

Social Dialogue for Workplace Learning Case Study 2 2012

ILO, Skills and Employability
Department

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[EUROPE]

How training can help workers and employers anticipate change

*In its conclusions to the General Discussion on **Skills to improve productivity, employment growth and development**, the International Labour Conference in June 2008 requested that the Office generate and share information on good practices in how collective bargaining can promote workplace learning. This Case Study is one in a resulting series of case studies on social dialogue and collective bargaining for skills development produced by the Skills and Employability Department in cooperation with the Bureau for Workers Activities, the Bureau for Employers Activities, and the Industrial and Employment Relations Department. The case studies were researched and written by Lori Brumat, working as research officer with the Skills and Employability Department. In addition to thanking her, I would also like to express appreciation to Michael Axmann and Christine Hofmann for supporting this work and for the inputs from other colleagues in the Skills and Employability Department, the field offices, the Sectoral Activities Department, the Gender Bureau, and the Enterprise and Job Creation Department.*

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Social dialogue type

Transnational collective agreement (TCA) between a multinational and a European industry federation.²

Name

European Agreement on Improving Professional Development through Effective Anticipation (IDEA).

Company

Thales, headquartered in France, is a producer of mission-critical information systems for defense and security, aerospace and transportation with 2010 revenues of €13.1 billion. It is partly owned by the French State (27 per cent), by the French company Dassault Aviation, and publicly-traded on the NYSE Euronext Paris stock exchange (47 per cent share floated).

Thales employs 68,000 people in 50 countries, having expanded from France to the rest of Europe, the Americas and the Asia-Pacific region.

Parties

Thales – European Metalworkers' Federation (EMF).

Industry

Electronic systems in the area of defence, aerospace, airline security and safety, information technology, and transportation.

Duration

Signed on 11 June, 2009, at minimum for 2009–12; renewable indefinitely.

² "TCAs are labour-management agreements signed between multinationals on the one hand, and on the other hand, European and/or international federations of workers representing national unions by sector of activity and/or the European Works Councils (EWCs) of the multinationals" (Transnational Company Agreements on Enterprise restructuring", Dialogue in Brief No. 2, July, 2010, Nikos Papadakis, ILO, p.1). TCAs are not enforceable in practice at a European level. In order to be legally binding, the Thales agreement has to be implemented at the country level in each signatory country (i.e. each union has to sign a collective bargaining agreement with the local Thales subsidiary), but all the trade unions have to follow exactly the European agreement wording.

Worker population concerned

Some 54,500 European workers, working in 11 countries (Germany, Austria, Belgium, Spain, France, Italy, Netherlands, Portugal, Norway, United Kingdom, and Switzerland).³

The staff is mainly composed of engineers technicians (some 70 per cent of employees) and highly-skilled.

Goals

The agreement also stemmed from the high value that Thales places on transparency – i.e. “sharing knowledge” between and within its companies.

Having collected a series of best practices from all over its European operations, Thales laid down in this agreement some 30 measures resulting from the **common principles and what it saw as the most effective tools/processes** to be adopted by its staff in the area of anticipation of change and training.

The explicitly announced goals of the agreement are to: ⁴

- **respond to business and skill needs** by identifying medium-term trends per job family⁵ and the corresponding training needs on a collective basis;
- **anticipate technological and labour-market change** with a view to boosting the **company’s competitiveness with minimal restructuring**;
- **improve its workers’ employability** by provision of a learning environment allowing them to be effective and efficient in their present and future jobs and to “develop their full potential”;
- **develop its attractiveness** vis-à-vis its own staff and potential recruits to address possible growing shortages of engineers and skilled technicians.

Background

Thales and EMF signed what the company calls its “first transnational collective agreement” with regard to human resources management through both anticipation of change and social dialogue.

According to Ms. Anne de Ravaran, Vice-President of Human Resources, legal and ethics, who participated in the negotiation of the IDEA agreement, Thales led the process in light of the remarkable success of a 2006 agreement in France on anticipation (labelled “Active Employment Management”). “We were lucky to start this process before the crisis.”

³ According to the company’s 2010 [Social Report](#).

⁴ Thales-EMF agreement, 2009, pp. 6–9.

⁵A Thales “job family” is a cluster of several professional occupations with common missions and responsibilities, and requiring similar skills and competencies. Thales operations involve 62 different job families.

“The company wanted a practical agreement allowing workers to knowingly take charge for their career and become actors of the company’s development,” she added. “Well-trained staff are our most important asset.”

Thales, which has had no collective layoffs for economic reasons since 2005 except for 50 voluntary departures at its Paris headquarters, deliberately excluded restructuring from this agreement as it considered it as a separate issue, Ms. de Ravaran noted.

Union involvement

The European Metalworkers Federation, an umbrella organization coordinating and representing 75 metalworking trade unions in 36 countries across Europe, led the negotiations as representative of Thales’ European unions.

Having previously secured some 15 analogous European agreements (Schneider, Alstom, AcelorMittal, ...), the EMF followed its standard procedure for negotiating agreements with a multinational company.⁶

Indeed, given that trade unions still lack statutory representation at the European level and that no legal framework yet defines the enforcement of European company agreements, these must be negotiated and implemented in each country in accordance with local regulations.

It is thus more expedient for trade unions to delegate their negotiation authority vis-à-vis a multinational to a European worker federation. The Thales trade union executive committee decided (by majority vote) to give the EMF a mandate for negotiating the agreement with Thales.

EMF was thus involved in the following:

- conducting a round of consultation and information with the trade unions and the European Works Council (formed as part of an “anticipation” agreement in 1993);
- putting together a mandate position paper detailing both aims and negotiation process;
- representing the trade unions (EMF General Secretary or Deputy General Secretary); and
- signing the agreement.

“It was very easy to negotiate with Thales as its HRD was firmly convinced about the content of the agreement and had a real will to carry it out,” said Ms. Isabelle Barthès, EMF Senior Policy Adviser, who took part to the IDEA negotiations.

⁶ See “Internal EMF procedure for negotiations at multinational company level”, mimeo, EMF, June 2006. Available at: <http://www.emf-fem.org/content/search?SearchText=procedure+&SearchButton=Search> [accessed on 15 November 2011].

“Thales chose to involve the unions in this way as anything that has to do with training might be seen by employees as a threat or as a signal that their jobs are on the line,” said Ms. Barthès. “So EMF and the trade unions promoted the agreement throughout the company’s operations, explaining how important training is to boost employability.”

“Even if at the local level, a decade ago, employers might have seen training as a cause of work disruption and increased costs whose benefits are not easy to assess, most people are now quite aware that training has to be a shared responsibility of management and workers,” she added.

To support the implementation of this European agreement and conduct what the company calls “Europe-wide social dialogue”, Thales organized a series of equal-representation and transnational events in 2009 and 2010.

These brought together over a hundred staff representatives, managers and Thales human resources directors from nine different European countries, opening the way to a second European transnational agreement (signed 14 April, 2010) with the EMF – the TALK agreement (“Transparent annual Activity discussion for mutual Listening and developing professional Knowledge”).⁷

The training

Content

The subject areas of the training offered by Thales under the agreement include: general knowledge and personal development; management; products; R&D; support functions; production/product.

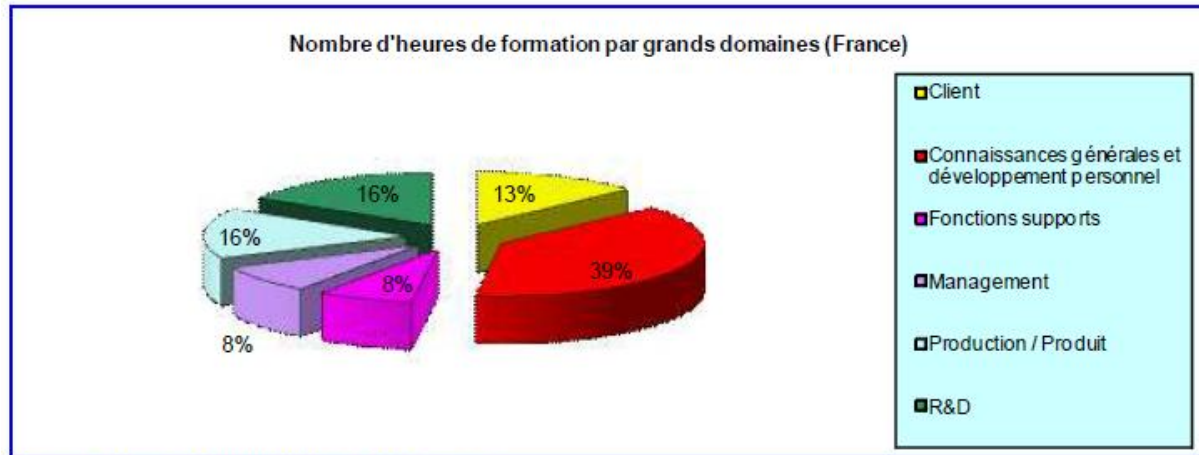
Below is the list of key programmes addressing anticipation needs and the corresponding numbers of participants for 2010:⁸

- People Management	960
- Bid Management	400
- Project Management	1,300
- Supply Chain	190
- System Engineering	800
- Hardware Engineering	50

⁷ This agreement focused on annual activity discussions, which had never before been the object of negotiations with trade unions at Thales. See Thales’ 2011 [Social Report](#), p. 48.

⁸ Report of the European Anticipation Commission meeting, Thales, 21 September 2010.

THALES Training courses per category (France)



Number of hours of training by broad area (France)

Customers

General knowledge and personal development

Support functions

Management

Production/Product

R&D

(Source: Thales' 2010 Annual Report, p. 37.)

Costs

Training costs are covered by the company and the teaching is dispensed either by Thales' training arm, Thales University, or by external providers if the courses sought are unavailable in-house. Thales University is funded through the mutualization of 0.5 per cent of wages.

Providers

Thales University designs training courses (and delivers certification) and learning paths for Thales staff based on how the company anticipates its job families will evolve. It conducts a need analysis throughout the company over several months to assess job family global trends. These identified trends are shared and discussed with employees representatives at country level within a National Anticipation Commission and at European level within a European Anticipation Commission. Thales then makes up a list of key programmes to be approved by the Thales Executive Board.

Salient agreement clauses on training⁹

Results

Ms. De Ravaran specified the company had not evaluated the economic impact of the IDEA European agreement as it was “neither its object nor its aim”. “If such an evaluation were possible, it would have to be done at the level of each country, something we would not be able to do. This is not a ‘project’ but a new approach altogether.”

Yet Thales has laid out in the agreement a series of “**social indicators**” to monitor the implementation of IDEA:

- *“Percentage of employees attending an annual professional development discussion (PDD)*
- *Average hours of training per employee, per year*
- *Total number of employees trained per year*
- *Number of employees who did not benefit from a meaningful training during three years*
- *Total number of career corners created*
- *Total number of learning advisors (and qualitative description of their activities)*
- *Total number of apprentices per year (percentage of the total headcount)*
- *Number of internal mobilities (professional and geographical, national and international) per year*
- *Number of employees welcomed by a Buddy per year*
- *Number of employees participating in the program ‘From student to professional’ per year*
- *Indicators of men/women equality, for career and recruitment”¹⁰*

The company reported the following data:¹¹

France

	Number of employees trained		Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll*
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	6,653	19,843	80%	76.5%	77.4%	172,232	500,751	672,983	18.7	20	19.7	3.6%
2009	6,241	18,284	74%	71%	72%	190,670	568,799	759,469	20.6	22.7	22.2	3.85%

United Kingdom

⁹ The relevant documents are available upon request to emp.skills@ilo.org.

¹⁰ See full data disaggregated per country in the company's [2011 Social Report](#).

¹¹ *Ibid*, pp. 36–39.

	Number of employees trained*		Percentage of employees trained*			Total number of hours of training per year*			Average number of hours of training per year*			Cost of training / Payroll
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	978	3,424	55%	57%	56%	45,658	126,779	172,437	23.5	21.8	22	3.75%
2009	1,026	3,670	57%	57%	57%	43,568	127,448	171,016	20.3	20.6	20.5	3.11%

* The breakdown by LR and gender is a guideline only.

Italy

	Number of employees trained		Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	493	1,580	77%	73%	74%	6,650	60,397	67,047	22.4	24.3	23.9	0.70%
2009	203	1,522	63%	62%	62%	5,415	53,706	59,121	21.9	21.2	21.3	0.78%

The Netherlands

	Number of employees trained		Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	307	1,032	60%	72%	70%	12,997	40,727	53,724	26	29	28	1.9%
2009	312	1,017	64%	69%	68%	11,678	40,946	52,624	26	27	27	1.7%

Germany

	Number of employees trained		Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	-	-	-	-	47%	-	-	47,782	-	-	14.3	0.88%
2009	-	-	-	-	65%	-	-	39,648	-	-	13.8	0.87%

Spain

	Number of employees trained		Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
	LR 1-6	LR 7-12	Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	289	365	56%	38%	42%	8,025	18,258	26,283	19	16	16.8	-
2009	264	241	30%	30%	30%	13,224	10,053	23,277	8	16.1	13.8	-

Australia

Number of employees trained			Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
LR 1-6	LR 7-12		Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	1,067	1,337	73%	72%	72%	18,261	43,729	61,990	19	18.5	18.6	1.63%
2009	1,075	1,250	73%	66%	67%	13,090	30,745	43,835	13.3	12.5	12.6	2.3%

United States

Number of employees trained			Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
LR 1-6	LR 7-12		Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	350	886	62%	71%	69%	3,680	22,519	26,199	11.7	15.9	14.7	1.46%
2009	790	1045	100%	100	100%	4,228	24,190	28,418	NR	NR	15.5	2.6%

Canada

Number of employees trained			Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
LR 1-6	LR 7-12		Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	96	986	85%	77%	79%	1,996	21,158	23,154	18	16.6	16.9	0.52%
2009	96	1040	NR	NR	80%	2,053	24,194	26,247	NR	NR	18.6	0.9%

Portugal

Number of employees trained			Percentage of employees trained			Total number of hours of training per year			Average number of hours of training per year			Cost of training / Payroll
LR 1-6	LR 7-12		Women	Men	Total	LR 1-6	LR 7-12	Total	Women	Men	Total	
2010	14	113	83%	54%	58%	121	2,652.3	2,773.3	22.32	11.19	12.6	1.3%
2009	11	137	80%	70%	71%	328.3	3,643.5	3,972	24.1	18.5	19.2	1.4%

Thales also set up a **European Anticipation Commission** to enable continuous social dialogue at the European level and monitor the progress of workers' professional development. The EAC met for the first time in September 2010 and reviewed the implementation of the IDEA agreement notably by analysing these indicators by country and at the European level.

Since June 2009, Thales held three **European Conventions** bringing together employee and HR representatives to analyze the implementation of IDEA and TALK agreements and share new good practices.

The European Anticipation Commission is a team composed of 23 people that participated in the negotiations. It is in charge of the follow up of the agreement and is involved in the annual process of job family trends anticipation.

The European Conventions are annual and joint events gathering around 100 European social partners to promote the exchange of new professional development and anticipation of change good practices. It also allows attendants to identify the guidelines and priorities in the implementation of the IDEA agreement for the year to come.

The last convention took place on 5 July, 2011 and was presided by the company's new head of human resources, Mr. Loic Mahé, and by Mr. Bart Samyn, Deputy General Secretary of the EMF.

One of the lessons learned from this meeting was that **effective promotion of IDEA** – including through physical outreach to staff – must be continued and is essential to its functioning.

Mr. Mahé emphasized the need to stick to the collegial approach and common functioning of human resource management as encapsulated in the IDEA agreement and to further refine training as a response to anticipated change.¹²

In its 2010 social report, Thales stated it faced no significant difficulties from the crisis and has not resorted to any retrenchment plan unlike other companies in the metal and engineering industries. The agreement is functioning as a cushion against any unforeseen crisis-related layoffs.

The United Kingdom saw Thales' record number of redundancies in 2010 increasing over 2009 (356 vs. 177) as contracts were cancelled, business dropped and the company reorganized. Other countries where the group operates that reported economic redundancies in 2010 were: the United States, Canada, Switzerland and Belgium. The total number of redundancies for economic reasons at Thales operations was 798, according to the company's 2010 annual report.

¹² Report of the European Anticipation Commission meeting, Thales, mimeo, 21 September 2010.

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