Recent Trends of Works Councils’ Codetermination: Challenges and Responses

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Challenges

- Collective Bargaining:
  - Delegation of topics (working time...)
  - Derogations
  - Erosion of pattern bargaining
  - Decline of collective bargaining coverage

- Changes in corporate governance and company strategies
  - Globalisation and relocations
  - Financialisation and short termism
  - Outsourcing/restructuring
Challenges

- Changes in the structural composition of the workforce
  - Increasing qualification levels and growing shares of white collar employees
  - Female employment
  - Precarious workers
- New topics and problems of work like demographic changes and digitalization
- Membership crisis of the unions and membership recruitment for and with the unions.
...and Responses

Three responses:

- Derogations of collective bargaining agreements – new patterns of negotiation developed by works councils and unions
- Relocation and outsourcing – example of the „Better not cheaper“ campaign
- Changes in the composition of the workforce – higher qualification levels – new initiatives of works councils and unions
...and Responses: Derogations

Logic of local conflicts:

- Demands and threats by management – power shift
  - globalisation (whipsawing, relocation),
  - financialisation (rate of return targets, outsourcing)
  - and company crisis

- Challenges faced by works councils:
  - Critical stance of employees
  - Development of new strategies and demands

- Support and Organising by unions:
  - Negotiations
  - Membership participation (membership assemblies, voting, participation in negotiation committees)
  - Positive organising effects, improved legitimacy of works councils
  - Widespread practice in IG Metall
...and Responses: Derogations
Number of Derogations Metal and Chemical Industry
...and Responses: Derogations
Counter Concessions in Metal Agreements 2004-2006
The Campaign „Better not cheaper“ (IG Metall NRW):

- Reaction on union’s crisis and ideological hegemony of employers (and media)
- Challenging management strategies (relocation, outsourcing, financialisation)
- Focus on activation of works councils
- Three main elements:
  - Workshops for works councils
  - Single case consultancy by union oriented consultants and building of a network of consultants
  - Industry networks among works councils
### Case 1
- **Problem/Motive:** Crisis, Dismissals
- **W.C. Strategies:** Challenge, Promotion
- **Resources:** Consultancy, Training
- **Participation:** Information, Suggestions
- **Organisational Effects:** None (Derogation)

### Case 2
- **Problem/Motive:** Modernisation Concept Management
- **W.C. Strategies:** Companionship
- **Resources:** Industry Network W.C.
- **Participation:** Information
- **Organisational Effects:** None

### Case 3
- **Problem/Motive:** Relocation, Dismissals
- **W.C. Strategies:** Concept
- **Resources:** Consultancy
- **Participation:** Workshops, Assemblies
- **Organisational Effects:** Some Entries (Derogation)

### Case 4
- **Problem/Motive:** Crisis, Outsourcing, Dismissals
- **W.C. Strategies:** Challenge
- **Resources:** Consultancy, Training
- **Participation:** Experts (selective)
- **Organisational Effects:** None

### Case 5
- **Problem/Motive:** Outsourcing, Dismissals
- **W.C. Strategies:** Concept
- **Resources:** Consultancy, Training
- **Participation:** Experts (selective), Mobilisation
- **Organisational Effects:** Reputation Blue Collars

### Case 6
- **Problem/Motive:** Outsourcing, Concessions
- **W.C. Strategies:** Concept, Promotion
- **Resources:** Training
- **Participation:** Information
- **Organisational Effects:** None

### Case 7
- **Problem/Motive:** Crisis, Pressure Value Chain
- **W.C. Strategies:** Challenge, Promotion
- **Resources:** Consultancy
- **Participation:** Workshops, Surveys
- **Organisational Effects:** Some Entries (Derogation)

### Case 8
- **Problem/Motive:** Joint Modernisation Concept
- **W.C. Strategies:** Concept, Promotion
- **Resources:** Consultancy
- **Participation:** Workshops, Surveys
- **Organisational Effects:** Some Entries (Derogation)

### Case 9
- **Problem/Motive:** Relocation, Dismissals, Concessions
- **W.C. Strategies:** Concept
- **Resources:** Activation Resources
- **Participation:** Experts (selective)
- **Organisational Effects:** Reputation Blue Collars

### Case 10
- **Problem/Motive:** Relocation, Dismissals, Crisis
- **W.C. Strategies:** Concept, Promotion
- **Resources:** Consultancy; Activation Resources
- **Participation:** Experts (selective and not selective)
- **Organisational Effects:** Density White Collars 15 to 85% (Derogation)

### Case 11
- **Problem/Motive:** Outsourcing, Concessions
- **W.C. Strategies:** Concept, Promotion
- **Resources:** Activation Resources
- **Participation:** Experts and Survey
- **Organisational Effects:** Some Entries

### Case 12
- **Problem/Motive:** Restructuring Company
- **W.C. Strategies:** Challenge, Promotion
- **Resources:** Consultancy
- **Participation:** Information
- **Organisational Effects:** Some Entries (Derogation)

### Case 13
- **Problem/Motive:** Crisis, Relocation, Concessions
- **W.C. Strategies:** Companionship
- **Resources:** No changes
- **Participation:** Information
- **Organisational Effects:** None (Derogation)

### Case 14
- **Problem/Motive:** Dismissals, Concessions
- **W.C. Strategies:** Challenge, Promotion
- **Resources:** Consultancy
- **Participation:** Experts
- **Organisational Effects:** None

### Case 15
- **Problem/Motive:** Outsourcing, Dismissals
- **W.C. Strategies:** Concept
- **Resources:** Consultancy, Training
- **Participation:** Experts, Mobilisation Conflict
- **Organisational Effects:** Density Effects White Collars (40%)

### Case 16
- **Problem/Motive:** Crisis, Outsourcing
- **W.C. Strategies:** Challenge, Promotion
- **Resources:** Consultancy, Training
- **Participation:** Workshops, Round Tables, Experts
- **Organisational Effects:** Density Effects White Collars 5 to 25% (Derogation)
...and Responses: White collar initiatives
Development of Employment of White and Blue Collar Workers in Manufacturing (Mikrozensus)
...and Responses: White collar initiatives

White Collar Workers and Interest Representation
- Professional identity, career aspirations and bonds with companies
- Individual pursuit of interests
- Distance to works councils/unions

New Initiatives/Campaigns:
- **Metalworkers’ Union (IG Metall)**
  - Innovation fund
  - Engineering project (engineering conference…)
  - Decent office work…
- **Chemicalworkers’ Union (IG BCE)**
  - AT-Initiative
  - Initiative for women
- **Plant Level Initiatives Works Councils**
### Topics and Opportunity Structures

- **Institutionalization** (Abgas, Kommunikation)
- **Safeguarding of Jobs** (Dynamo, Elektronik, Technologie)
- **New Topics** (Working Time, Wages, Health, Qualification)
- **AT-Initiatives** (Wages, Working Time) (Ernährung, High-Tech, Silikon, Walzstahl)

### Processes and Resources

- **Committees:** Recruitment, Qualification, Working Teams WC (Anlagenbau, Drivers, Dynamo, Navigation, Silikon, Walzstahl, Mineral, Rohrstahl)

### Frames and Framing

- **Common Construction of Frames**
- **Participation Goals**
- **Participation Topics**

**Structured Participation** in Networks, Working Groups: (Abgas, Anlagenbau, Dynamo, Ernährung, High-Tech, Silikon, Walzstahl, Zulieferer)

**Selective Participation:** Surveys, Meetings of members or departments…, Committees, Communication (all)

**Recruitment of Union Members:** (Abgas, Anlagenbau, Automobil, Drivers, Dynamo, Ernährung, Technologie, Verwaltung, Rohrstahl)
<table>
<thead>
<tr>
<th>Cases</th>
<th>Pursuit of Interest Employees</th>
<th>Recruitment Effects Union</th>
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<tbody>
<tr>
<td>Abgas</td>
<td>Individual Pursuit, Participation Initiative, Communication (Information and Consultance)</td>
<td>Yes (0 to 50%)</td>
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<tr>
<td>Anlagenbau</td>
<td>Individual Pursuit, Participation Initiative, Communication (Information and Consultance)</td>
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<tr>
<td>Automobil</td>
<td>Individual Pursuit, Participation Initiative, Communication (Information and Consultance)</td>
<td>Incremental (50%)</td>
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<tr>
<td>Drive</td>
<td>Individual Pursuit</td>
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<td>Dynamo</td>
<td>Individual Pursuit, Participation Initiative (Experts), Communication (Information and Consultance)</td>
<td>Incremental (30%)</td>
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<td>Elektronik</td>
<td>Individual Pursuit, Communication (Information and Consultance)</td>
<td>Incremental (13%)</td>
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<td>Ernährung</td>
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<td>Yes (0 to 80%)</td>
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<td>Silikon</td>
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<td>Technologie</td>
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<td>Walzstahl</td>
<td>Individual Pursuit, Communication (Information and Consultance)</td>
<td>No</td>
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</tbody>
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Conclusions

Works councils at the crossroads:

➢ Fundamental challenges:
  – Collective bargaining
  – Globalisation and financialisation
  – Membership crisis of unions
  – Changes of the Workforce

➢ New responses of works councils (and unions)
  – New strategies of conflict in derogations
  – Challenging management strategies in „Better not cheaper“
  – New strategies to attract, mobilise and organise white collar workers
Conclusions

New contours of works councils‘ codetermination:

- New frames: Problems and Goals
- Activation of works councils
  - New issues and topics
  - New resources (organisation of committees, qualification, consultants, unions…)
  - New ways of direct employee participation
    1. Membership participation
    2. Employee participation (experts of work)
  - New sources of legitimacy
  - Union organising
- Support by unions to initiate and disseminate practices
- From private interest governments to common interest organisers and constructors

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