



Flexibility, Flexicurity, Working time flexibility: some reflections

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Background : some challenges

- Productivity and innovation / globalisation:
 - ▶ more flexibility needed by companies
- Attract and keep a motivated workforce
 - ▶ **Ageing:**
 - Employment careers will be longer : keep workforce fit and able to work for a longer period
 - ▶ **Feminisation of the labour market:**
 - work-life balance for men and women
 - ▶ **Life course perspective:** transitions

-> answer: try and combine flexibility with security?



Flexibility: from a dynamic concept ...

- Flexibility covers an ever-widening range of situations e.g. the High Performance workplace, employment contracts, flexible working time arrangements etc
- A domination of the short-term : from mass-production to 'flexible' tailored production, 'shorter contracts', changes in working hours
- Hence, heterogeneity over homogeneity



... to a workable concept

Flexibility	Quantitative	Qualitative
External	<p>Employment status</p> <ul style="list-style-type: none">- Non permanent non full-time contracts <p>-> <i>numerical/ contractual flexibility</i></p>	<p>Production system</p> <ul style="list-style-type: none">- subcontracting, outsourcing, and self-employed workers <p>-> <i>productive/geographical flexibility</i></p>
Internal	<p>Working hours and pay</p> <ul style="list-style-type: none">- Changes on working time- Individualisation in pay	<p>Work organisation</p> <ul style="list-style-type: none">- teamwork, multiskilling, matrix organisation, etc <p>-> <i>Functional/ organisational flexibility</i></p>



Quantitative flexibility : Temporary employment / part-time work - 2004

Temporary employment		Part-time work	
< 10 %	AT, BE, BG, CZ, DK, EE, IE, LV, LT, LU, HU, MT, RO, SK, UK	< 10 %	CZ, EE, EL, ES, CY, LT, HU, MT, PL, PT, SI, SK, BG, RO
10-20%	D, EL, FR, IT, CY, NL, T, SI, FI, SE	10-20%	FR, LU, IE, IT, LV, PT, AT, FI
>20%	ES, PL, PT	>20%	BE, DE, NL, DK, SE, UK



Company practices on working time flexibility

- What is working time flexibility?
 - ▶ Variable/irregular hours (i.e. flexitime, annualised hours, time accounts)
 - ▶ Reduced hours (i.e. part-time, job-share, phased retirement)
 - ▶ Restructured hours (compressed working week)
 - ▶ Leave options (maternity, paternity, parental leave, career break, sabbaticals)

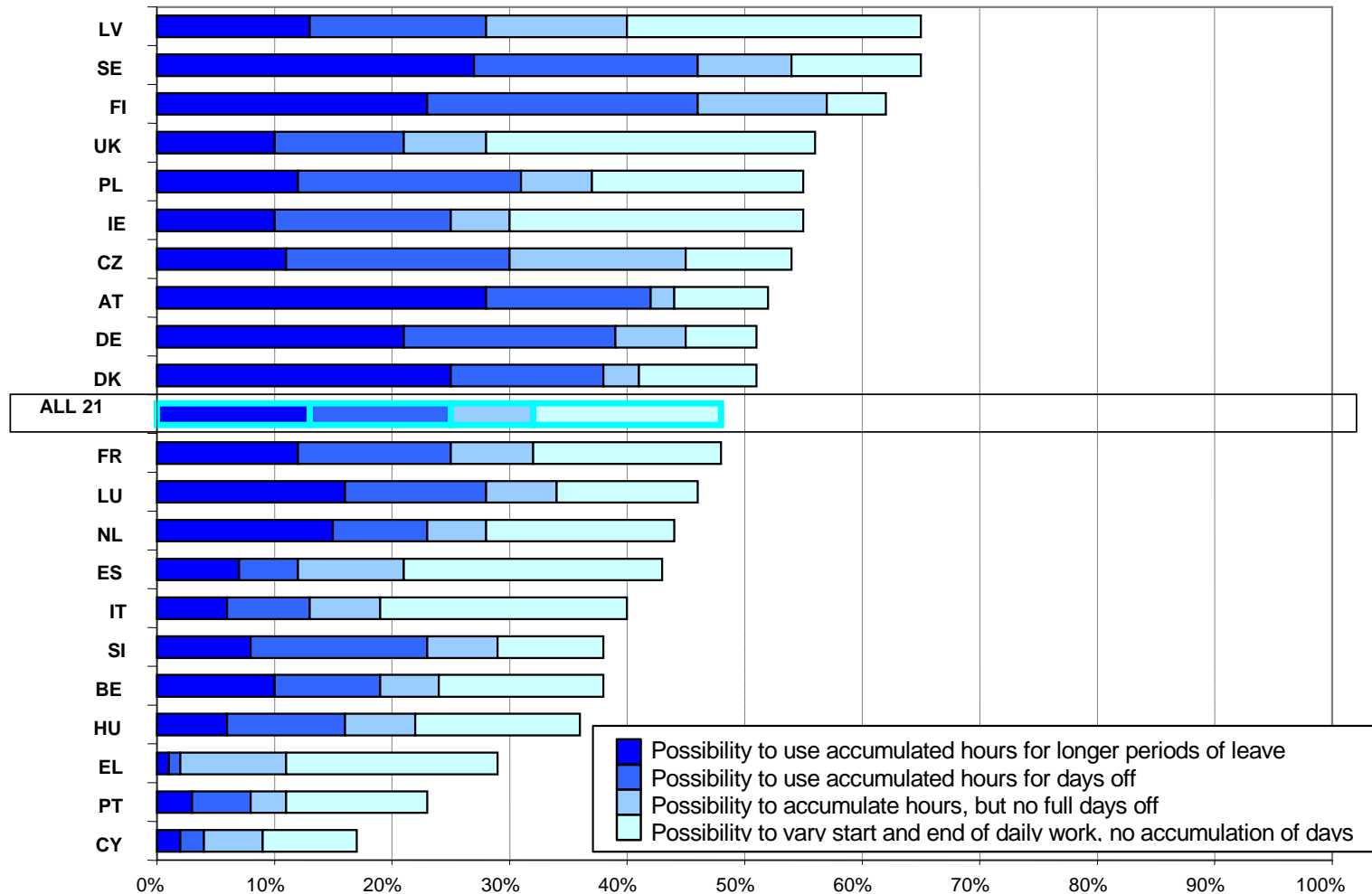


Flexible time arrangements

- Flexible working time arrangements exist in almost half (**48%**) of companies with 10 or more employees in Europe
- A larger proportion of companies in the services sector (**50%**) than in industry (**43%**) report the existence of some form of flexibility



Flexi-time arrangements in Europe



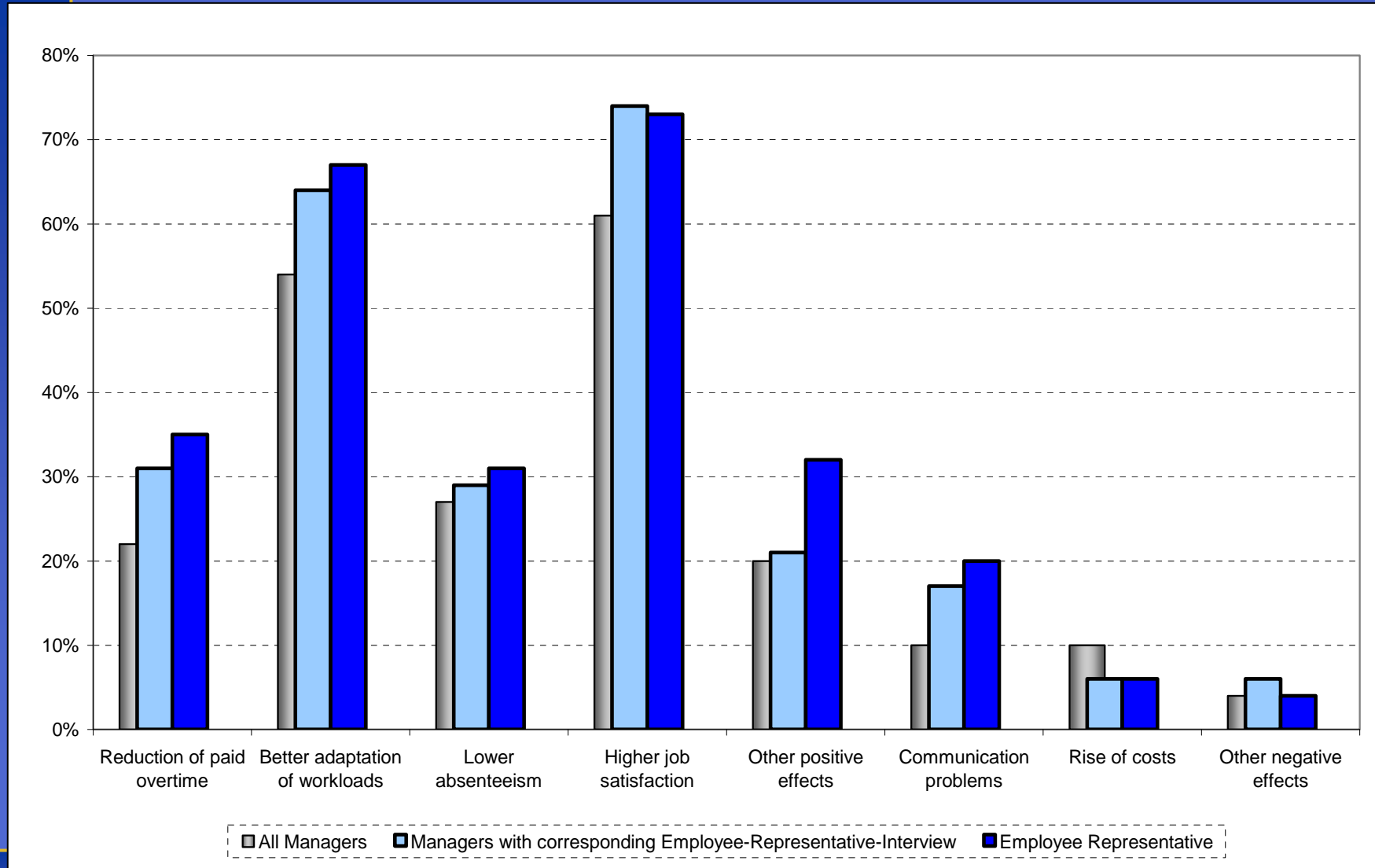


Flexible time arrangements

- The two main *reasons* cited by managers for introducing flexible working arrangements were '*enabling employees to better combine work and family (or personal) life*' (68%) and '*better adaptation of working hours to the establishment's workload*' (47%)
- Both managers and employee representatives report higher job satisfaction as the main *outcome* of the introduction of flexible working times, followed by a better adaptation of working hours to the workload



The effects of flexitime

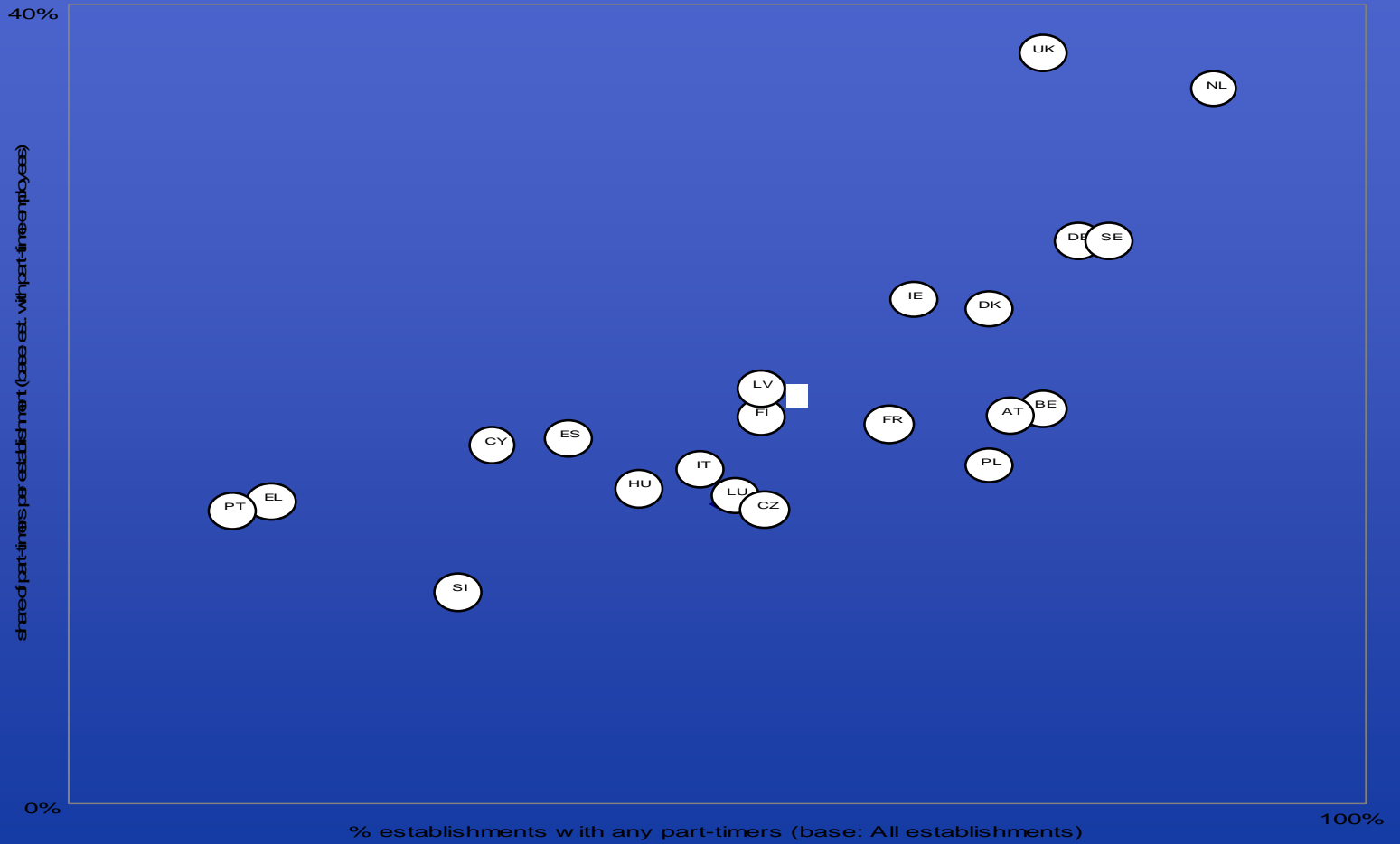




Part-time work

Huge differences between countries:

- ▶ almost **nine in 10 establishments** in the Netherlands employ part-time workers,
- ▶ compared to only around **two in 10** establishments in Greece and Portugal
- ▶ part-time: **main (or only)** work form:
 - Germany, Latvia, Sweden, Denmark and – most frequently – the Netherlands and the United Kingdom





Working time flexibility: a win-win situation

- Question: What is the right option for a company?
- Answer: A mixture that suits both workers and management, men and women,
- *Important: ensure that collective bargaining, consultation is put in place for the selection of the right options; supportive legislation; trust: working together Mng, workers, government*



Building blocks

- Flexibility
 - ▶ Different forms of flexibility
 - ▶ Working time, non-permanent contracts, work organisation
 - ▶ Usually a combination of different forms of flexibility
 - ▶ Possibility to do this in win-win?
- Security: equip workers / tools to deal with flexibility
 - ▶ Lifelong learning: at workplace, in between spells, training, work organisation
 - ▶ Active labour market policies
 - ▶ Social protection (life course, first and second pillar)
- Sometimes overlap: functional flexibility/skills development



Security

- Job security
- Employment security
- Income security
- Combination security
 - ▶ *Companies play important role in increasing employability of workers*
 - ▶ *But depends on legislation, social institutions national, sectoral level arrangements*



Some challenges

- Different accents over the countries: choices embedded in labour market structure and systems
- External flexibility : often only for part of the workforce
 - ▶ Particular contractual arrangements which offer flexibility (FTC, TAW)
 - ▶ Risk of labour market segmentation
- Internal flexibility (working time or functional flexibility)
 - ▶ Equip workers to deal with changes (employment security)
- Important to make transitions possible



Flexicurity

- Flexicurity : integral combination of flexibility-oriented and security-oriented policies:
 - ▶ Security by whom? Employer? State? Joint responsibility?
 - ▶ Flexibility by whom? Employer, social partners, state?
- Combination of policy measures introduced simultaneously
 - ▶ Labour market and social protection
 - ▶ Maybe also social infrastructure
- Need to tackle flexibility and security together

*Main idea: security does not come from 'job security' but from **security in employment and during transitions***



Key to combine flexibility and security : trust

- In the future
 - ▶ If people believe in the future, they will take up more flexible employment, and combine it with having a family etc
- In changes
 - ▶ Trust that changes are not catastrophic and that the means are there to overcome and adapt (e.g. Danish flexicurity model)
- In work
 - ▶ People can plan over their life without too many inconveniences and risks for their career/pensions
 - Job/employment interruptions /transitions
 - Support structures to combine working & non-working life



Measures to be undertaken to make a framework for a society of trust

- Labour market measures
 - ▶ EPL / temporary contracts
 - ▶ Flexible working time arrangements (also at request of employee)
 - ▶ Employment security / Employability: training, ALMP
 - ▶ Smoothen transitions in fragmented careers (FT, PT, unemployment spells)
- Social protection systems
 - ▶ (temporary) unemployment benefits, combined with ALMP
 - ▶ Maternity benefits, parental leave benefits
 - ▶ Adapted to new realities (e.g. pension rights for 'non-standard' workers)
- Social infrastructures
 - ▶ Childcare facilities, out of school care (afterschool, sick children)
- While combating discrimination between men and women
 - ▶ Taking into account different career trajectories



Key to combine flexibility and security: involvement of all partners

- If you want to create this 'trust' in change, you need to involve all actors at all levels
- Social partners play a crucial role:
 - ▶ Need to be involved at all times (build up trust, ease some of the insecurities)
 - ▶ During negotiation phase
 - ▶ During implementation phase : changes need time and might not be easy for some of the workforce in short term
- At all levels
 - ▶ It is a multilevel, multidimensional challenge



Social dialogue

- Different models across Europe (IR system)
- The role of legislation
- The role of collective bargaining
- Workers participation
- Information and consultation
- Partnership agreements



Challenges posed between flexibility and security

- Not a one fits all solution
- Different ways possible with very different accents
- Depend on the 'system'
 - ▶ Historically rooted (not easy to make changes, politically difficult/courage needed / certain limits)
 - ▶ Economic situation of the countries

->Reflection needed on how to do this in each system !



Two routes:

1) Flexicurity through normalisation of 'atypical' contracts

- **Dutch system:**
 - ▶ try and re-reflect upon 'non-permanent contracts' in order to push labour market dynamics:
 - Fixed-term contracts: get better rights
 - Temporary working agencies: idem
 - 'Transition' easing
 - Taking into account rights accumulated for 'life course'
- **Spanish system:** make transitions from FTC to permanent contracts smoother



2) Flexicurity: more flexibility for all workers

- **Austria** : Increase of occupational mobility:
 - ▶ Reform of severance pay system, which workers can 'take' with them
- **Denmark**: A golden triangle between :
 - ▶ A high labour mobility and liberal regime of employment protection (a high turnover of hire and fire)
 - ▶ A fairly generous and widespread social protection system (unemployment benefit, cash benefit for non-insured)
 - ▶ An active labour market policy – job and training offers combined with availability criteria and sanctions
 - ▶ + close cooperation between social partners and gvt

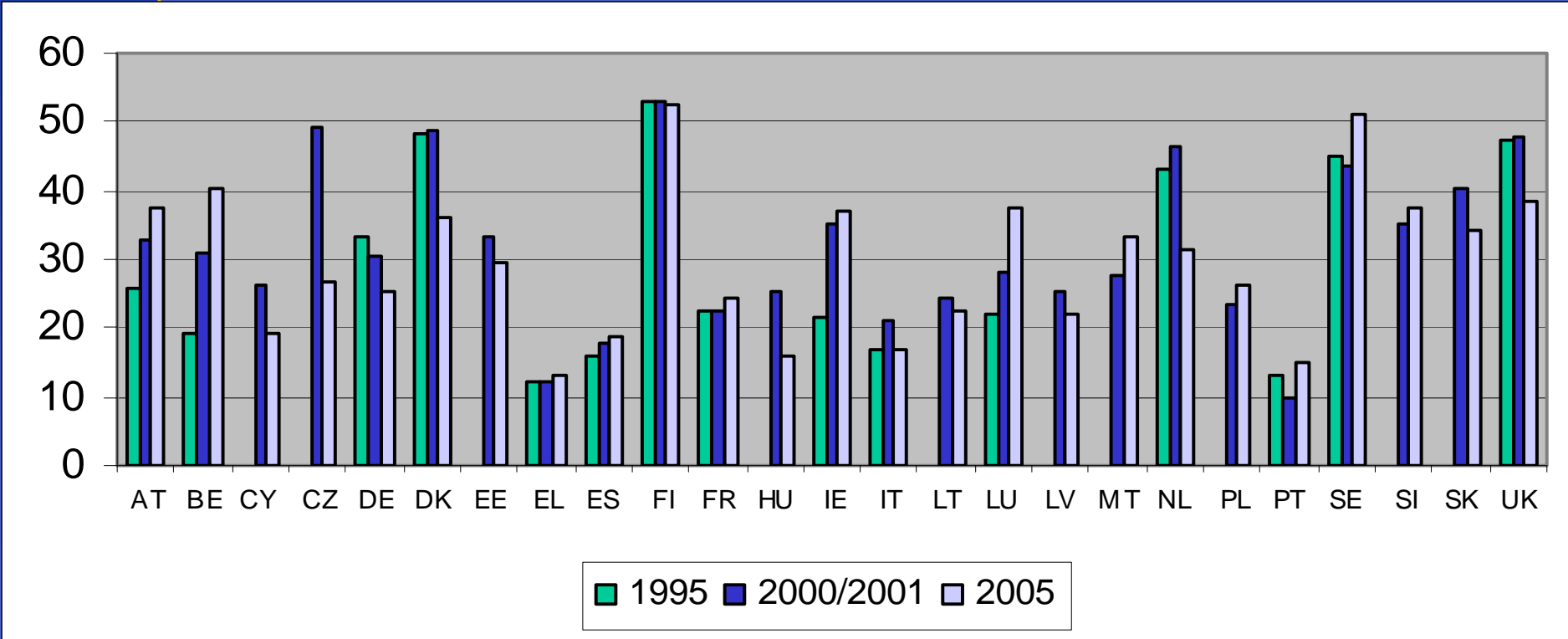


Important to 'equip your workers': employment security

- In order to smoothen changes in (working) life (transitions) : very important to keep up to date your skills
- Different ways to ensure continuous development of workers : training, work organisation etc
- However, huge differences over countries / high or low skilled workers etc
- Hence ... room for reflection ...



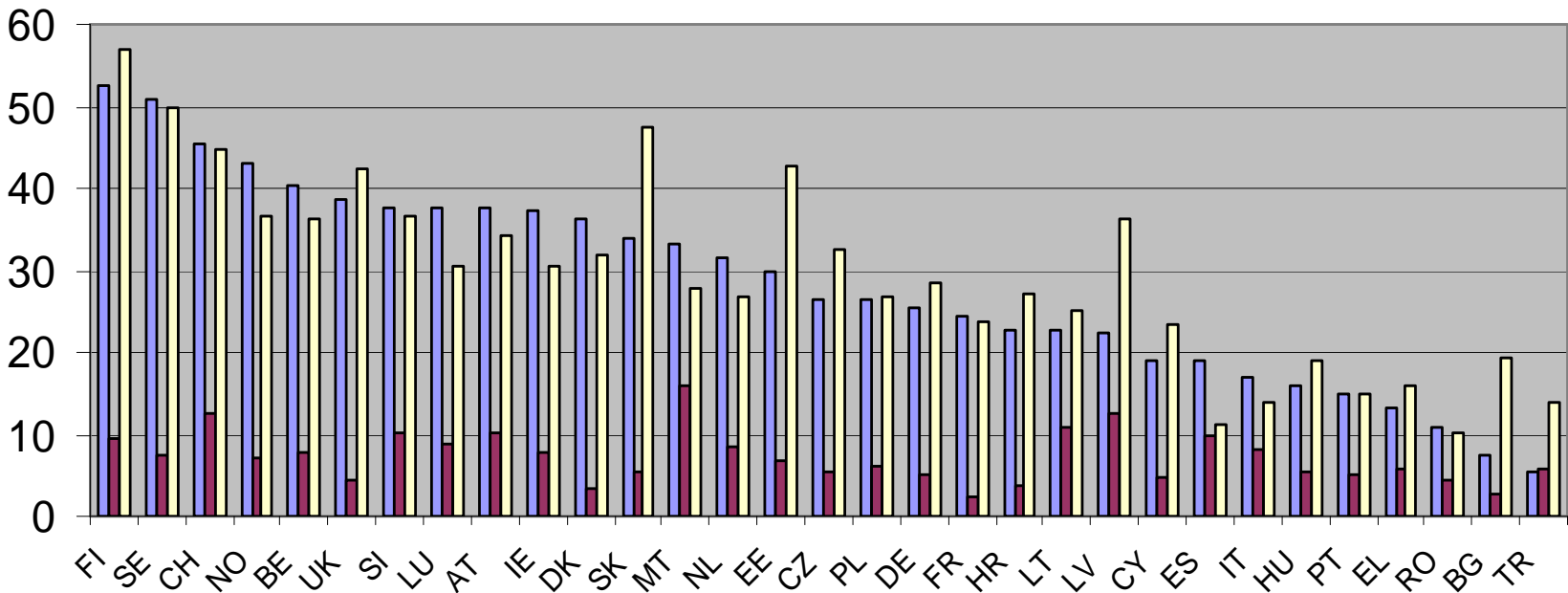
Training over time: huge differences over countries





But different types of training...

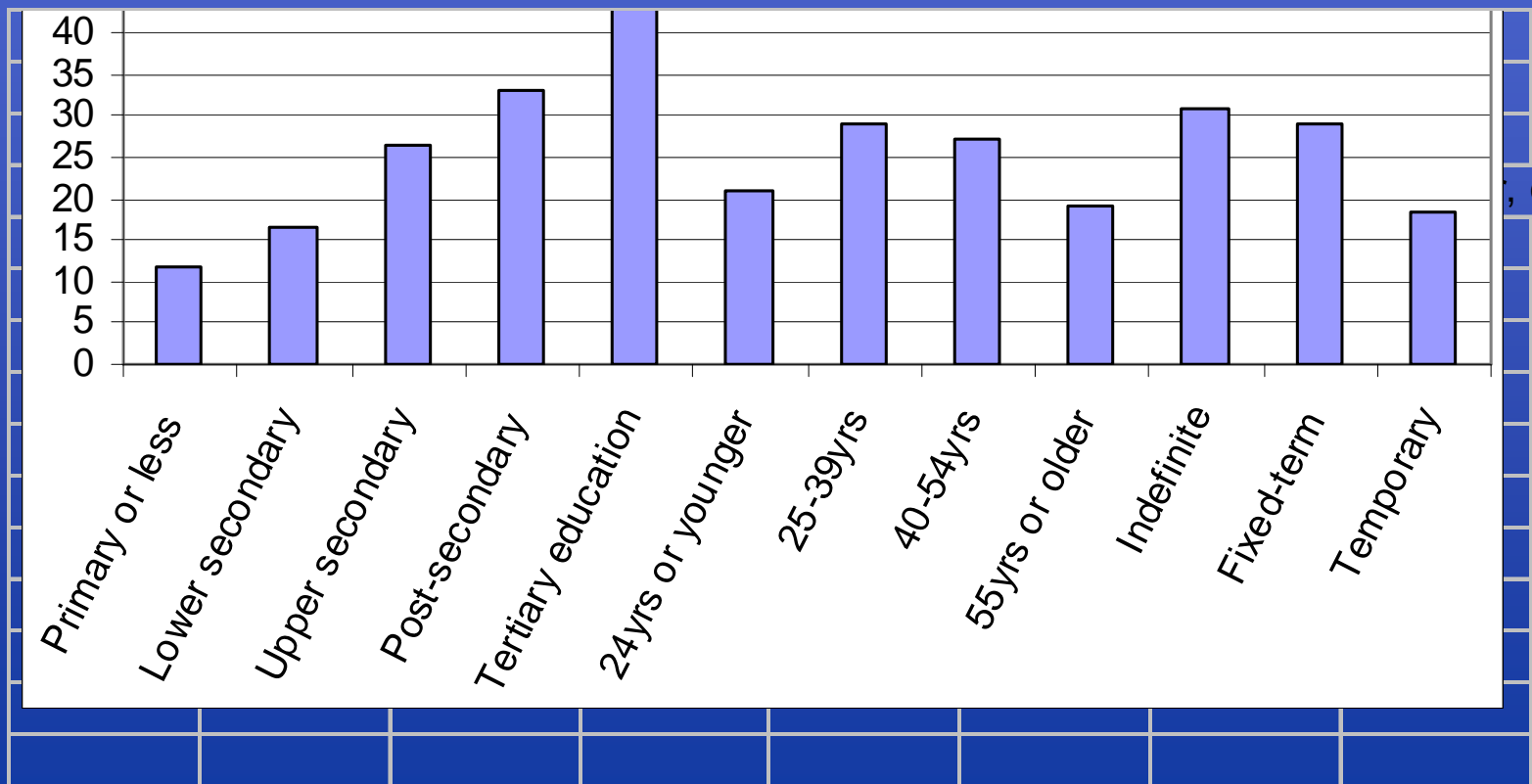
Training



- Training paid for or provided by your employer, or by yourself if you are self-employed?
- Training paid for by yourself?
- On-the-job training?

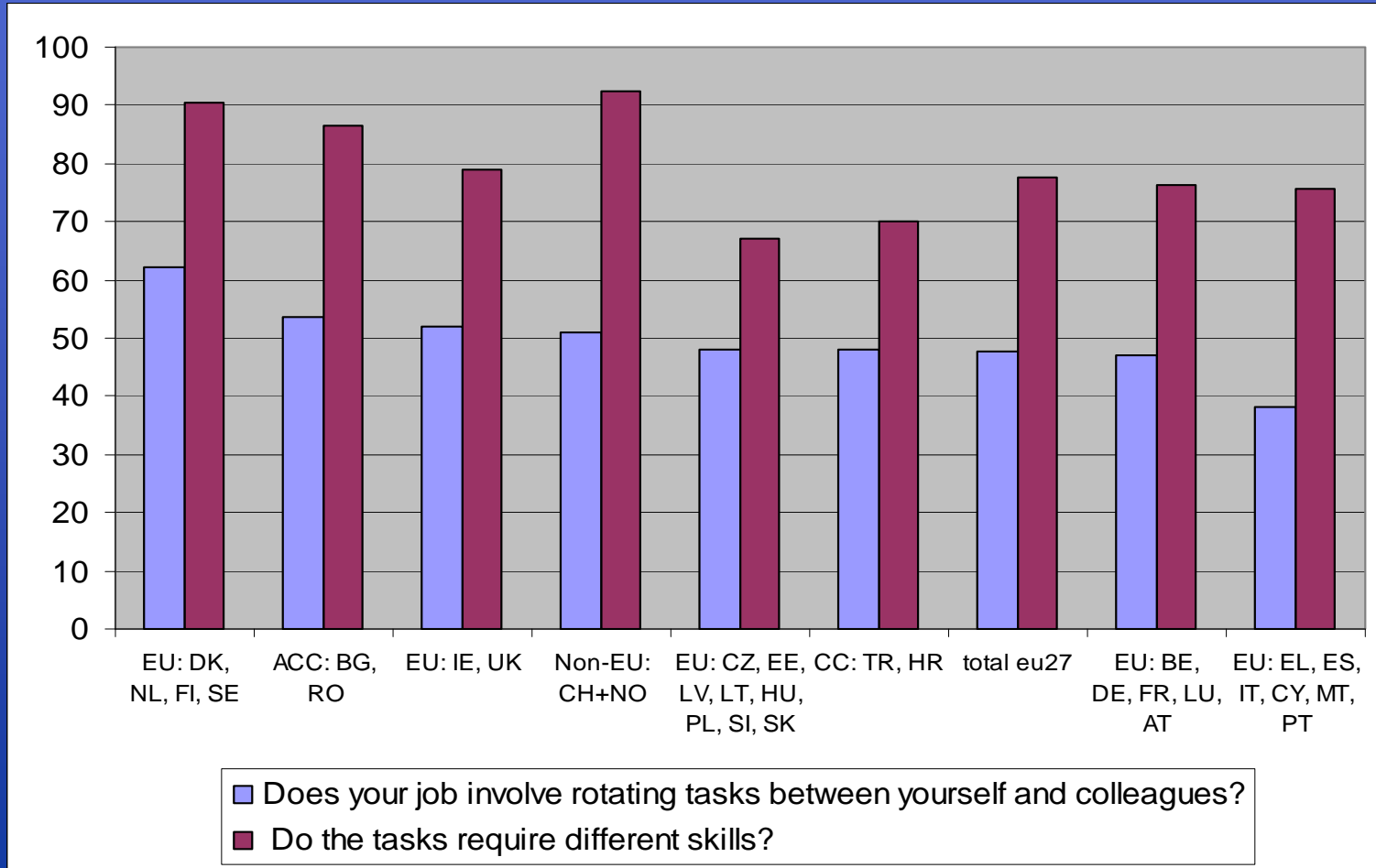


Training per educational level, age, contract





Learning through work organisation: e.g. task rotation, multi-skilling





Some of the challenges still to reflect upon

- Flexicurity touches upon all the spheres
 - ▶ National, regional, workplace AND household level
- Household level: choices are made at kitchen table
- Risk of losers of this model:
 - ▶ 'Vulnerable workers' / working poor

-> hence : a holistic reflection still needed



Summing up ...

- Flexicurity : potential to enhance competitiveness
- Trust is vital ingredient:
 - ▶ Involvement of all actors (companies, social partners, governments)
 - ▶ Social partners play a major role
 - ▶ Employment security :
 - Rights: social protection rights / all pillars / life course
 - Tools: specific attention to most vulnerable / employability (equip workers to deal with change) / skills building / training and work organisation



Thank you

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