

TCAs in practice – Strengthening worker representative participation and promoting social dialogue for the implementation, monitoring and further development of Transnational Company Agreements at Pfeiderer, Wilkhahn and other companies within the wood/furniture sector ¹

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1. Overview

Responsible tenderer and project holder

- ◆ Arbeit und Leben Bielefeld e.V.

On behalf of the

- ◆ European Works Council (EWC) of Pfeiderer AG

Operational partners

- ◆ European Works Council (EWC) of Pfeiderer AG
- ◆ Works Council of Wilkhahn
- ◆ Industriegewerkschaft Metall (Germany – Pfeiderer AG / Wilkhahn / Schwan-Stabilo)
- ◆ ZZ “Budowlani (Poland, Pfeiderer AG)
- ◆ NSZZ “Solidarnosc” (Poland / Pfeiderer AG)
- ◆ Facket För Skogs-, Trä-Och Grafisk Bransch (Sweden / Pfeiderer AG)
- ◆ MCA-UGT / FECOMA-CC.OO (Spain / Wilkhahn / via EFBWW)
- ◆ European Federation of Building and Wood Workers - EFBWW (EFBH)
- ◆ Employee representatives from a total of 15 European locations in Germany, Poland, Sweden and Spain)

Strategic partners

- ◆ Pfeiderer AG (based in Neumarkt, Germany)

Supporting partners (planned)

- ◆ Schwan-Stabilo (agreed)
- ◆ Staedtler (planned)
- ◆ Faber-Castell (planned)

Please note:

At the IG Metall trade union organisation department for the wood/furniture and plastics industry, 5 companies operating in Europe with head offices in Germany concluded a TCA in the form of an international framework agreement. Together with Pfeiderer and Wilkhahn, the other companies are Schwan-Stabilo, Staedtler and Faber-Castell.

¹ A joint initiative of the European and national employee representative bodies of Pfeiderer AG, Wilkhahn and other companies in the wood and furniture sector - in cooperation with national and European trade unions – implemented by Arbeit und Leben Bielefeld e.V. on behalf of the European Works Council of Pfeiderer AG

Brief description: “TCAs in practice”

Supported by the European Commission, Transnational Company Agreements (TCAs), which are concluded as part of a social dialogue, for the harmonised organisation of social and labour relations in companies operating throughout Europe, are becoming increasingly important. From the perspective of industrial and trade union employee representative bodies, TCAs are transnationally established platforms for the future-oriented organisation of employees’ rights and social interests. This makes it necessary for national and European employee representative bodies to contribute expertise, increase their practical knowledge and actively participate in the implementation of TCA processes within the relevant companies. Cooperation within and between companies will be organised for this purpose.

Based on an international framework agreement (referred to as “IFA” in this TCA), industrial and trade union employee representative bodies from two internationally active companies in the wood/furniture industry (Pfleiderer AG and Wilkhahn) are forming a network and organising the systematic, EU-wide sharing of good practice, information and experience on the implementation, monitoring and further development of these agreements. They are supported in this task by employee representatives from other companies with long-term experience of TCAs (such as Schwan-Stabilo). The initiative enables employee representatives to play an active formative role in the industrial implementation of TCAs and represent employee interests as part of this process. This initiative aims to ensure that TCAs are used as effectively as possible in European companies. The initiative results in EU-wide involvement, improved information, greater cooperation within employee organisations and grants extended powers for the use of social dialogue.

The initiative is of lasting benefit for all participants. It results in the sharing of knowledge and transnational practice concerning optimum implementation of TCAs in industrial situations. This objective requires employee representative bodies to actively participate and contribute. The industrial and trade union representative bodies at Pfleiderer and Wilkhahn receive support, which can be used directly for TCA management within the company. The supporting companies will benefit from a structured working environment, which will enable them to review their current practices and, if appropriate, encourage them to make changes.

Preliminary notes on IFAs and TCAs in the European context

“A TCA has been defined by the European Commission as:

...an agreement comprising reciprocal commitments, the scope of which extends to the territory of several States and which has been concluded by one or more representatives of a company or group of companies on the one hand, and one or more workers’ organisations on the other hand, and which covers working and employment conditions and/or relations between employers and workers or their representatives.”

There are currently around 200 of these agreements, involving about 100 companies – and some companies have signed more than one agreement. Approximately 80 are defined as international framework agreements (“IFAs”) and focus on respecting fundamental social rights, mostly outside of Europe. The remainder – European framework agreements (“EFAs”) or mixed agreements – are agreements and texts with European or mixed scope that focus on specific issues, such as restructuring, training or equality.

TCAs (i.e. IFAs and EFAs) are also part of a European-oriented process, with the majority of agreements being signed by companies with headquarters in France and Germany. However, although these companies may have their headquarters in a particular country, their production and operations are often global, making it very difficult to make clear distinctions between European and international agreements.”²

² EC staff working document on “The role of transnational company agreements in the context of increasing international integration” (SEC (2008)

Source: <http://ec.europa.eu/social/main.jsp?catId=707&langId=en&intPageId=214>

Context and relevance of the initiative

Organised at European level, the implementation of TCAs is especially significant in the present situation. The Euro debt crisis, increasing state deficits and stalled economic growth in many European countries carry the risk of European economic and socio-political development falling apart. As a result, this would lead to the gaps in development between different countries widening rather than closing. This makes EU-wide companies especially vulnerable.

Deterioration of the economic and socio-political climate – and not only in crisis-affected Euro zone countries, such as Spain, Portugal, Ireland, Belgium and Italy – puts companies under pressure throughout Europe. In many companies, it is already possible to observe a drastic increase in precarious employment conditions, the weakening of collective agreements, the violation of applicable collective agreements and erosion of social and industrial benefits.

More than ever before, TCAs are therefore important safeguards, which can prevent the drifting of standards for competition between European locations and reinforce social responsibility at corporate level.

In light of the above, the following starting points emerge for the project:³

1. At the IG Metall trade union organisation department for the wood/furniture and plastics industry, 5 companies active in Europe with their head offices in Germany concluded a TCA in the form of an international framework agreement. Together with Pfeiderer (Nov. 2010) and Wilkhahn (March 2009), these companies include Schwan-Stabilo (Sept. 2005), Staedtler (Nov. 2006) and Faber-Castell (March 2000 & Oct. 2008).
2. All the TCAs were prepared at company headquarters located in German. They become fully effective if all European locations and stakeholders are continuously and systematically involved in their implementation and monitoring.
3. The planned initiative will provide access to the wide-ranging experience of stakeholders, as well as standards already achieved by companies with “experience” of implementation, and monitoring processes for employee representative bodies in companies that more recently signed TCAs without any prior experience of the latter. In this respect, it is also a matter of making it possible to “learn from one another”.
4. Cooperation is of lasting benefit for everyone involved. It leads to the sharing of European knowledge and transnational practice on the best possible implementation of TCAs. The employee representative bodies at Pfeiderer and Wilkhahn receive support, which can be used directly for TCA management within the relevant company. The three reference companies benefit from a structured work context, which enables them to take stock of current practice and, if appropriate, take on board new ideas for change.
5. For this purpose, the national and European employee representative bodies at Pfeiderer and Wilkhahn will form networks and organise the systematic sharing of good practice, information and experience in order to improve their practices. Employee representatives from the reference companies contribute their experience and knowledge as supporting partners as part of this network for cooperation and good practice.
6. As part of the project, industrial and trade union employee representative bodies from Pfeiderer and Wilkhahn based at 15 production plants in four European countries (DE, PL, SE, ES) are directly involved in all activities. This promotes the standardisation of industrial policy standards in the European context and ensures greater transparency with regard to the joint implementation and effectiveness of TCAs.
7. TCAs are, by definition, voluntary agreements. However, individual sections of the agreement (e.g. the type of employment contracts, provisions on industrial health and safety, principles applied to working hours, pay and further training) are underpinned by corresponding pay, industrial and employment contract standards. For this reason, project cooperation focuses on the question concerning the extent, to which the legal effectiveness

³ The project activities focus on cooperation in the European context. The international scope of international framework agreements in all three companies is considered a matter of policy and taken into account as far as possible. The direct involvement of international employee organisations and the relevant stakeholders in non-European countries is not possible for funding reasons.

of TCA standards can be defined with reference to nationally applicable standards (laws, collective agreements and works agreements) or should be defined from scratch.

8. Both companies have differently types of industrial employee representative organisation. Pfeiderer AG has a European works council, while Wilkhahn has a national works council, but does not have an adequate network at European level. This results in various structures for participation, optional courses of action and procedures for Europe-wide implementation of the agreed TCA standards.
9. Within the framework of project cooperation, the organisation of industrial employee representative bodies can be supported and particularly at locations that are still without works councils. This applies, for example, to Wilkhahn in Spain, where a production plant exists without trade union representation. In this respect, the project is able to support the trade union representation of employee interests and prepare for the setting up of employee representative bodies.
10. All companies have different industrial know-how, stakeholder knowledge and process/practical experience of the industrial and European implementation of TCAs. The dissemination of know-how, experience and a wide-ranging support helps stakeholders to prevent any delays, extend current knowledge and acquire new skills. Best practice experience is recognised by all stakeholders and seen as useful ("lessons learned").
11. The implementation of TCAs and associated monitoring must not be restricted to a small number of locations, but has to include all departments and locations EU-wide. In this respect, the agreement must be applied with the same rights and identical standards. Standard procedures, coordinated processes and EU-wide tools are required for these processes. All of these must be disseminated, put into practice and continuously applied throughout the group of companies.
12. On-site industrial employee representative bodies must be aware of TCAs and able to apply them as part of the practical policy for the representation of interests. This requires responsible TCA management on the employee committees (e.g. TCA representatives, information and industrial public relations, monitoring processes, introduction and monitoring of improvements, consultations with the employer, etc.)

The networking of employee and trade union representatives from a company's various locations forms an important structural foundation, for the implementation and best possible use of TCAs and compliance with the agreement. At the same time, TCAs encourage further efforts in terms of promoting multi-site networking of employee and trade union representatives in the company, which also opens up further opportunities for cooperation and working together. This is because multi-site trade union networks support not only the implementation of TCAs, but also the continuous sharing of information, discussion of topics and interests, development of representation policy positions and strategies, as well as the preparation of joint activities.

Objectives

The objective of the implementation of this initiative is to raise stakeholders' awareness of the growing significance and importance of TCAs in terms of corporate policy for harmonised industrial and social standards in the European Union. This makes it necessary to implement TCAs agreed within companies as effectively as possible and ensure that they are implemented Europe-wide. Effective progress can only be achieved in this field if industrial and trade union employee representative bodies are involved in all stages of their implementation/monitoring and true cooperation is achieved at all corporate levels.

National and European employee representative bodies must therefore be reinforced, in terms of joint action and their ability to assert their rights of information, consultation and participation. In particular, they require support and additional knowledge, in order to contribute and effectively support the consistent implementation and monitoring of TCAs throughout the EU, within the framework of their rights of participation, using social dialogue mechanisms.

Implementation of the initiative is therefore based on five key objectives:

- (1) To improve Europe-wide information and knowledge concerning the implementation of TCAs by stakeholders within the company and the concrete results and effects achieved;
- (2) To encourage employee representative bodies from various companies to "learn from each other", based on shared interests in concrete areas of activity, in order to create synergies;
- (3) To encourage industrial and trade union employee representative bodies to assert their rights of participation and promote active TCA management within the company, by means of information, discussion, coordination and involvement;
- (4) To intensify of transnational cooperation, trade union networking and interest representation, as a policy-based practice implemented by national employee representative bodies in companies operating throughout the EU;
- (5) To extend powers, in terms of how social dialogue can be used to achieve continuous progress, avoid conflicts at an early stage and resolve conflicts.

The initiative's most important concrete objective is to help employee representatives in EU-wide companies to support the dissemination and implementation of TCAs at all European locations, achieve the best possible use of TCAs and monitor compliance with the agreement.

Activities

Pfleiderer AG and Wilkhahn set an example to other companies by developing joint initiatives for the dissemination, application, monitoring and further development of TCAs. For this purpose, information, experience, materials and results are reviewed and shared within and between the companies. Support is given to employee representatives from other subsidiary companies, which have several years' experience of implementing and monitoring TCAs. Joint conclusions are defined for further development.

Joint activities focus on intensifying the participation of industrial and trade union employee representative bodies as part of the TCA process and providing the required knowledge, methods and tools. In particular, this makes it possible to include TCA processes and topics in the industrial representation plan.

The partners will work together, by focusing on industrial issues, in order to reinforce their work and increase the interdependence of TCAs and definition of social and work interests within the company. For this purpose, they create an organisational policy framework for discussion and consultation. They define a standard level of information/knowledge and develop continuous procedures for employee-based TCA management.

This approach places 6 fields of action at the heart of the required activities:

1. How can the best possible use be made of TCAs?
2. How can the EU-wide application of TCAs within the company be supported and improved?

3. How can the involvement and participation of employee representative bodies be reinforced consistently throughout Europe?
4. How can the mechanisms used in the companies for implementation, compliance and monitoring be intensified?
5. How can the company-wide implementation of TCAs be improved and effectively monitored throughout the value chain?
6. How can conflicts arising from differences of opinion be successfully managed by means of consultation and negotiation as part of a social dialogue?

Based on these requirements, the following key activities will be implemented:

- The industrial and trade union employee representative bodies will form networks at three levels – within the company, cross-company and transnationally – and systematically share information and good practice;
- They will determine the level of TCA implementation, identify strengths and weaknesses in the current implementation, suggest priorities for further implementation and develop joint procedures for improvements to the TCA process;
- For this purpose, they will create a project website for sharing information and organise four joint events, such as workshops and conferences;
- They will discuss how the involvement and participation of employee representative bodies can be improved and consolidated EU-wide. They will devise the necessary supporting information initiatives for this purpose and assist one another;
- They will discuss policy, strategic, practical and methodical matters, in order to improve employee-based monitoring of the implementation and effects of TCAs with standard procedures and jointly usable tools; they will (for example) systematically prepare, hold and evaluate monitoring events and audits;
- They will evaluate, document and circulate any information, experience, materials and outcomes arising from the cooperation in order to share good practice;
- They will use social dialogue for increased involvement in TCA processes and use the mechanisms anchored in social dialogue for information, consultation and negotiation to break down barriers and resolving conflicts;

At a glance

Priority topics, fields of action and desired outcomes for “Transnational Company Agreements” (TCAs) for employee representative bodies

A) Topics:

- Creating a shared information and knowledge base
- Level of TCA implementation within the company
- Position and participation of employee representative bodies
- EU-wide cooperation of employee representative bodies within companies
- Standard procedures and responsibilities for TCA process management
- Meeting application, documentation and reporting requirements
- Preparing, implementing and evaluating the efficiency of monitoring procedures and audits
- Improving information and participation
- Handling delays, obstructions, disputes and conflicts
- Conducting consultations and negotiations with the works management, company management and executive boards
- Ensuring continuous and EU-wide TCA improvement processes

B) Fields of action

- Promoting active implementation of the TCA in all company departments
- Asserting information and participation rights for employee representative bodies
- Ensuring that information is accessible
- Intensifying the coordination and cooperation of employee representative bodies within the company
- Organising tasks and defining responsibilities on councils and committees
- Reinforcing on-site trade union organisations and & networks
- EU-wide application within the company / harmonisation and elimination of discrepancies between locations / countries
- Application of tools and procedures for employee-based monitoring
- Reviewing and analysing effects on levels of implementation within the relevant parent company
- Reviewing duties of cooperation for the employer (liability)
- Implementing consultations and negotiations with the employer on TCA processes
- Ensuring consistent TCA management within the company / making proposals for further development

C) Desired outcomes

- The TCAs are well known and circulated throughout the company – to all locations, national employee representative bodies and employees (ownership)
- National and EU-wide sharing of information and good practice between employee representative bodies is guaranteed
- The organisation of tasks and responsibilities on councils and committees is defined
- Measures for the implementation of TCAs are continuously reviewed and updated;
- The level of implementation and resulting effects are communicated to the entire company using up-to-date information
- Status information and reports are systematically produced and circulated
- Active participation and cooperation is made possible for employee representative bodies at all levels within the company (local, national, transnational)
- Proposals made by employee representatives are made known and taken into consideration
- Information rights of employee representative bodies are respected – information channels & content are clarified
- Observations made by employees are taken up / complaints are addressed
- Cooperation partners and suppliers are involved
- Consultations and negotiations concerning the TCA process are conducted at company headquarters and sites in various countries

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