that they can chose to invest the money in a pension fund taking advantage of additional income for tax relief. On the other hand, system of performance evaluation related to individual rewards increases the level of stress, with lack of satisfaction for the further individualization of the work and an increase of the workload under the pressure of the business objectives. Moreover, it is not possible to have an individual negotiation of these

objectives with the aim to reduce or to increase the personal risk considering personal objectives or exposing personal limits.

At branch level there is an informal collaboration among workers: i.e. colleagues help each other to carry out the work peaks or they carry out the work of the colleagues in case of absence, with some problems because these “collective practices” may conflict with “individual target”.

Direction point of view is that corporate system of evaluation and individual rewards improve the individual and company productivity. Moreover it makes possible a strength control of the performance with the opportunity to plan specific interventions to improve work organization and the achievement of business results.

Impact 3: Teamwork and competences

At management level, there are high opportunities to support teamwork and training for the managers and for the most creative workers in the back office (i.e. professionals involved in the definition of products and services at central level). On the contrary, there are less opportunities of training for the workers of the “front office” for several reasons: individualization of work and tasks conflicts with team work and with the sharing of expertise; training is focused on “communication” and “motivational” skills with the aim to increase the sales of specific products or services but there is a lack in training on the real content of these products and services (“training is focused on targets”); there is a reduction of the “web (on-line) support” to help workers in their daily job and the company's attention is focused on strengthening the IT centralized standardized system. By this way, there is a certain distance between the individual level of education that is needed to work in a bank and real job content and opportunities for career.

3.3. New challenges for the quality of work

In conclusion, our case study shows a tension between a process of rationalization of the working process - on one hand - and a process of affirmation of workers subjectivity - on the other hand - that is one of the main challenges for the development models in contemporary age¹⁰.

Intesa Sanpaolo introduced some important changes in the work organization with the aim to reduce economical risks, to increase the profits, to manage the merger of several bank

¹⁰ On these topics, see: Touraine A., 1992, *Critique de la Modernité*, Paris, Fayard; Ritzer G., 1993, *The McDonaldization of Society*, Thousand Oaks, Pine Forge Press; Castells M., *The Rise of the Network Society, The Information Age: Economy, Society and Culture*, Vol. I., Cambridge, MA, Oxford, UK, Blackwell, 1996; Gallino L., 2011, *Finanzcapitalismo. La civiltà del denaro in crisi*, Torino, Einaudi. On the impact of restructuring on health, see: Di Nunzio D., Hohnen P., Hasle P., Torvatn H., Øyum L., 2009, *Impact of restructuring on health and safety and quality of work life. Psychosocial risks*, Leuven, Higher Institute of Labour Studies, Katholieke Universiteit, Belgium; Kieselbach T. (eds), 2009, *Health in restructuring*, Muenchen: Mering. For a focus on the working financial in the financial sector in Italy, see: Magrin G., Piotta I. (2006), *Condizioni di lavoro e relazioni industriali nella trasformazione del sistema bancario*, Roma: Ediesse; Macciocu L., Nardella C., Rossi I., Stella M., Brizio L., 2008, “Workers’ active participation in the prevention of psychosocial hazards in the credit sector: a key priority for becoming a socially responsible business”, in *Prevenzione Oggi*, vol. 4, n. 2, 2008; Guidi S., Bagnara S., Fichera G. P., 2012, “The HSE indicator tool, psychological distress and work ability”, *Occupational Medicine*, 62:161.

groups, to better manage a complex work process in a dynamic sector in a high competitive globalized market. As positive results, dismissals are not occurred during the merger and during the recent global crisis, also for the most precarious apprentices. As related in the Company's Financial Report, in 2012 operating income increased by 6.5% compared to 2011 and cost containment measures bringing the cost/income ratio down to 49.8%. Moreover, Company's Customer Satisfaction Survey shows a gradual increase in satisfaction for individual customers as well as for enterprises.

Nevertheless, our analysis shows some main factors with a problematic impact on the quality of work, even if there are some positive opportunities: 1) rationalization, centralization and standardization of the working process, considering products, services and work organization; 2) strengthening of the individual performance evaluation in a system of business goals and rewards; 3) training focused on communicational and motivational skills for the workers of front office.

These processes led to the following consequences:

- These processes reduce risks of failure and errors for the single worker as well as for banking group. This is a good result for workers and, also, for the investors. But, on the other hand, the reduction of risks goes with a reduction in workers' autonomy and participation, with a reduction in the quality of work considering personal competences and teamwork and, also, in some problems due to bring together the diversified demands of customers with the standardized procedures provided by the bank. Finally, it seems that the rationalization process could reduce the individual satisfaction for high skilled workers.
- The distance separating workers and management has widened. Relations between the single worker and managerial staff has increasingly become formal, bureaucratic and impersonal, by a standardization of the working process at the central level of the "back office".
- Considering the bargaining on "work organization", influence of the single worker and trade union representatives in the decision-making process has diminished at both company and broader corporate levels.
- More than ever before, the performance of the single worker is evaluated for the achievement of individual specific targets with high level of stress and low opportunities to bargain objectives.
- The relationship between worker and clients now entails heavier workloads with less autonomy and less collective support of the teamwork at "branch level".
- Distance separating banks and territories (individuals, families, companies) has widened, because the relationship between the "branch bank" and the "local clients" has moved to the "centralized back office" while reducing the possibility of a direct and personal relationship between workers and the customers.
- Working process now requires a continuous updating about the products but for the workers there is a reduction of the skills and qualifications as well as of the real knowledge of products and services.

In the company there is a strong bargaining system with the aim to discuss all the issues of the restructuring process but the “working group” as well as the “work organization” is not at the core of the bargaining and there are low opportunities to have an influence on the quality of work especially considering autonomy and skills. Therefore, there are some new challenges for unions:

- promoting a bargaining system on the work-organization at the core level with the aim to negotiate the centralized procedures of rationalization;
- improving social dialogue on “products” and “services” as well as on the “system of evaluation, objectives and rewards”;
- improving decision-making autonomy for single worker and for teamgroup at “branch level”: workers could have the opportunity to better manage their personal risk in the relationship with customers;
- promoting an inclusive social dialogue: clients and customers associations could play a basic role in the bargaining system, considering the relationship between quality of work and quality of the services.

4. Case Study 4: Two examples of massive restructuring at Orange / Emitel and EDF Rybnik in Poland

Stéphane Portet (S- Partner)

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In the Polish case, two companies were examined. The first one, in the telecommunication sector is Orange (including employees of an outsourced company, Emitel). The second one, in the energy sector, is EDF Rybnik¹¹.

Orange / Emitel

Emitel, the leading terrestrial radio and television network operator, was outsourced in 2011 to the firm Montagu Private Equity. Orange (formerly TPSA Telekomunikacja Polska, SA) formerly used to be the only Polish operator. This is one of the largest Polish companies with a leading position in the telecommunications segment. At the end of 2012, Orange Polska had respectively 14.7 million customers in terms of its mobile network, and 5.6 million customers in terms of fixed-network, with earnings amounting to PLN 14.9 bln. Since privatization in 1999, France Telecom has become the strategic shareholder.

Employment structure of Group as reported Full time positions (end of period)	2011				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
TP SA	15,210	15,020	14,886	14,854	14,885	14,698	14,424	14,067
Other (incl Orange Customer Service)	7,732	8,741*	8,828	8,673	6,540	6,405	6,204	6,066
Total fixed line	22,941	21,761	21,514	21,527	21,425	21,103	20,628	20,132
PTK Centertel	2,157	2,122	1,743**	1,743	1,750	1,745	1,732	1,729
Other	420	456	477	534	542	563	524	552
Total mobile segment	2,577	2,578	2,220	2,278	2,292	2,308	2,256	2,281
Group	25,519	24,339	23,734	23,805	23,716	23,411	22,884	22,413

*excluding Emitel's headcount amounting to 941 employees
** excluding 344 employees transferred to NetWorkSI JV

¹¹ The analysis of two companies, not just one, was caused by the difficulty in arranging an interview with the management of Orange and Emitel. The management of Emitel refused to meet us. After initially having accepted the interview in principle, the management of Orange backtracked. Then, after having approached the press officer, the management finally offered an appointment. For technical reasons beyond the control of both parties (all public transport suspended), the meeting could not take place at the agreed time and it did not appear possible to arrange a new meeting. Given the uncertainty of an appointment with Orange, we decided to conduct interviews in a second company as well. We were able to talk easily both with workers and management representatives. However, we chose to retain the presentation of interviews we conducted with employees of Orange.

EDF Rybnik

The EDF Group is the 3rd largest electricity producer in Poland, where it has been present for 14 years. It owns 10% of the Polish electricity market and 15% of the heat market. In Poland it has four plants that were recently merged into a single entity: EDF Polska.

The merger of EDF Rybnik S.A. (acquiring entity), EDF Kraków S.A., EDF Polska CUW Sp. z o.o., and EDF Polska Centrala Sp z o. o. is the first step in the consolidation of the assets of the EDF Group in Poland. The headquarters of the company was moved to Warsaw.

The second step in the consolidation relates to the marketing company, EDF Energia, and the cogeneration company, EDF Wybrzeże.

EDF Polska currently has 3,500 employees. The Rybnik plant alone employs 700 people.

4.1. The specific restructuring context

Orange / Emitel

The company has a long history of restructuring. Between 2001 and 2004, staff decreased from 70,000 to 40,000. At first, this restructuring process took place without any conflict - on the basis of voluntary redundancy. In 2005, as the end of job cuts had just been announced by the management, a new plan to cut 4500 jobs set fire to the powder. For the first time, trade unions opposed the plan and negotiated an alternative (a VSS involving 2,700 people). Along with the frequent use of job outsourcing, the VSS defined the nodal point of the restructuring of TPSA. Trade union organizations had become accustomed to negotiate voluntary departure schemes. Faced with a sharp increase in outsourcing, they imposed negotiations on the growing use of this type of employment. Thus, in 2007, the agreement provided for a limitation in the use of outsourced labour, to 25%, and recruitment, to 3% (of the workforce) so as to facilitate internal mobility. The reorganization involved all positions but had a particularly strong impact on customer service. Despite the importance of internal mobility, negotiations on the Forward-looking Management of Employment and Skills (Gestion Prévisionnelle des Emplois et des Compétences, GPEC) were almost nonexistent.

EDF Rybnik

The most significant and most difficult restructuring was launched in 2009:

- creation of a shared service centre in Krakow (consolidation of IT, administration, finance, maintenance engineering services).

- 1,300 employees were affected by the restructuring :
 - ▶ about 400 people left the company within the framework of a voluntary departure scheme (severance pay: from PLN 80,000 to PLN 120,000, based on seniority).
 - ▶ people approaching retirement benefited from pre-retirement leave.
 - ▶ others found new positions in the shared service centre (about 300-400 people, with a guarantee of employment for three years and one year's salary) or in units of the Group. About 150 people were transferred (thereby benefiting from a mobility bonus).

The reorganization, carried out in the context of the TREFL project in 2009, generated strong opposition from trade union organizations. At this point, when TREFL was implemented, it should be noted that EDF had already cut jobs by nearly 40%.

The 23 trade union organizations found on the sites of the Group in Poland opposed the project, citing the weak financial packages that were offered (assistance for voluntary redundancy and support for mobility). Finally, no agreement was reached and the company took action unilaterally.

In both cases

Trade unions challenged the voluntary nature of the redundancy plans. Employees primarily feared being dismissed as part of future restructuring with conditions much less favourable than those proposed then.

Financial compensation is the central element of the social treatment of the restructuring work group

By means of the Article 23 of the Labour Code, the change in employers led to a deterioration of working conditions and remuneration¹².

4.2. “Place” of the work group and the transfer of collective competencies in the restructuring process

In both companies, there was no in-depth analysis by officials, in terms of transfer of collective competencies, and therefore no specific arrangements in terms of skill transfer.

With regard to individual competencies, the approach was generally empirical and ex-post. For example, for EDF Rybnik, an employee transferred to the shared services centre:

- either held a similar position to the one he had previously, thus without any particular need for training,

¹² This Article allows the transfer of employees in the event of a total or partial sale. The transfer implies the maintenance of individual working conditions for 12 months. After 12 months, the employer is free to terminate the company agreement, without any obligation to negotiate further. Sometimes this allows a decrease in the level of remuneration and in working conditions for some (outsourced) employees, without calling into question the whole service contract for other employees.

- or he was employed in a different position and was left to learn on the job, but without any prearrangement and without any contribution from the work group.
- Anecdotally, the only mention of training by the employees of EDF Rybnik was: "how to manage stress".

The notion of collective competencies is lacking in the benchmarks and analytical tools for employees, union representatives, and management officers - although the departures generally highlighted the interdependence process. However, the reference to the collective is primarily formulated in terms of increasing workload for the "survivors" and less directly in terms of loss of group competencies, even if the "survivors" reported the negative impact due to the redundancy of the best trained employees.

At Orange, the issue of the number of employees guided the restructuring, and left little room to the more qualitative aspects. The managers were not trained to view the issue from a different angle than the quantitative one. The issues of work organization and competencies were not open to any debate in the context of the negotiation of the reorganization plans, even though the company agreements dealt, for instance, with training policies.

4.3. Impacts of restructuring on the functioning of the work group

A plurality of common impacts for both companies

Impact 1: A sense of chaos

Employees and former employees can only see the restructuring process through the quantitative prism of cost reduction. Given the lack of discussion on the future organisation, a lack of strategy can be noticed and a sense of chaos can be felt. A social dialogue on competencies, being long-term in essence, would have given a whole new dimension to the process discussed here. Long after the restructuring, this sense of chaos is still pronounced among the "survivors". It thus highlights the continued lack of understanding of the process on the part of employees.

Impact 2: Frustration is related to forced mobility

The two cases studied involved geographical mobility, with a strong sense of forced mobility on the part of employees. The "destruction" of working relationships is often mentioned as well as the difficulty in finding the traditional patterns of socialization at work (moments of relaxation between colleagues, families...). At Orange, the concept of family (referring to the work group with its dimension of togetherness – the "living together") is referred to several times in the interviews – while deploring the end result.

Impact 3: A conflict between the various categories of workers (internal / external / outsourced)

This applies to both companies albeit in different ways. At EDF, emphasis is placed on differences in competencies and risks related to customer service. At Orange, emphasis is placed on the issue of difference in status and the competition promoted by the

management. In both cases, cooperation between the two groups is complicated – which tends to make it difficult to transfer competencies, especially for new recruits.

Impact 4: A diminished commitment to work

In both companies, employees reported that they are less interested in their work, that the relationship with the company has changed, and that the moral contract is breached (including for departing staff). At Orange, this was reinforced by the negative impact of the standardization of duties – which is seen as a deskilling by the survivors. Employees also justified the various levels of commitment to work (and the company) by the diversity of status.

Impact 5: A conspiracy theory

Both cases relate to privatized Polish companies that were acquired by foreign (French) capitals. Given the lack of understanding of the restructuring process, the conspiracy theory surfaced quickly - notably with the idea of a desire to harm seen behind the actions of the employer. This can be through an impression of animosity vis-à-vis a particular group (Orange operators). Paradoxically, it relates rather to the "survivors".

Impact 6.: Lack of cooperation between employees and refusal to share knowledge

This deterioration of the principle of cooperation and assistance can be observed during and after the restructuring. In the first instance, it results from a strategy to protect one's own jobs. In the second instance, it is caused by a breakdown in the work group and status differentiation ("there is no more work group" / Orange). This situation resulted in avoidance strategies (leaving the office at 5pm sharp, avoiding the coffee corner ...), but also in secret strategies, conflicts, and sometimes denigration strategies (for example, at Orange, trade unions reported that workers were critical of other workers in order to try to protect their position).

Impact 7: Idealization of the past and, in the case of Poland, the former system

"It was a good company, a socialist company but a good company ...": these words - spoken by a Solidarnosc activist in one of the two companies - allow to measure the extent of the idealization of the past. This idealization of the past affects all respondents except the management representative. This idealized vision of the past - and, at the same time, its simplicity, its immediate intelligibility - contrasts with the chaos generated by the restructuring (the lack of visibility, the multiplication of status ...) and therefore makes it even more difficult to accept.

Impact 8: Frustration over the loss of social benefits (including bonuses ...)

In both companies, "displaced" staff highlighted the loss of social benefits experienced while continuing to work for the same company. This was perceived as a denial of competencies.

Impacts observed only in interviews at Orange

Impact 9: Frustration vis-à-vis the management's impunity

This is true enough for the "survivors" who feel that a management - with highly questionable competencies - was spared.

Impact 10: Competition between workers

Though this is also mentioned by the employees of Rybnik, it is more widely emphasized at Orange where objective-based management appears to be more significant. This competition is nurtured by the management and undermines cooperation between employees. It is particularly strong between age groups and is de facto also built around a split 'survivors / new employees.'

Impact 11: Refusal to undergo the assessment

During the reorganisation, the management seemed to want to give selection procedures a certain form of rationality by basing it on an assessment of the profiles (actually on Curriculum Vitae). For employees, skills assessments were actually perceived as a rating instrument (mark) and some refused to undergo such assessment.

Impact 12: Stress and psychological problems

Employees especially mention the lack of support because of the mobility as well as the difficulty experienced in showing one's understanding (and empathy) between people with different statuses.

4.4. Summary and conclusions

Interviews in both companies suggest that the restructuring processes - which were conducted in a primarily quantitative way - strongly impacted the work group and generated many frustrations and a lot of misunderstandings.

This resulted in a deterioration of commitment to employment and / or work and in a loss of confidence in the management.

Restructuring is often seen as the collapse of an idealized family. And managers are perceived as responsible for the breakdown.

If the notion of collective competencies was not taken into account by the interviewees, it still remains that the restructuring period is viewed as a period of denial of competencies.

Finally, we did not come across any "survivor syndrome." Occasionally, the latter even consider themselves as victims compared to those who left with advantageous benefits under a VSS scheme.

5. Case study 5: Reconstruction in three phases of a local IT factory in the northern part of Sweden

| Eskil Ekstedt (Uppsala University)

Ericsson – Company / site information

Ericsson is a world-leading Swedish company that designs and produces telephone (mobile) stations. The Östersund Unit, located in a small city, opened in 1968 as part of a regional policy program. The factory part was outsourced in 2000 to Solectron, an American IT commodity production Group. Another American company, Flextronics bought Solectron in 2007 including its worldwide network of factories. Flextronics closed down the Östersund factory in 2009.

The main production in Östersund was AXE switchboards for mobile telephone networks worldwide. The factory started three advanced IT programming departments; later outsourced to different IT consultancy companies. Ericsson is the dominating buyer of both commodities and services during the whole period. The size of the unit has varied between 1100 person to 350. Outsourcing and the frequent use of hired persons from the employment agent Kornboden makes those figures uncertain and varying. The labour market of the region is very limited but stable as there are few activities in the same industrial branch.

5.1. The specific restructuring context

Phase 1: Retraining / Scale up of skills

In the 1980s and early 1990s, the Group implemented several proactive reconstruction efforts. Simple routine work was transformed into qualified problem solving IT-programming work. This was achieved through advanced retraining programmes of employees. Many participants came from the shop floor. Local management and local union leaders cooperated and became involved in implementing these programmes.

Phase 2: Outsourcing

Streamlined and centralized American management models were introduced and the former relative independence of the Östersund unit disappeared. Dialogue became one-sided as the work model used in the whole Solectron Group had to be followed. Local management and social partners initially welcomed the takeover by Solectron since they believed this would bring in alternative customers besides Ericsson. This never happened. People hired from an employment agency became frequent on the factory floor in Östersund. The advanced programming departments were outsourced to players other than Solectron.

Phase 3: Shut-down

Flextronics closed down the commodity production unit in Östersund or moved the activity to other factories. Hundreds of persons lost their job. A handful of persons followed along to the southern part of Sweden. Formal negotiation about conditions and compensations resulted in different outcomes for white-collar workers and blue-collar workers. The IT component and its personnel (hardware, software and system programming) of the former Ericsson Östersund unit still exists and works, but in different shapes and organizations.

5.2. Skills and team work during the different phases

Phase 1: Retraining Scale up of skills

Persons with low formal education performing manual work on the production line were trained to become programmers involved in independent problem-solving projects. After a selection process, the company, together with local players, offered massive training at a cost of around €50,000 per person. The training programs were a success and the newly trained programmers started to work in separate departments. One of the impacts of retraining is that in many cases they also changed their union affiliation, from Metall (blue-collar workers) to TCO (white-collar workers)

Phase 2: Outsourcing

The Ericsson group started to focus on its core business: the project organized development and design of telephone stations and networks. Many production units were outsourced to specialized IT commodity production groups. The division of labour between the design and development of telephone networks on one hand and the design of efficient factories for building the stations on the other hand became clearly marked. The Östersund factory lost its advanced programming departments. The knowledge developed in these units was transferred to other organizations. However, many of the project-organized teams that had been formed in the IT departments remained intact in the new environment. The collective competencies developed during the first phase of the restructuring appeared a key factor for survival.

Phase 3: Shut-down

The personnel were offered a variety of packages (severance pay) to leave the company working after negotiations. Some key persons were chosen (approximately 12 persons) to facilitate the transfer from Östersund to other factories in the south (a planned knowledge transfer). Some employees were also given the option of going to the Ericsson plant in Katrineholm. Only a handful of persons left permanently. Some 30 persons from the employment agency Kornboden went to work in Katrineholm for a time.

Depending on their age, employees continued to receive their salaries for 1 to 4 months. The company paid 3 million krona for skills development to Trygghetrådet (training for white-collar workers) and Startkraft (training for employees affiliated to IF Metall and thus covered by the IF Metall collective agreement).

After negotiations, there was some knowledge transfer by moving key persons to other plants. Working groups were dismantled at the shut-down. In practice, employees took

part in training programmes, where they used the knowledge developed in the factory to a certain extent. Collective competencies were not at all taken into account.

5.3. Impacts and Consequences

Phase 1: Retraining/Scaling up of skills

A culture of continuous learning has been developed among programmers. Not only did they ask for formal courses, but they also increased their knowledge as team members or team leaders in increasingly advanced projects. Know-how has been supplemented by continual reflection (know –why).

The employees that went through those programs obtained a more stimulating work situation better suited to current and future needs. The ability of programmers to cope with change increased as they acquired more experience. The work group played a significant role as the network from where the teams and projects originated. Today, it remains much the same as during the Ericsson period.

Phase 2: Outsourcing

Outsourcing resulted in a dramatic deterioration in conditions for all employees. Worldwide concepts and practices like customer focus, lean production and kaizen became part of everyday work. Work has been disqualified and the work group broken down.

Phase 3: Shut-down

Some white-collar employees were motivated to start something new while others were very disillusioned according to the Trygghetsrådet representative interviewed. Although most employees thought that their strength lay in their professional knowledge, they discovered that their experience of working in goal-oriented projects (in teams) and in an international environment (using English) was just as important for their new employers.

The persons employed through the employment agency Kornboden seem to have fared better than those who had collective agreements and continued to work on the shop floor. Kornboden had other customers aside from Flextronics and some employees were able to start to work at once - others were unemployed for shorter periods.

To sum up: few of the blue-collar workers could transfer their knowledge to other activities and the teams were dissolved. Some knowledge transfer by key persons occurred as they joined other factories

5.4. Future behaviour

The IT programmers appeared to be the more interesting, which underlines the role of collective training in long-term team-building and networking as the key asset for access to employment. These employees who originally developed their knowledge in Ericsson's IT departments have been able to transfer their skills to their new organisational environment. For them, the team they work with often offers more advantages (creating of an identity, social ability and a sense of belonging) than the company that has hired them. The proactive reconstruction (retraining) in phase A served as the base for the future

transfer of advanced as well as sustainable skills and continuous teambuilding. White-collar workers (no IT programmers) tended to have better prospects on the job market than blue-collar workers. However, this was mainly because of individual skills, without the added value of team organization that characterized IT programmers, who, it must not be forgotten, were shop floor workers at the beginning of the process.

6. Case Study 6: United Kingdom: a large-scale program of job cuts set mostly through voluntary departures

Ana Isabel Martinez (Syndex)

Tata Steel Scunthorpe – Information about the company / site

The Scunthorpe site is the main site of Tata Steel in the UK for the long products segment. The site currently has about 4,000 internal employees as well as a substantial number of subcontractors. The Scunthorpe site is an integrated site. Before the restructuring process (discussed herein), it had a total of four blast furnaces and a wide range of production facilities (hot and cold industries).

The site has a long tradition (British Steel, then Corus, before the acquisition of the latter by Tata Steel in 2007). Due to its integrated nature, all trades in steel production are present in the site. They include steel mill, rolling mill, stretching, and finishing operations, as well as intervention and maintenance.

Three trade union organizations are established, with varying degrees of membership in Scunthorpe: Unite, Community, and GMB.

6.1. The specific restructuring context

Restructuring process history

In 2005, Corus acquired the site of Scunthorpe. Following the investments made in the Caster 5, it proposed, for the first time, the closure of the bloom and billets mill. Despite the concerns of workers and trade union organizations, this period of uncertainty extended over two years. Finally, the announcement was not followed up by actions.

In 2007 - after a long process of negotiation and bids - the Indian group Tata Steel completed the acquisition of Corus Group.

From the end of 2008, the global economic and financial crisis resulted in production stoppages, "mothballing" of facilities, and staff reductions in the steel industry.

Though Tata Steel did not follow this trend immediately, the Indian group announced in 2011 the implementation of a major restructuring program in the long products segment - including, in particular, the closure of a blast furnace and a rolling mill on the Scunthorpe site.

The group justified the restructuring by the weak activity in the construction sector in the UK. It involved 1,500 job cuts at the Scunthorpe and Teesside sites as well as inter-departmental mobility for Scunthorpe. The reorganization, planned over a period of 5 years, was accompanied by an investment program to reposition the site on high added value products.

The large majority of job cuts, involving about 1,200 people, took place in the first year of implementation of the plan, i.e. from the spring of 2011.

Predominantly (95% of), workers' departures took place on a voluntary basis, after a period during which trade unions represented in Scunthorpe were involved in severance pay negotiations. These voluntary departures were related to workers whose age gave them access to retirement and for which the time frame was variable. A small percentage of workers, mostly engineers, were not affected by age-related measures, but found alternative employment in other major companies in the region (particularly in the energy sector).

Today, even if the initial restructuring process is almost completed, the uncertainty persists because the market developments for long products are not favourable and visibility is very low. Persistent rumours about the possible sale of the Scunthorpe site are reflected in a sense of insecurity and fear among workers.

Nature of social dialogue and collective bargaining during the restructuring process

When the restructuring was announced, the bargaining focused on limiting forced redundancies to a minimum (via the identification of volunteers and "eligible" individuals), on the social aspect (severance pay and accompanying measures for employees involved, not only at the time of identifying the "departing" employees but also beyond), and on the mechanisms to be implemented in order to effectively ensure the maintenance of existing skills.

Regarding the first item, the willingness of players (unions and management) was to minimize redundancies. And this was facilitated by a very favourable age pyramid, enabling a large number of employees to volunteer and be successful in their applications. Indeed, the number of volunteers was higher than the number of available positions and choices had to be made. Non-acceptance of applications was based on the skills of workers: management refused to let go of workers with skills considered critical in the smooth operation of facilities.

Regarding the second item, and both in the words of trade unions and management, the severance package offered to volunteers was good (all legal requirements were met) and was accompanied by numerous meetings both within the company and the community to manage the post-departure (*"In terms of social responsibility, we cannot simply 'drop' 1,200 people in a community that has about 80,000 inhabitants"*). Management puts forward the argument of the corporate social responsibility to manage the restructuring in the "best" way possible. This argument of social responsibility is to be added to the will of Tata Steel to maintain, to the extent possible, the reputation and attractiveness of the company.

Regarding the last item, negotiations - between management and union representatives - were held to determine the competencies that had to be maintained within the site, the way to implement the process of transferring skills, the timing of departures, and training processes for the remaining workers as well as those involved in a functional transfer or a change in position.

In addition, a process of information and consultation between management and employee representatives was established. The latter were given the opportunity to use an expert in order to better understand the ins and outs as well as the economic, financial and industrial rationality of the restructuring.

6.2. “Place” of the work group and the transfer of know-how and collective competencies in the restructuring process

At the social dialogue level

As such, the notions of collective competencies and work collective are missing from the benchmarks of employees, union representatives, and management officials - even if the terms of the management of the restructuring highlight a concern shared by unions and management - at a time when maintaining work collectives in the best possible conditions for a possible commercial and production recovery is paramount.

During the information - consultation - bargaining phase, trade union organizations focused on two aspects: identifying the departing "volunteers" and the measures to be implemented to transfer skills.

Regarding the first aspect, trade union organizations put in place mechanisms that allow workers to make their choice (pension workshops, "job fairs", seminars on managing post-employment ...). Regarding the second aspect, unions sought and obtained that management could not make anyone redundant without first checking the skills of individuals about to leave the company, the skills needed in the future, the training required for the remaining staff, and the timing needed to organize the departures and "reconcile" them with the process of transferring skills.

Today, trade union organizations seem generally satisfied with the way the restructuring was handled (both by trade unions and management). However, they expressed some regret about the excessive focus on the situation of individuals who were leaving. This led, a posteriori, to a deterioration of the health and safety indicators, increased workload, and increased psychosocial risks for those remaining in the company. But trade union organizations recognize the difficulty of assessing precisely how much of these consequences could be attributed to the restructuring process and how much is actually due to the current economic and industrial situation of the Scunthorpe site.

At the management level

Management stated that from the beginning of the restructuring process, it had been aware of the need to maintain the skills that are necessary to ensure the future operation of the site. Several measures were implemented in this regard:

- Identification of the competencies relating to people volunteering to leave
- Acceptance or non-acceptance of applications for departure to be based on key competencies

- Request made to "departing" workers to carry out the process of transferring skills. The length of the transfer period depended on the jobs involved but also on the motivation of individuals to participate in the process
- Policy of "change management" for people who experienced an inter-departmental transfer (about 150 people)
 - Anyone who had been transferred benefited from a training process for the new position
 - Opportunity to change position again if the employee was not satisfied with its new job (trial period of 3 months)
- Monitoring of workers whose jobs or work organization were changed due to restructuring (about 700-800 individuals)

While considering that the management of restructuring was "socially correct", officers believe that the remaining workers were somewhat "abandoned" because they were not a priority. Similarly, management representatives regret the failure to "maintain" all the competencies required and they are aware that an actual loss was "incurred" by the plant in terms of individual and collective skills.

6.3. Impacts of restructuring on the functioning of the work group

The impacts of restructuring on the functioning of the work group varied with the proposed solutions (voluntary departures versus mobility between departments) and with the department concerned.

In a difficult economic and industrial context and despite some destabilization, work groups in Scunthorpe did not disappear as a result of the restructuring. According to the players involved, this can be explained by the fact that the restructuring was carried out through voluntary departures and with a good timing - thereby enabling the transfer of skills at different levels.

At the end, and barring some exceptions (workers who wanted to leave and were not accepted, workers who were transferred in unwanted positions), the reference to and the sense of belonging to a work group were maintained. The employees believe that the solidarity and cooperation were not damaged after the restructuring and that they could continue to work in the same way as before. This persistence can be in part attributed to the strong presence of the activity in the community and a desire to preserve the site for the future generations (*"we have been working in the plant, from father to son for four generations"*).

If the consequences of the restructuring on the work collective appear to have been limited to the restructuring itself, it remains that the current situation (wage freeze for two years, poor economic performance, rumours about the possible closure / sale of Scunthorpe, lack of visibility on a market recovery), combined with a lack of communication, seem to undermine the motivation and involvement of employees who can no longer identify themselves with the company and question its good faith and transparency. It would appear that what the restructuring was not "able" to do (deteriorate the work collectives

and the involvement of employees), the management of the crisis in the industry is about to "achieve".

Impact 1 (positive): Acceptance of the process of transferring skills to ensure the sustainability of the site

Predominantly (as a shared observation of the management and trade union organizations), the employees agreed to integrate the process of transferring competencies and organize their departures as per the status of the transfer process.

The reasons for this "good will" would be many:

- The individuals leaving the company actually volunteered to leave
- The industrial site has been in existence for over a century and workers want to make it sustainable for their children - and the best way to do this is to ensure that their skills are properly transmitted
- Trade union organizations were involved in the process from the start and participated in the identification of necessary skills and in determining the terms of the transfer of know-how

However, a minority of the workers refused to "play the game" because, after the announced restructuring, their application was accepted and they wanted to leave as soon as possible after long years of work in the plant.

Impact 2 (positive): No substantial change in individual and collective attitude with respect to employment

The behaviour and commitment of workers vis-à-vis the company but also vis-à-vis colleagues were not substantially altered after the announcement of the restructuring or during its implementation ("*solidarity was maintained, we continued to work the same way as before*").

The reason given to explain this situation is twofold: a permanent communication and a strong involvement of trade unions.

Impact 3: A sense of betrayal and of non-compliance with commitments made by the management, which was limited to a small number of people

A number of employees expressed resentment towards the management due to a failure to comply with promises made at the beginning of the restructuring process.

Indeed, the management's announcement in connection with the staff affected by functional mobility within the framework of the restructuring process indicated that each worker could apply for and obtain the position desired - provided he or she had the required skills to qualify for this new position. But some workers reported that their skills were not taken into account in the allocation of new positions and their wishes were not respected ("*we were treated like someone from the outside who applies for a job, and this without taking into account our years of experience and expertise*").

For these workers, the predominant feeling is one of betrayal and thus there exists a breach of trust between the company and the worker. This results in a lack of motivation and the completion of the required work without any further effort (*"I'm doing the job for which I am paid, but nothing else"*).

A similar lack of motivation can be felt among some workers who had volunteered to leave but whose application had not been accepted (between 30-80 employees).

6.4. Points to note

Good communication and involvement of all stakeholders from the beginning of any restructuring process are highlighted by all - workers, union representatives and management - as the token of a responsible way to manage an undesirable yet effective reality.

Working together - not only between all trade union organizations, but also between them and management - is seen as a necessity to manage the restructuring in the best way possible (*"we must be creative, innovative, and not rely solely on industrial action"* - statement from a trade union leader).

"No restructuring can be successfully completed without a preliminary work in terms of the skills necessary to ensure the future performance of the site" (a statement from the trade union official and the management representative).



► **Conclusions and recommendations** _____

The literature review and the case studies highlighted the very peripheral nature of any consideration of the collective competencies and the work group in the restructuring process.

In the literature, but also and especially in practice, the emphasis is primarily on individual competencies, especially with an approach in terms of acquiring new skills (redeployment) or "progressing in the scale of skills" based on training programs (skilling-up) - and this is the best scenario. Approaches centred on the transfer of know-how (learning with and by peers) are as yet few and far between. They revolve mainly around a relationship between two people: a learner and a mentor. And if they sometimes incorporate the learners' collective in the arrangement (meeting for a theoretical training session or occasionally for a feedback), they more rarely include the mentors' collective. And above all, initiatives centred on the collective, the learners and mentors, are almost non-existent. The lack of this dimension in the transfer of skills seems to arise from the "invisibility" of collective competencies. This "invisibility" is enhanced by HR systems that are still too often focused on assessing individual performances. This prism deprives the company of outstanding resources.

And yet, a work group is not only the sum of individual skills. It "owns" a collective skill which is both the result of the synergy of individual skills and the condition of their embodiment in a concrete task. The alchemy of the collective competencies is not only about "setting things to music", it is also about the unforeseen and the non-reproducible. The mobilizing of collective competencies does not comply with the logic of a set of rules (such as grammar), i.e. a set of managerial tools largely standardized. The expertise of the group work is obviously not the result of chance. It must be worked with ad hoc tools and such work often requires many years to ensure: the sedimentation of know-how, codes, reflexes, and positions - many of which have survived the people who have initiated them. In part, these skills find their origins in the memory of the work group, while at the same time they cement the work group.

The periods of restructuring bring about the destruction of all the resources that companies are still struggling to glimpse. Restructurings - because they change, de-structure, and then, at best, reconstruct or, at worst, destroy the work group - affect not only the collective skills, but also and simply, the relationship of individuals with the work group and with the transfer and sharing of individual skills. In this regard, restructuring may lead to a destruction of resources that no one is yet able to measure. The case studies presented are replete with examples of employees who do not want to and / or cannot cooperate, and work groups that no longer work together. The group is reduced to a sum of employees, focusing on imposed targets in terms of individual performance. There is no other choice than to use one's own resources to be able to cope. The common endeavour, the mutual benefit, the mutual support, and the need for cooperation are being gradually dissolved. Thus, from being a collective experience, work is gradually turning into a personal test.

The social partners must take up this issue and devise some specific tools in order to maintain the capital of skills - and also make it grow. Given the complete absence of references about the issue of collective skills that transpired within our study, the first challenge is that of awareness. The impacts of such "blindness" must be shown - no matter

whether these are psychosocial (cases of isolation, of breakdown in relation to work ...) or directly linked to the performance of the company (e.g. quality crises). We must put this issue at the centre of the social dialogue. It is also necessary to raise awareness about the magnitude of the task and its complexity in order to actually leave this "lose/lose" situation which is currently at work in the heart of companies. They advocate longer periods and therefore a practice of anticipation. It would be completely naive to assume that it is possible to integrate the issue of collective competencies in a reorganization carried out within a few weeks and in a company without any customary consideration of this dimension. To help all avoid such a mess, social partners should be familiar with issues, concepts, mechanisms, and tools. Just as they have done on the subject of individual skills, they should include such issues in their working life.

In some way, this is about making a revolution - in the etymological sense. Its dynamic would involve a breakdown with the practices of individualizing performance, skill and appraisal - practices which turn into selection processes at the time of restructuring. We must "rehabilitate" the collective, in its own right, as a key player in the economic performance, the strategic competence, and the organizational effectiveness. We must focus on the transfer of competencies and on the collective intelligence as a supplement to individual genius. We must gauge the fragility of collective competencies and become involved in managing their transfer as well as generational renewal. The missing link might never be found again.

From a very practical view, some tools can be implemented:

- A continuous assessment of the collective expertise
 - ▶ Annual meeting with the work collective
 - ▶ Identifying collective competencies and managing their transfer under the framework of an enlarged Strategic Workforce Planning (French GPEC)
- Within the framework of the restructuring, an analysis of collective competencies as one of the resources to be mobilized in the quest for alternative solutions
 - ▶ Make the "CV" of the site which is at risk
- Group mentoring to provide visibility and share collective competencies

These tools are available - still on an experimental basis and often in a fragmentary manner. Now, we must make them known and, above all, put them in synergy.

This implies changing the current concept of employability, performance, skill, and value - a concept increasingly individualized. This requires a return to the very foundations of work, that of being a social bond, a social relationship built around the know-how and its transfer. It is also a tremendous ground for collective bargaining which was battered by individualization practices as well as a challenge and an opportunity for trade union organizations.

ETUC - How can the issues of employment and work be linked when considering the impact of restructuring on the role of the work group as a factor in the (re)building of professional expertise?

New bargaining issues might arise during the restructuring (e.g. avenues for further reflection):

- Measures to ease the implementation of individual targets during the phases of restructuring, with a view to enable the collective with the capacity to re-establish and rebuild a relationship of trust
- Agreements on the terms of the TSF are to be specific to the restructuring period. They must be based for instance on a reinforced mentorship with training for reallocated workers, and organisation of the working time : production / mentoring, mentorship training for selected mentors
- Measures to phase departures. These must be adapted to the time needed to learn and "own" the skills relating to the deleted / vacant position