

# What can trade unions and works councils do to make jobs better? – An approach from the German manufacturing industry

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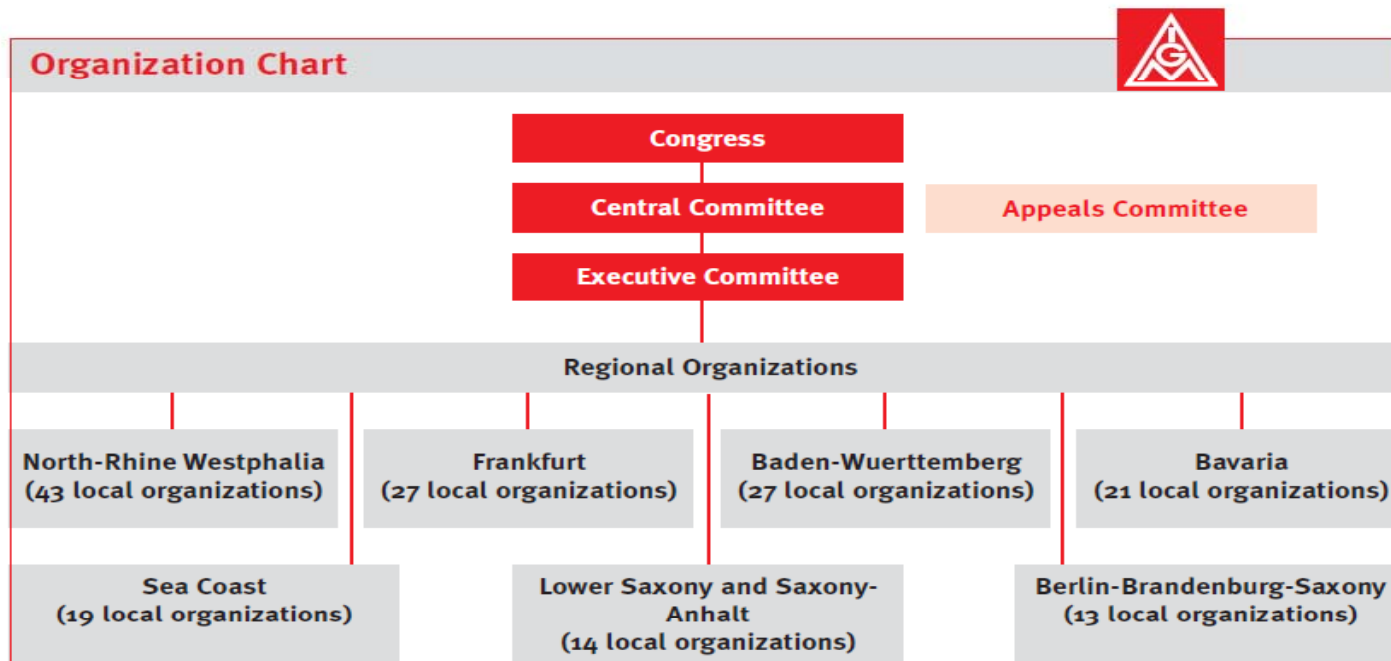
## Outline

- I.** Trade Union in manufacturing and services of the metal industry –new challenges in collective agreements
- II.** The growing importance of the shop floor level – growing challenges for works councils
- III.** The cheap low-road versus innovative high road solutions
- IV.** The project Competence and Innovation and its approach to practitioners - Dialogue and reciprocative learning process

## Part I – Facts and figures

# TRADE UNION IN MANUFACTURING AND SERVICES OF THE METAL INDUSTRY –NEW CHALLENGES

# Organisational Structure of the IG Metall



Source: IG Metall 2008

## Union members- IG Metall in relation to other unions

Union	Members 2009	Entries 2009	Exits 2009	Saldo
DGB (umbrella organisation)	6.236.923	290.324	396.876	- 106.552
IG Metall	2.263.020  (in NRW: ca. 600.000)	84.412	121.955	- 37.543*
Ver.di (service sector)	2.138.200	110.870	152.899	- 42.029

\* in manufacturing sector dip in employment 8% (crisis), dip in members 3%

## IG Metall Northrhine-Westfalia and Baden-Wuerttemberg (partners in our project) – some facts

- Project partners are the two biggest regional organisations of IG Metall with all in all 70 local organisations (total 164)
- Northrhine-Westfalia and Baden-Wuerttemberg were in the past the regions with trendsetting pilot-collective agreements
- All the other regions usually followed these pilot-agreements
- 2004: Pforzheim Agreement (Ba-Wü): Opening collective agreements for shop floor level
- Since then a lot of company specific deviations from collective agreements (more details in session on Friday – PD Dr. Thomas Haipeter)

## Part II

# THE GROWING IMPORTANCE OF THE SHOP FLOOR LEVEL – GROWING CHALLENGES FOR WORKS COUNCILS

# A new way for collective bargaining policy

- Collective agreements have at least five different functions: (a) protective, (b) productivity, (c) stabilizing, (d) regulatory and (e) peace-keeping
- Collective bargaining agreements covered a whole branch or region
- 2004: Since ‚Pforzheim Agreement‘ there are opening clauses for company specific solutions if job security is guaranteed or other defined conditions for a limited period
- On company level works councils are challenged to find a balance between safeguarding jobs and income and competition demands even in situations of financial crisis and globalized competition
- Works councils are therefore more and more under pressure to find „better“ solutions at company level
- Necessity in creating innovative solutions in topics which are often difficult to evaluate (i.e. outsourcing, offshoring, temporary work)

## Flexible solutions on company level – support of works councils by the IG Metall

- To deal with flexible solutions which differ from collective agreements works councils need support
- There is a need for more competences, skills and innovative ways to deal with company related challenges
- In order to get out of a traditionally defensive position works councils require good arguments which create innovative solutions for sustaining jobs and a competitive position for the company
- IG Metall started different campaigns like „Better not cheaper“ or „Better: future“, in which the project - Competence and Innovation - is embedded
- There is higher priority to qualitative collective bargaining topics such as working conditions, continuing training and orientation on „Good Work“
- Competence and Innovation works on the principles of action research. Scientists create in a close dialogue with practitioners arguments for ‚better‘ solutions

## Part III

# THE ‚CHEAP‘ LOW-ROAD VERSUS INNOVATIVE HIGH ROAD SOLUTIONS

## Low road / high road – Better not cheaper

Distinction between innovation-driven high-road (better) and cost-driven low road (cheaper)

Regarding innovations in the workplace there are three typical ways to react

1. The „high-road“ of innovation focusing on long term solutions, employee retention, staff development and internal functional flexibility
2. The „low-road“ focusing on short term cost cutting strategies and external flexibility
3. The „do nothing road“ abstaining from any substantial change – even if necessary

## Better not cheaper strategy

Works councils together with the employees should

- Try to question management strategies in the companies,
- Be able to detect misleading arguments promoting cuts in companies as the only possible solution
- Try to find internal solutions
- Demand alternative schemes
- **Works councils should *not* become (co)managers**
- ***But:*** they should be in a position to interrogate managers on future management strategies

Important: **There is no one best way or „blueprint“ for high-road solutions.** Learning and change processes have to be elicited on location due to different conditions and influences in individual companies

# Basic elements of Better not Cheaper strategy

- Inform the trade union members about all steps securing the future of the company,
- Enable them to participate in the processes of change
- Demand forcefully sustainable concepts for the future,
- Question existing or planned management strategies at an early stage
- Develop alternatives with professional support
- Resolve agreements with the management over „better“ solutions with pressure

As a member of a works council remarked:

***We need both pressure and a good concept.***

# Better not Cheaper in the crisis – how to deal with it? Concept and pressure

## concept

- Clarifying the circumstances
- Challenging management strategy
- Organising support (union members, internal and external experts, consultants)
- Retaining and managing (controlling) consultancy
- Negotiating with strong arguments
- Saving the outcomes, controlling the process of implementation

... WHAT'S THE CONCEPT IN YOUR COMPANY?

## pressure

- Continuous information to employees / union members
- Questionnaires for members (relating to specific topics like offshoring, working conditions etc.)
- Organising active participation
- Continuous meetings between union members
- Attracting new union members
- Activating / mobilising union members

...HOW DO YOU ORGANISE PRESSURE IN YOUR COMPANY?

## Part IV

# COMPETENCE AND INNOVATION – METHODS AND RESULTS

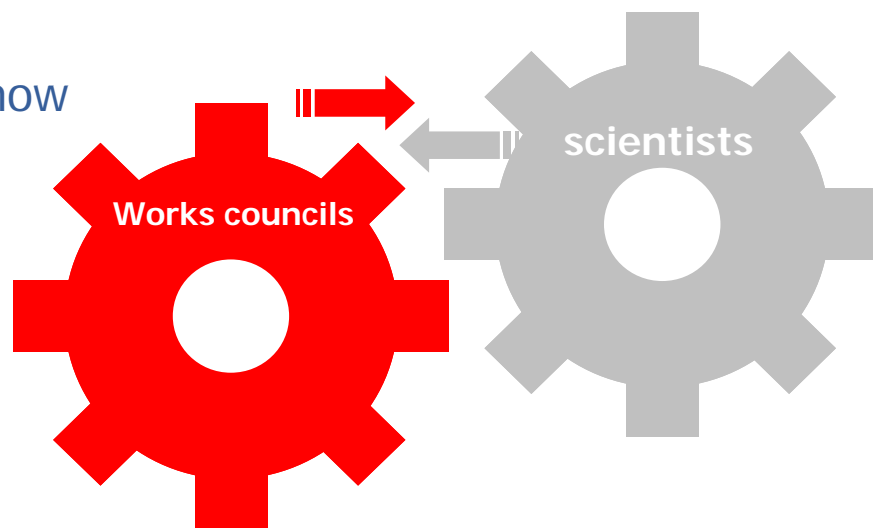
# Dynamic dialogue between scientists, works councils and union representatives in workshops at company level, amongst companies and colleague coaching\*



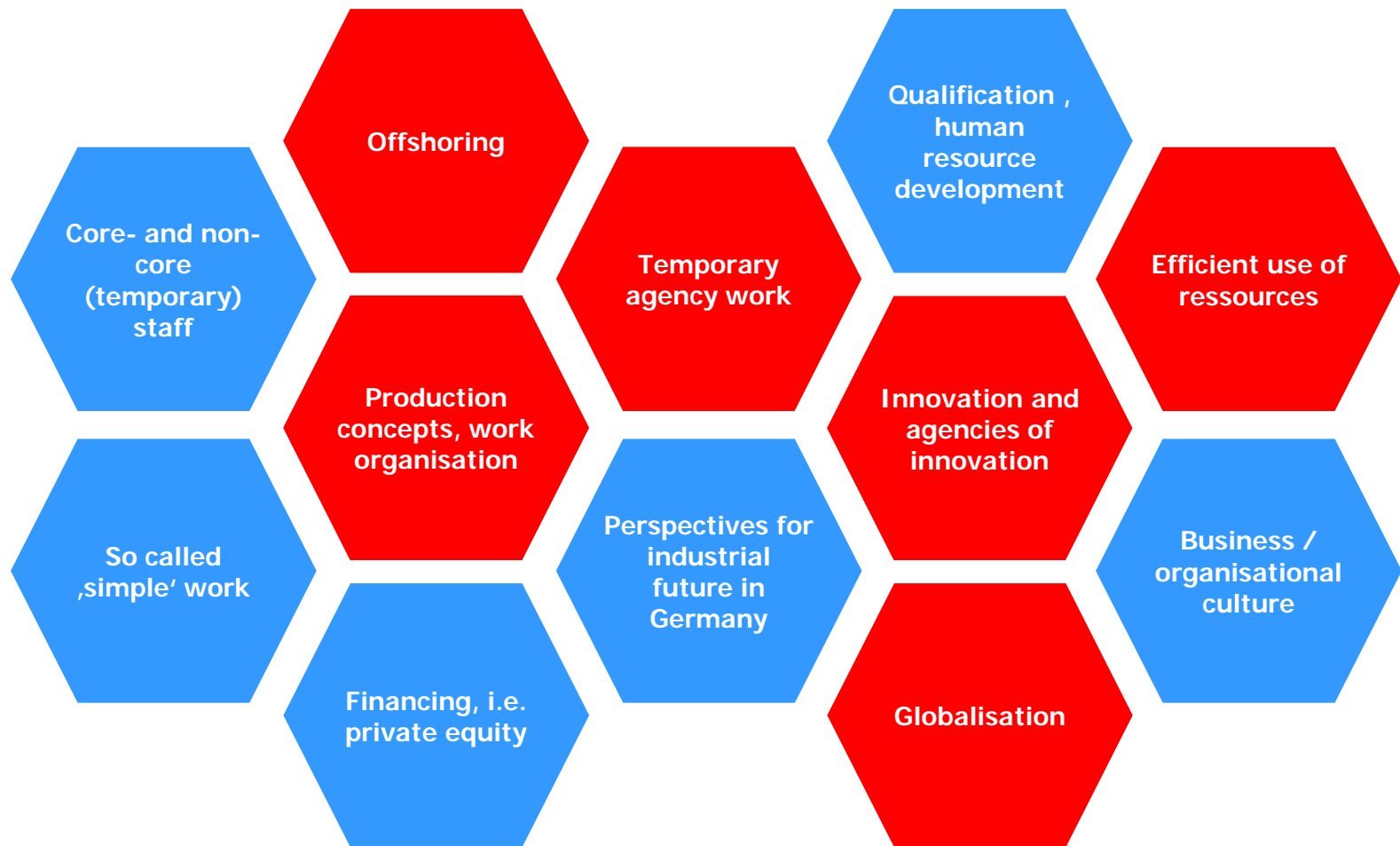
\* Colleague coaching = works councils advising each other

## Dynamic relationship between practitioners and scientists

- Together we are better: Practical experience, know how and problem related questions from works councils are combined with scientific expertise. Both sides are moving towards and learning from each other
- Kind of co-research
  - Defining and pointing relevant subjects and questions
  - Discussing scientific findings
  - Accompanying /realising practical know how and experience
  - Forcing action



## Possible and **executed** fields of action in the project



# Methods and procedure – process steps in our project

Steps	Methods and procedure
I	<p><b>Problem identification:</b>                      Dialogues with works councils on different subjects which cause problems within their companies                      Workshops with works councils from different companies</p>
II	<p><b>Dialogue with researchers:</b>                      Selection of relevant scientific experts.                      Workshops with works councils and scientists.                      Workshops at company level with researchers which focus on the identified problems.                      Questionnaires for works councils.</p>
II	<p><b>Transfer, publication strategy – Sustainability of results</b>                      Summarising the results in an industrial-policy memorandum.                      Articles, presentations at IG Metall conferences or other trade unions and conferences for the scientific community as well.                      Implementing results in training of trade union officials.                      Using results in the policy process (new agenda of industrial policy).</p>

## What do works councils need for their daily work?

- **Knowledge-based orientation:** What is the current situation in their company? What are the arguments of management? How can these arguments be evaluated?
- **Standards** for benchmarks between companies
- **Recommendation for actions:** What can be done in the given situation? How can support be organized?  
*Not: How can the problem be solved by the project team?*

# Aims of the project Competence and Innovation

- Identifying gaps in knowledge and problem issues.
- Creating conditions for a sustainable application of structures which help to continue the dialogue (developing organisation).
- Organizing the transfer of knowledge and creating networks which enable an exchange based on experience and the search for solutions.
- Creating and supporting a continuing learning process
- Linking the process to the educational activities of the union at national and regional level.

## Preconditions

- Dialogue orientation of the stakeholders in the company. (Willing to reconsider measures that have already been taken; accepting new measures for science-supported evaluation)
- Creating new coalitions (find out whether alliances between works councils and local management would be possible, facilitating this process)
- Opening as many different communication channels as possible (different kind of workshops\*)

\* Workshops at company level; workshops across company borders, workshops between works councils and scientists

# Both sides work and learn together

## Contribution of the scientists

- Communication: Initializing and ensuring communication about an existing set of problems
- Clarification: Clarifying problems
- Consensus/conflict: Promoting a more rational method of dealing with consensus and conflict processes in the company

## Contribution of practioners

- Experts for work practice at company level
- Experience and know how
- Deeper knowledge of the context, the conflicts and the business culture
- Direct contact to the employees and their needs
- Organising the process of active participation of the employees

**Dialogue is a learning process:** Creates chances for a deeper understanding of the conditions for the practical implementation of work-oriented concepts

## RESULTS

- Better balance between employer and employee interests, more appropriate solutions and a higher commitment.
- Too early for a final evaluation, ongoing project (until 12/2010, probably extension).
- In 2009 ca. 2.000 works councils participated in interplant conferences and workshops.
- 20 dialogue events at shop floor level are under way.
- Actually we try to transfer results in the educational activities of the IG Metall in order to support sustainability of this kind of new approach.

Thanks for your attention ... we keep on working hard on this subject and now look forward to a good discussion.



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## contact

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