



4 December 2012

### **PANEL DISCUSSION: EWCS AND THEIR ROLE IN RESTRUCTURING, THE PRESENCE GROUP ANNUAL EWC CONFERENCE 2012**

- 1. Policy makers should be careful not to constrain the ability of companies to adapt to change.**
  - Companies may need to restructure in response to new technology of production, a merger, expansion to new markets, or changing consumer demand. Whatever the reason, the capacity to adjust quickly to changing circumstances is key for companies to remain competitive on the global market.
- 2. It is often impossible to “anticipate” the need for change much in advance. Public policy, be it at EU or national level, should not focus on setting guidance for companies how to anticipate business trends, employment or skills needs**
  - The recent economic crisis is one example – companies could not have predicted a substantial drop in demand.
  - Of course managers regularly make projections and review business performance but companies are often surprised by changes and need to react to them. In any case, it is the responsibility of management to anticipate business needs and future market trends, as a key success factor.
  - Anticipating employment and skills needs is a responsibility of HR management and may be an issue for social dialogue at company level.
  - Public policy, be it at EU or national level, should not focus on setting guidance for companies how to anticipate business trends, employment or skills needs.
  - It is more the ability to adapt rather than to anticipate that is crucial in today's complex, fast-changing world. This should be the underlying logic to guide policy interventions.
- 3. The EU already has an extensive legal framework for a dialogue between management and employees in case of restructuring. The focus should be on increasing the added value of the processes and structures that already exist, including the European Works Councils.**



- Restructuring operations may sometimes have substantial implications for employees. In such cases in particular, employees should be informed and consulted.
- Dialogue between managers and employees can help build understanding of the need for change, increase acceptance of change and find solutions to limit possible negative social consequences of restructuring operation. These benefits are widely recognised.
- There are a number of EU Directives that provide a legal framework for dialogue between management and employees: Collective redundancies directive, Transfer of Undertakings Directive, and Framework information and consultation directive. Lastly, there is European Works Council Directive, which following the revision in 2009, strengthened the possibilities for employees and managers to discuss urgent transnational matters including restructuring operations.
- BUSINESSEUROPE is convinced that this is a comprehensive framework. There is no need to introduce further legal obligations. The focus should be on increasing the added value of the processes and structures that already exist.
- The length and complexity of Information and Consultation processes seems to be already seen by some companies as a disadvantage of doing business in Europe compared to other parts of the world.

#### **4. The role of European Works Council in restructuring**

- EWCs can play a positive role in improving the information flow between employees and management and allow for consultation of workers on relevant cross-border issues. They help develop a culture of trust and foster acceptance for necessary change. However, managing multiple layers of information and consultation pose difficulties. A challenge is in organising quality information and consultation without creating undue delays and uncertainties.
- Existing EWC Directive gives ample opportunities for EWC to be informed and consulted regularly, and also in “unexpected circumstances” which often means restructuring.
- To add value, procedures governing EWCs should be adapted to the situation of particular company.
- Good functioning of EWCs is a learning process through fine tuning over the years.