Current status in Hewlett Packard

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Obsession in reducing labour costs

• **Hewlett Packard. Giant well known in the market:**
  – One of the biggest companies in the IT sector.
  – It makes computers, laptops, printers, software and also provides services to several important companies.
  – It has around 72,000 employees in EMEA.

• **Current situation:**
  – HP does not get the expected benefits, specially in ES.
  – HP is obsessed in cutting labour costs in ES. How?
    • By lowering conditions where legally possible (for instance, Spain).
    • By accelerating bestshoring strategies: taking jobs from Western European countries to cheaper bestshore locations around the world (inside or outside EMEA)
  – Too little innovation. Not enough training. Poor redeployment.
Cutting jobs and conditions

- **HP insists in reducing its workforce:**
  - HP announced last year 8,200 layoffs in EMEA for 2013 and 2014. Achieved more than 5,000.

- **HP is willing to simplify the organization by reducing roles and increasing workload.**

- **HP feel the need to use more contractors and third parties services:**
  - The excuse is to have more flexibility in the market
  - The consequence is job non stable and precarious.

- **HP pursues to hire young people from university at low cost and get rid of people above 45.**
Evil effects of the reorganization

As a consequence of HP EWC reps collaboration by sharing local figures, we have a partial picture of the situation and can track what's happening.

- Germany: 1,550.
- Holland: 326
- Belgium: 265
- Sweden: 220
- Italy: 450 + 150 = 600
- France: 519 - 478 = Final number 300 (all voluntary).
- Spain, Greece, Bulgaria, Portugal: No numbers have been provided.

A las horas de decir: “No hay cifras” HP desvela su plan de despidos global

Los gestores se hartaron de decir que iba a haber impacto, pero que no tenían cifras de despidos. Los delegados de CC.OO les dijimos alto y claro que no nos lo creámos, y que estamos RADICALMENTE en contra de cualquier plan de pérdida de empleo. Tan sólo dos días después salían las primeras estimaciones en prensa, que hablan de la reducción del 10% de la plantilla a nivel mundial. Unos 30,000 empleados. En España, la plantilla es de más de 8,000. Así agradece la compañía los servicios prestados.
Lowering conditions in Spain

• Last May, the company announced to representatives there the implementation of Article 41 of labor law in Spain, proposing to apply 5 controversial measures to reduce conditions that affect most workers of 2 of the 6 legal entities in the country (HPO & HPCyA):
  – 1) Eliminating automatic salary reviews.
  – 2) Reduce at 10% of annual gross (all fixed concepts) to all those whose salary was more than 10% higher than the average of their "job level".
  – 3) Increased annual day until 1800 hours the convention.
  – 4) Voluntary Oncall, but worst paid. Reduce availability payments - They don’t pay the first 2 hours of intervention.
  – 5) Irregular Day up to 15% of the day quarterly.

Result: There was an historic indefinite strike for 5 days followed by 80% of the staff at a national level.

After that, HP retired the most controversial measures. Specially the one lowering 10% all salaries.
Neverending bestshoring trends

• At the beginning, jobs (mainframe, midrange operations) were taken from the UK, Germany, Belgium, The Netherlands and France to cheaper countries inside the UE such as Spain.

• After a few years, jobs started to be moved also from Spain to new destinations. **Bestshoring is a neverending story.**
• Cheapest destinations followed the chain: Slovakia, Poland and Bulgaria, as well as India.

• But in terms of labour costs saving never is enough and now HP is taking positions to new locations:
  – Philippines, Costa Rica, China...

• As stated by the company: High technical profiles are expensive in the EU and will be hired in bestshoring places. The main aim is to do the same job for less. No matter if conditions and rights are worst. What future do we expect?
What can we do?

Work on SOLIDARITY
Definitions of solidarity

• In sociology, solidarity refers to the **sense of unity based on common goals or interests.**

• **Among unionists, solidarity is a way of supporting each other in a most efficient and powerful way, specially by reinforcing information, communication and common actions.**

• Solidarity in our days is very relevant, specially when social differences arise. Support from other countries has bigger impact. Common actions in different places at the same time are more powerful than only in one place.

• Do the ones in better conditions want to help the others in trouble? This may be a good question. Sometimes solidarity crashes against selfishness.
How solidarity is expressed in HP

- Exchange of information about situations and labour conditions.
- Statements of support are issued, specially from unionized reps, in case of layoffs and/or strikes.
- Presence at sites to support locations where layoffs are expected.
- Problems: Unprotected reps are not allowed to communicate to employees and fear to exchange information about their countries. So it should be a priority to support less protected reps.
European Union’s Alliance in HP

- Founded last year (2012) by UNI and Industriall. European unions.
- The alliance has held two presentational meetings from its creation.
- Great forum for unionized countries to exchange points of view, evaluate the situation and prepare common actions in the future.
- A big problem: How to get to those countries which have no unions or weak union presence: Eastern countries, Portugal, Poland, etc.

- From EWC we terminated previous agreement at the end of last year and we are currently renegotiating with the company a new one based upon newer directives. Our priority is to improve Information & Consultation process.
Certain unions are doing big efforts to improve solidarity

- Also we have unions such as IGMetall, that is doing a great job doing a research about unions conditions in the different countries and supporting incipient unions in Eastern Countries with less rights, such as Bulgaria.

There is as well an oncoming seminar in October in Sofia (Bulgaria) in order to guide bulgarian colleagues and trying to give them impulse in their activities. Reps from Germany, Holland, Belgium, Spain and other countries will be present there.
A lot of work has still to be done...

- We must optimize ways of exchanging information from the different countries in order to know what the picture is and invest our efforts to improve conditions everywhere. Tools as Sharepoint, dropbox can be used.
- Solidarity is key. But it’s not yet working at full effect.
- The situation is quite worrying in many European countries, with labour rights going down rapidly. Why not trying to fight for equal rights in all countries??? This must not be: “I’m OK, I don’t care the others”.
- Bestshoring is taking away our jobs from Western countries. We must find ways to stop it and defend positions as well as for not worsening lives from people in the third world. We all have the right to live.
- The use of experts, invest in R&D, increase the rates of redeployment, set training for everyone are also key.
- We must cooperate in order to demand companies to comply with Social Responsibility, as an added value.
- It is important that union’s solidarity messages flow to countries in trouble and with less legal protection.
- Presence to support locations in danger is appreciated.
- Unionized countries must take the initiative and help not unionized places, or countries with weak presence.
- Common actions are very necessary in social fight.
- Regular communication helps to strenghthen ties.
Solidarity needs all our efforts.

Thanks for your attention