



EWC case studies

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EWC case studies are available in electronic format only.

Company profile

The Eiffage group represented, in 2002, 46,101 employees and consolidated turnover of €6,941 million, broken down into five sectors, as shown in the following table:

Name	Activities	Labour force	Turnover in 2002 (€ millions)	% group total	Growth in 2002/2001
Eiffage Construction	Construction Civil engineering Real estate	17,546	3,510	50.6%	+7.1%
Appia	Road work	15,291	1,895	27.3%	+10.5%
Forclum	Electrical installations	12,416	1,293	18.6%	+5.2%
Eiffel	Metallic constructions	755	207	3.0%	+59.2%
Eiffage Concessions	Operation of car parks and motorways	93	36	0.5%	<i>not given</i>
TOTAL		46,101	6,941		+8.4%

The structure of jobs per professional category is as follows:

- blue collar workers: 29,300 (63.5%);
- white collar workers, technicians and supervisors: 11,517 (25.0%);
- management: 5,284 (11.5%).

Activity is concentrated in France for 84% of turnover (87% in 2000; 85% in 2001). With just 16% of activity outside France (€1,113 million), turnover is broken down into €934 million for Europe and €179 million for rest of the world. In terms of the labour force, the breakdown is around 88% in France and 12% internationally.

In Europe, the group is present in three countries, currently represented on the European Works Council (EWC):

- Belgium, in construction (2,003 employees);
- Spain, in roadworks (577 employees);
- Germany, in construction and roadworks (485 employees).

The group is also present in Italy (electricity) and Portugal (quarries).

In 2001, the major shareholders in Eiffage's capital were:

- BNP Paribas: 29.5%;
- Eiffage 2000, a unit trust for salaried shareholders¹: 23%;
- The general public: 36%.

¹ 27,000 employees are shareholders.

Owing to the importance of salaried shareholders, the group has always had a direct information and communications policy aimed at employees. During the employee buyout, a system of messengers was set up. They were regularly brought together and acted as relays between the company and employees (for example, by conducting annual polls on employees). In the same spirit, triennial national conventions, organised by the management, bring together about 15,000 people on the various sites, thanks to a videoconferencing system.

The operation of legal employee representation structures is therefore based on a direct management to employees communications culture.

The EWC

The agreement setting up the EWC of the Eiffage group was negotiated in 1997 and signed in June 1998. It was renewed on 29 August 2001 for four years, with a few modifications, and signed by the following unions:

- CGT, CFDT, FO, CGC and CFTC for France;
- ABVV/FGTB and CCHB/CCTBB for Belgium;
- IG Bau for Germany;
- FECOMA/CCOO and FEMCA/UGT for Spain.

The first meeting within the framework of the new agreement took place on 30 May 2002. The agreement thus defines the mission of the EWC:

The role of the council is to develop information on the group's structure, its economic and financial situation, the development or major modification of its activities, the situation and development of employment in accordance with the provisions of article L 439.15 of the Labour code.

In the 2001 agreement, an additional amending sentence specifies that:

In the case of the sale of a company in the group, the closure of an establishment or its relocation considerably affecting the interests of the group's employees, the board of the council should be rapidly informed of the decisions envisaged.

This sentence was one of the discussion points between management and union representatives insofar as it opens the possibility of a specific role of the EWC, with respect to the French group council, in such events as site closures.

Moreover, the 2001 agreement extended the mandate of members of the EWC to four years, whereas the initial agreement only set out two years.

The composition of the EWC was fixed, taking into account two objectives:

- positively discriminating in favour of European representatives, despite the low weight of the labour force outside France (15%); from this point of view, the EWC over-represents non-French countries (four members out of 13 or 31%);
- integrating the representatives of the different French unions.

The composition fixed by the agreement is therefore as follows:

Country	Unions	Number
France	CGT	4
	CFDT	2
	FO	1
	CFTC	1
	CGC	1
Belgium	ABVV FGTB	1
	CCHB CCTBB	1
Germany	IG BAU	1
Spain	FECOMA CCOO or FEMCA UGT	1
TOTAL		13

The agreement also covers possible modification in the number of representatives, according to the labour force in each country:

Labour force in each country	Number of represent atives
50 to 1,500	1
1,500 to 3,000	2
3,000 to 10,000	3
10,000 to 20,000	4
20,000 to 30,000	5
>30,000	9

The total number of employee representatives on the EWC is limited to 30.

Policies and procedures

In a preparatory meeting, the employee representatives have drawn up (and unanimously adopted) a set of policies and procedures that specify a certain number of operating conditions for the EWC itself and its board. Management, however, only considers itself bound by the legal texts and the agreement protocol.

The board

The board is composed of five elected members from at least four different countries (the secretary is necessarily French). The secretary and two members of the board were interviewed for this study. The board prepares the agendas of the EWC meetings, as well as preparatory meetings, provides the interface with management and handles questions of organisation. The secretary has an annual credit of 30 hours and the other members of the board, 20 hours.

Meetings

The EWC meets once a year at an ordinary session, usually in May, when the definitive annual accounts are known. The agenda is drawn up jointly by the president of the group and the secretary (in practice, the board proposes an agenda that has always been accepted without modifications). The minutes of the meetings are drafted by the secretary and approved

at the following meeting. Extraordinary meetings may be convened on the initiative of the president or on the initiative of two to three members. This second option has not been used so far.

Experts

The EWC seeks assistance from an outside expert paid by the group. In practice, two types of expertise are used:

- A permanent member of the Fédération Européenne des Travailleurs du Bois et du Bâtiment (FETBB), who assisted the union part of the negotiation of the agreement, regularly takes part in the preparatory meetings and in the sessions of the EWC. He plays a coordinating role and provides support to the employee representatives and contributes his experience of other European situations.
- Members of the chartered accountancy firm that analyses the accounts for the French group council (Sogex Cube) also attend the preparatory meetings and annual meeting of the EWC.

Operating means

The group pays for the operating expenses of the council (translations, interpreting, production and circulation of documents, travel costs, experts' fees, etc). This amount is not fixed in the agreement, but was specified in 2001 in a letter to the secretary of the EWC: it set out a maximum amount for all types of operating costs of 300,000F, excluding taxes (i.e. about €45,735). The EWC therefore can operate autonomously operation and is not dependent on management for any of the operations undertaken. The board has a treasurer and its own bank account.

Training

The agreement stipulates the possibility of a training meeting the day before the EWC, with payment of costs within the framework of the general budget mentioned above. An original part of the agreement states that this training can include a presentation by a member of management on the organisation and activities of the group (as well as the intervention of an outside expert). This training possibility has been regularly used. In 2002, with the complementary financial support of the European Commission, a three-day seminar in Portugal was organised. It included a presentation by Mr Azerad, Eiffage communications director, to present the activities and strategy of the group, as well as discussion of the civil engineering situation in European countries. This seminar resulted in a EWC work plan presented in an information letter to the employers, called 'Forum for Europe', in April 2002.

The EWC process

The employee representatives on the EWC have proposed the following work objectives:

- development of information to elected representatives and all employees;
- health and safety;
- training;
- the opening of the council to new countries, by anticipating official integration contacts with new members.

As can be seen in the meeting minutes, three essential points have been systematically covered in the meetings of the EWC:

- the balance sheet of the past year and the chartered accountant's report;
- the job situation, workload and economic perspectives per branch and per company;
- the evolution of the shareholders and development of the group.

Two discussion points have appeared in recent years: one concerning the production of economic and social indicators, and the other concerning health and safety questions.

In relation to the first of these, the employee representatives have stated their wish to receive a set of quite detailed indicators to enable them to have a precise vision of job characteristics (ages, qualifications, training, etc). For the time being, management keeps to its legal obligations and argues that centralisation and the formatting of often disparate data is a considerable technical problem considering the diversity of activities and the decentralisation of human resources management. Employee representatives believe that this is an important issue to enable the EWC to play its role properly, with the objective of durable employment. They believe it is necessary to find a point of compromise between practices in a country like Germany, where information transmitted to employee representatives is very complete, and those practices followed in other, less advanced countries, like Spain.

The second point, health and safety, was put on the agenda in May 2002. Employee representatives wanted the EWC to look into these issues so that members of the council could share a common approach on the basis of the many experiences developed in the group. The work plan of the EWC adopted at the training session of January 2002 proposed the creation of an internal committee, which would not replace existing bodies but would make an inventory of experiences, research and proposition.

Management considers that the vocation of the EWC is economic and does not concern health and safety. It therefore did not want to extend its competence or create a committee, and does not support the initiative taken. In its opinion, this does not, however, mean that it is insensitive to the importance of health and safety issues.

Following this meeting of the EWC, the employee representatives decided to set up a 'discussion and research workshop', made up of EWC members (permanent members or substitutes). The first task of this workshop was to exploit and circulate the results of a survey on stress, launched on the basis of a questionnaire drafted by the FETBB.

Impact and outcomes

Management view

As far as the positive elements are concerned, the management considers that the EWC contributes to improved knowledge between countries, even though this process is naturally quite slow. This dialogue also provides better knowledge of certain European experiences and puts the French situation into perspective with respect to other contexts, namely benefits packages. Furthermore, these discussions are held in a more relaxed atmosphere than in the group works council.

The limits are caused by a feeling of repetition with respect to the group works council and the operating cost. That is why, in terms of perspectives, management would like to be able to discuss work methods adapted to covering content with the group works council.

As far as future perspectives are concerned, management would like to remain within the framework of existing terms of reference, with the aim of providing information about the situation of activity and jobs. As far as the extension of the EWC is concerned, namely to Poland, management will apply the law at the given moment, but not before.

Employee representatives' view

Employee representatives believe that, despite the limits observed in terms of information and consultation, the EWC has the capacity to develop autonomous operation and networking with the representatives of the different countries. Solidarity has been forged and the EWC has shown that it could be of real use.

Future perspectives are firstly linked to the group's European development (Poland and Portugal) and the integration of new representatives.

In terms of content, the accent is on the construction of economic and social indicators, allowing the EWC to have a qualified vision of the situation. This is a major area of work to be covered.

Finally, union representatives recognise that there can be organisational problems in information channels within the different bodies or decision-making places (EWC, group works council, branch managements, etc), which is exacerbated by a lack of clarity concerning the roles of the different bodies..

Conclusion

- This case is characterised by the predominance of French activity in the group.
- Owing to this, the EWC contributes to the integration of foreign subsidiaries in the group, namely by guaranteeing an information circulation function.
- An interesting point concerns the determination shown by the unions to invest in this area of labour dialogue and give it a specific identity differing from national bodies, namely the French group works council.

July 2003