

# **ANTICIPATING and MANAGING RESTRUCTURING: 27 NATIONAL SEMINARS (ARENAS)**

(Reference Number VC/0667/08)

## **MINUTES OF NATIONAL SEMINAR**

### **Slovenia**

**Grand Hotel Union, Ljubljana, Slovenia – 16 March 2010**

#### **1. Introduction**

These minutes are intended to provide a summary of the proceedings and results of the National Seminar on Restructuring for Slovenia, which took place at the Grand Union Hotel in Ljubljana on 16 March 2010. The purpose of these minutes is to highlight the key findings and the main debates during the one day seminar on anticipating and managing restructuring. These minutes are supporting documentation, which should be read in conjunction with the final published version of the Slovenia National Background Paper, whose author is Dr. Barbara Kresal of the University of Ljubljana.

#### **2. Background**

Under a service contract issued by the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission, the International Training Centre of the International Labour Organization (ITCILO) is organizing a series of national seminars on restructuring in each of the 27 member states of the European Union.

The National Seminar for Slovenia was the 20<sup>th</sup> seminar in this series and aimed to present and discuss the most important measures and tools used for anticipating and managing restructuring in Slovenia, particularly their effectiveness and potential transferability. A Slovenia National Background Paper (NBP) on Restructuring was written for the seminar by an independent national expert, Dr Kresal from the University of Ljubljana. This NBP was prepared for the purposes of identifying and describing the existing measures and tools for restructuring at the national and regional levels in Slovenia, as well as highlighting interesting company practices and case studies. The NBP was presented at the seminar as a discussion draft and discussed by a high level, tripartite group of participants from government, workers and employers' organizations plus researchers, academics and enterprise managers. After the seminar the NBP was finalised ready for publication on the ARENAS website (<http://arenas.itcilo.org>).

The seminar was conducted in Slovenian with simultaneous interpretation into English.

#### **3. Participants**

Participation at the Slovenia National Seminar on Restructuring was by invitation.

The ITCILO, after consulting with the European Commission, the national expert and other interested parties, sent invitations to a list of representatives from the government, the national employers' organizations and the national trade unions, as well as academic researchers on restructuring practices in Slovenia. Representatives from business

associations covering specific sectors, such as the Chamber of Commerce and Industry, were also invited, along with managers of enterprises that had been chosen as case studies for discussion at the seminar. The selection of the invited participants took into consideration the need for ensuring a high level of representation, including knowledgeable and appropriate representatives from government and the social partners. The Dublin-based European Foundation for the Improvement of Living and Working Conditions (Eurofound) was invited to send an observer. An official from the DG Employment, Social Affairs and Equal Opportunities of the European Commission also took part in the seminar.

**28 participants** attended the Slovenia national seminar coming from the following Organizations/Institutions:

- Ministry of Labour, Family and Social Affairs & Employment Services (5);
- Law Courts; (2)
- Trade Unions (5);
- Employers' Organizations and Business Associations (4);
- Company representatives (7) ;
- Research Institutes(4) (excluding the national expert & seminar facilitator)
- Other (1).

Representatives from the DG EMPL(1) and Eurofound (1) also took part in the seminar.

In addition, the seminar's organizing team included the national expert, Dr. Barbara Kresal of the University of Ljubljana, the seminar facilitator, Dr. Etelka Korpič, Faculty of Law of the University of Maribor, and the seminar chairperson, Mr. Peter Tomlinson (ITCILO). The University of Ljubljana provided administrative support during the seminar. Ms Laura Costamagna of the ITCILO made the preparatory administrative arrangements for the event with the excellent advice and support of Dr Kresal.

#### 4. Activities carried out

The national seminar for Slovenia followed the standard agenda agreed between the European Commission and ITCILO for a one day seminar. After the introductory remarks by the representative of the European Commission and the seminar chairperson from ITCILO, the morning discussions were designed to focus on lessons learned about measures and tools for **anticipating restructuring**. The afternoon sessions were focused on measures and tools for **managing restructuring**.

The formats of both morning (anticipating restructuring) and afternoon (managing restructuring) sessions were similar. The national expert first presented the findings on the topic from the national background paper. This was followed by a round table of high-level panellists from government, employers' organizations and trade unions. The round table addressed a list of pre-prepared key questions about restructuring in Slovenia and led into a general debate involving all participants. After this general plenary discussion, a case study was introduced by the national expert and supported by a testimonial from one of the main persons involved. The participants were then invited by the seminar facilitator to discuss the case in small groups in order to extract any lessons learned, especially success factors. The seminar facilitator then facilitated a feedback session to draw out some conclusions on the effectiveness, utility and transferability of the measures discussed. Finally, each participant was invited to write down on a coloured card the most important lesson learned about restructuring.

After a word of welcome from the national expert, Dr. Kresal, the opening session of the seminar set the scene for the event through:

1. a presentation of the European Commission's main policies and programmes on restructuring;
2. an introduction about the overall aim of the project and the objectives of the National Seminars;
3. a short presentation about the ILO programme on socially sensitive enterprise restructuring.

On behalf of the Directorate-General for Employment, Social Affairs and Equal Opportunities of the European Commission, Mr. Martin Ulbrich made a presentation about EU policies on restructuring. The essential elements of the EU philosophy towards restructuring are anticipation, preparation, minimizing the social costs, supporting partnerships (e.g. between the social partners), taking action at different levels, and seeking to reconcile security for workers with the flexibility needed by companies. The EC has conducted a number of sectoral studies on restructuring, see <http://ec.europa.eu/restructuringandjobs>. In addition, the EC has set up a Restructuring Forum which has so far held 9 sessions. Further information on the Restructuring Forum is available on the same website. The EC has also created a collaborative knowledge-sharing website on anticipation and restructuring called *Anticipedia* (see [www.anticipedia.eu](http://www.anticipedia.eu)) and has published a guide for worker training in SMEs (Small and Medium-Sized Enterprises). The EC also offers financial support to assist member states on restructuring through, for example, the European Social Fund, the European Regional Development Fund and the European Globalization Adjustment Fund. The Slovenia seminar is part of an initiative by the EC to gather and share knowledge about restructuring practices and lessons learned in all 27 EU member states.

Mr. Peter Tomlinson of the International Training Centre of the International Labour Organization outlined the aims of the national seminar as follows:

- to exchange of views and perspectives on the national framework for restructuring;
- to catalogue the lessons learnt about restructuring in Slovenia;
- to systematize knowledge about restructuring practices in Slovenia;
- to engage in knowledge sharing;
- and to Identify inputs to the EU Synthesis Report.

Mr. Tomlinson also outlined the key elements of the ILO programme on socially sensitive enterprise restructuring. The ILO emphasizes that although restructuring is generally undertaken to improve enterprise competitiveness or to ensure the survival of an ailing firm, it should be conducted in a sensitive way taking into account the concerns of all the stakeholders. Though restructuring often involves downsizing and reducing labour costs, there are many options that can reduce the negative effects on employees and employment. ILO research shows that downsizing, if not handled sensitively, often results in industrial disputes, absenteeism, high staff turnover, and consequently drops in productivity, quality and profits. The main areas for improving restructuring practices include policies in anticipation of restructuring, social dialogue, legislation and regulations, and crisis response initiatives.

After the opening session, the key findings from the NBP were presented by the National Expert, Dr. Barbara Kresal. The key elements of her presentation were the following:

- Slovenia experienced a double transition 20 years ago when it became an independent state, and changed from a socialist economy to a market one;
- Following a difficult period of economic transition, Slovenia's economy grew progressively and strongly from the third quarter of 1993 until the fourth quarter of 2008 and during this period the employment situation improved;
- After the end of 2008, the current global economic and financial crisis created a deep recession in Slovenia throughout 2009;

- Slovenia is increasingly becoming a service economy with industry and agriculture showing a declining share of GDP;
- Among EU member states, Slovenia is one of the countries with a relatively low unemployment rate, and a high rate of labour market participation for women;
- However, the current economic recession has resulted in a sharp rise in unemployment especially for younger and older workers;
- Slovenia has introduced different measures to limit the negative effects of the economic crisis and these include anti-crisis measures aimed at safeguarding employment (such as a partial subsidy for short-time working) and other active labour market policies;
- Slovenia has legislation - the Employment Relations Act - that is designed to protect workers threatened with dismissal, and it also has laws that promote worker participation in works councils.
- Consultation with workers is an obligation on employers contemplating collective dismissals;
- Slovenia has an early warning system for collecting data on planned dismissals and recruitments by employers and this gives the Employment Services of Slovenia the information necessary to plan measures for anticipating restructuring.



Presentation of national background paper at the Slovenia national seminar on restructuring

**4.1 First round table session on anticipating restructuring (morning)** *To what extent existing measures and tools are sufficient and useful to anticipate restructuring in the current economic crisis? Specific employers', employees' and (central and local) government views*

The objective of this first round table was to gather information on the current perception of the effectiveness, utility and transferability of the measures described in the National Background Paper and their usefulness in the context of the current crisis. Professor Mitja Novak, Director of the Institute for Labour Law of the University of Ljubljana, introduced and moderated the first round table discussion



From left to right: Dr Etelka Korpič Horvat, Professor Mitja Novak, Dr. Barbara Kresal, mag. Vera Aljančič Falež, & Mr. Peter Tomlinson

The round table discussion was organized around four key questions each of which was addressed by one of the panellists:

- 1. Among the existing surveys for forecasting future economic developments and skills gaps (e.g. SORS, IMAD, Economic Mirror, Employment Services of Slovenia, etc.), which tool is most effective for better anticipating restructuring?**

Panellist: Ms Metka Penko Natlačen, Senior Legal Consultant, Chamber of Commerce and Industry of Slovenia

- 2. Are industrial relations of any help in anticipating restructuring?**

Panellist: Mr. Andrej Zorko, Confederation of Free Trade Unions of Slovenia

- 3. What are the main strengths and weaknesses of social plans in cases of collective redundancies?**

Panellist: Ms. Maja Skorupan, Association of Employers of Slovenia

- 4. To what extent does the Early Warning System managed by the public employment services become an effective instrument for better anticipating restructuring at the company level?**

Panellist: Mr. Jurij Snoj, Assistant Director General, Employment Services of Slovenia



Ms. Maja Skorupan, Association of Employers of Slovenia

### **Main points made by the panellists and from the open discussion involving all participants**

As regards the measures and tools for anticipating restructuring, the discussion emphasised the importance of quality statistical data, analyses and forecasts and the panellists considered the existing sources of such data in Slovenia competent, useful and reliable. Nevertheless, although the public institutions offer quality data, the employers' organisations themselves, for example the Chamber of Commerce and Industry of Slovenia, prepare their own analyses and forecasts, since they are adjusted to their needs and those of their members as individual employers. These analyses are quite often issued before those prepared by public institutions.

According to the panellists, it is difficult to achieve consensus between employers and trade-unions as regards the procedures to follow in case of collective dismissals and the conditions that have to be met for the valid dismissal of workers for economic reasons. During the discussion, different views were presented as regards the question of whether the Slovenian system of information and consultation with workers' representatives in the case of collective dismissals, is, or is not, effective and adequate. Certain participants pointed out that the requirements are too complicated and make the whole process of restructuring longer, due to the long procedures for collective dismissals. Consequently, they say, the process is not effective, including the social plan requirements.

But on the other side, many participants thought that if the management of a company had identified the need for restructuring soon enough, and had started the process of restructuring early enough, then the procedures would not be seen as a barrier for a more efficient restructuring process. Rather, they could be seen as an efficient framework and tool for the preparation of the company restructuring. It was pointed out that early identification of the problems, and the need for restructuring, is very important for the preparation of the restructuring process. In general participants agreed that social dialogue is an important factor for the successful restructuring of a company.

In anticipating restructuring, the Employment Service of Slovenia has a very important role as regards mitigating the negative social costs. The seminar discussions showed that many employers contact the Employment Service even earlier than obliged to by law (i.e. very well in advance, if restructuring is being foreseen). This means that they consider the role of the Employment Service, and its early warning system, as very useful and important for the success of the restructuring.

After the group work and brainstorming session, the participants emphasised the following:

- restructuring is an ongoing and continuous process because companies operate in the open market where risks are present all the time, and not just during crisis;
- management of the company has to act preventively, has to be prepared early enough for the risks of operating in the market, and has to respond early enough to changes and threats;
- lowering labour costs is not the only solution or measure, which would make a company's operations successful in the long run;
- for good management reasons, for economic development and for formulating successful responses to the economic crisis, social dialogue is very important.



Small group discussions

### 5. What are the main obstacles to Anticipating Restructuring in Slovenia?

During the round table debate, participants mentioned the following Strong and Weak points concerning anticipating restructuring in Slovenia:

Round table no. 1	<u>Strong points</u>		<u>Weak points</u>
a)	Employment services early warning system	a)	Lack of consensus between employers and trade unions on the process and

			procedures for handling collective dismissals
b)	Quality of statistical data, analyses & forecasts	b)	Slovenia was not expecting the current economic crisis and companies were not prepared for restructuring.
c)	Social dialogue is practised at national and company levels	c)	Employers are critical of the lengthiness of legal procedural requirements in the case of collective redundancies, which, they say, prolongs restructuring processes
d)	Well developed legislative framework on collective dismissals that protects workers	d)	Current difficult economic situation facing Slovenia and reduced prospects for finding new jobs make restructuring more difficult

#### 4.2 GROUP WORK Session (Morning) - Anticipating Measures for Restructuring and the presentation of the *Mercator* case study about the restructuring of a supermarket chain

The objective of the Group work session was to obtain information on the selected measures and tools described in the National Background Paper, including those featured in various case studies, in order to reach a common understanding and consensus about their efficient and positive effects for anticipating restructuring and mitigating its social impact.

To provide a real example to help reach this objective, a **case study** was presented as an example of the measures and tools that are used to anticipate restructuring. The case study chosen was *Mercator* and was presented by Ms Vera Aljančič Falež, member of management board of *Poslovni sistem Mercator d.d.* This company operates a supermarket chain in Slovenia. To face new competitors, *Mercator* decided to consolidate its operations in larger supermarkets and to sell-off smaller outlets. The case, which is described in the National Background Paper, shows how *Mercator's* management acted to anticipate the restructuring of its supermarkets in consultation and dialogue with trade union representatives.

Following the case study presentation, participants were divided into small groups to discuss the effectiveness of measures being used to anticipate restructuring in Slovenia. The group work was facilitated by Dr. Etelka Korpič Horvat of the University of Maribor.

The results of this session are summarized in the following table:

<b>Mercator Case study</b>	<b>Success factors</b>	<b>Main problems</b>	<b>Potential of improvement</b>
Transfer of company owned retail units to new owners	Collective bargaining in anticipation of how restructuring would take place and trade unions monitor the situation of employees affected by the transfer of ownership	Some new owners face problems in maintaining the same conditions of work as agreed when taking over employees from <i>Mercator</i>	Improving support and access to finance for new companies taking over existing businesses
Consultation with workers	Sharing of information with workers representatives by company management	Employees in one unit sued the new owner for constructive dismissal due to a deterioration in working conditions	Renewed efforts at social dialogue between employers and workers organizations to reach agreement on the measures needed to support employees when a restructuring process is planned.
Planning & implementation	Restructuring carefully planned to take place slowly over a long period of time	Uncertainty of the future employment prospects of employees designated to units being sold	More education and training for workers to improve skills and employability

In addition to the above analysis of the case study, the discussion groups highlighted the following points concerning current practices for anticipating restructuring in Slovenia:

- Occasional company restructuring is inevitable and needs to be planned for;
- Too frequently, restructuring is a response to a crisis, and is not planned;
- In Slovenia, there is a perception that restructuring is not going well;
- Employers are critical of the lengthiness of current procedures for collective dismissals on economic grounds;
- Trade unions are concerned about being involved too late when a company is contemplating restructuring;
- Social protection is very important to support workers facing restructuring;
- Effective social dialogue and collective bargaining are important instruments for anticipating restructuring;
- The role of the Employment Service of Slovenia and its early warning system provide scope for improving the mechanisms for anticipating restructuring;
- It is important to invest in workers' skills through education, training and lifelong learning.

### **Second round table session on managing restructuring (afternoon)**

The afternoon round table session aimed to discuss the following topic: *Managing Restructuring in Slovenia: Lessons learnt from past experience and future perspectives: specific employers', employees' and (local and central) government experiences.*

The objective of the second round table was to gather information about, and to assess, the strengths and weakness of past experiences on managing restructuring and area for future improvements.

The second round table was introduced and chaired by Professor Mitja Novak.

The round table discussion was organized around seven key questions each of which was addressed by one of the panellists:

**1. What are the main strengths and weaknesses of the existing passive labour market measures (unemployment benefits, severance payments, etc.)?**

Panellist: Mr. Peter Pogačar, Director General, Ministry of Labour, Family and Social Affairs

**2. In the context of the current economic and financial crisis, to what extent could the role of collective bargaining change?**

Panellist: Mr. Peter Pogačar, Director General, Ministry of Labour, Family and Social Affairs

**3. What are the main strengths and weaknesses of the short term measures for tackling the current recession (e.g. partial subsidy for shorter working hours, partial reimbursement of compensation payments for workers temporarily laid-off)?**

Panellist: Mr. Dušan Semolič, President, Confederation of Free Trade Unions of Slovenia

**4. In relation to active measures (e.g. work funds, public works, education and training, re-qualification, work organization, etc..) to safeguard employment instead of dismissals what are the most effective tools for mitigating the negative effects of restructuring?**

Panellist: Mr. Dušan Semolič, President, Confederation of Free Trade Unions of Slovenia

**5. What are the main strengths and weaknesses of alternative employment measures instead of dismissals (e.g. search for a suitable job in the labour market, new employment contract arranged in another company, etc...)?**

Panellist: Mr. Igor Antauer, Secretary-General, Association of Employers for Craft Activities of Slovenia

**6. How effective is the measure that allows paid time-off to search for a new job?**

Panellist: Mr. Igor Antauer, Secretary-General, Association of Employers for Craft Activities of Slovenia

**7. To what extent can regional development policy measures contribute to mitigate the social effects of restructuring?**

Panellist: Mr. Igor Antauer, Secretary-General, Association of Employers for Craft Activities of Slovenia

### **Main points made by the panellists and from the open discussion involving all participants**

As regards different passive and active labour market measures for managing restructuring in Slovenia and their inter-relationships, the discussions showed that there has to be an adequate combination of both passive and active measures.

The most important question is how to divide the responsibility as regards passive measures between employers (i.e. severance payments) and the public systems of social protection (such as unemployment benefit and the wage guarantee fund in cases of insolvency)? The suggestion was that unemployment benefits need to be strengthened.

In Slovenia, there are many active labour market measures and the Employment Service has very important role in this regard. Nevertheless, the education and training programmes need to be strengthened. Education and training, and the concept of life-long learning, are seen as the most important factors for raising the employability of workers and for mitigating the negative social consequences of the restructuring processes.

Participants put special attention on the short term measures, which were introduced as the response to the current crisis. The discussion pointed out that these measures had positive effects on employment, and that they have prevented even higher unemployment due to the crisis. However, they might, to a certain extent, just have postponed the negative effect of the crisis on employment. The debate placed special focus on the role of education and training as part of short-term crisis response programmes? It was felt that labour market anti-crisis measures were not linked enough to the education and training possibilities for the workers who were being made redundant due to the economic downturn, and that such measures might raise their employability and their access to new employment opportunities.

Trade unions emphasise the importance of social dialogue and collective bargaining in managing restructuring, and point to the achievements of social dialogue in Slovenia.

Slovenian trade unions support the protection afforded to workers through the Employment Relations Act and the government's initiative to subsidise temporary lay-offs. They feel however, that unemployment benefit, especially for young workers, is very low. Preserving jobs is important and trade unions support the obligation on an employer to assist redundant workers to find a new job.

Employers see the economic crisis as exposing a need for reforming labour laws to reduce the costs and time needed for an employer to implement collective redundancies for economic reasons.

Imbalances in the employment opportunities in different regions of Slovenia as a result of plant closures and changes in the structure of the economy were recognised as deserving attention.

*After the group work and brainstorming session the participants emphasised the following:*

- Government measures need to be designed so as to be effective in the long run;
- Education and training of employees is a crucial element of good management since education and training programmes have positive effects on the employability of the workers and the competitiveness of the companies
- Education and training programmes, irrespective of whether they are financed by the employer or the employee, should be subsidised by the state;
- The crisis can also be a challenge and an opportunity for promoting better work;
- Communication and cooperation between the management and employees is the most important factor for success of the companies undergoing restructuring in Slovenia;
- Communication and cooperation between the management and the employees needs to take place, not just through the institutionalised structures, such as trade-unions information and consultation procedures, or works councils, but also through other channels since every employee is important and has to be informed about his or her work and its importance for the company (case studies presented and discussed at the seminar emphasised this point);
- Internal mobility of workers has to be strengthened and workers should be encouraged and prepared to adapt to change;
- Continuous education and training of the employees is a necessary element of the management strategy for every company; instead of searching for a solution in times of crisis and difficulties through dismissals and the lowering of labour costs;
- Companies should try to tap all the knowledge and opportunities that their employees have and could offer to the company when it finds itself in difficulties;
- Companies should stimulate innovation and the capabilities of employees to quickly adjust to changes, and to find and develop new market opportunities, etc.;
- Through transferability of the Slovenian experiences to other countries has not been proven yet, there are certain examples and experiences that can be transferred, especially examples of good practice, which emphasise the

importance of good communication between the management and employees (not just during the restructuring process, but also and especially during the period of anticipation and preparation for restructuring), and also the value of social dialogue for effective and successful restructuring.

During this wider debate on managing restructuring with all the participants the following Strong and Weak points came out:

Round table no. 2	<u>Strong points</u>		<u>Weak points</u>
a)	Good communication and cooperation between management and workers underlie successful cases of restructuring in Slovenia	a)	There are concerns that not enough is being done to provide education and training to workers for the purposes of improving their skills and employability
b)	Government anti-crisis measures are of assistance in safeguarding jobs	b)	There is concern that the anti-crisis measures are temporary and simply postponing the negative effects on employment.
c)	Social dialogue and collective bargaining have resulted in the successful restructuring of some companies.	c)	Because some companies are not well prepared for restructuring, they manage restructuring in times of crisis and with the aim of reducing labour costs rather than preserving jobs.

#### 4.4 GROUP WORK (afternoon) – Management of Restructuring and the case of Peko

The objective of the afternoon group work session was to obtain information on the selected measures and tools described in the National Background Paper, including those featured in a case study, in order to reach a common understanding and consensus about their effectiveness and transferability for managing restructuring.

To provide a real example to help reach this objective, a case study was presented as an example of the measures and tools that have been used by a company to manage restructuring. The case study chosen was *Peko* and it was presented by Ms Marta Gorjup Brejc, Chairperson of the Management Board of *Peko*.



Mrs Marta Gorjup Brejc, President of Peko Management Board

*Peko* is a manufacturer and retailer of shoes based in Slovenia with subsidiaries in other South-East European countries. *Peko* is the leading Slovenian company in the footwear industry and employs around 300 workers. *Peko* has a long tradition and was founded in 1903, but faces challenges of competitiveness that have resulted in many of its operations becoming loss-making. Rising labour costs in Slovenia have been a factor as well as increasing foreign competition. The company had to be rescued from insolvency in 2000/1 through a financial restructuring involving a creditors agreement, which included the government turning its debts into shares. A new management was appointed and a company restructuring was undertaken in order to put in place a new business strategy. *Peko* managed its restructuring by placing great emphasis on skills retention and upgrading, and on the social aspects of restructuring. The restructuring did however involve some job losses and dismissals. The company made important efforts to keep workers informed about the restructuring process and to consult with the trade unions. Training of workers has been part of the strategy for managing the restructuring of *Peko*. More details about this case study are given in the National Background Paper.

Following the case study presentation, participants were divided into small groups to discuss the effectiveness of measures being used to anticipate restructuring in Slovenia. The group work was facilitated by Dr. Etelka Korpič Horvat of the University of Maribor.

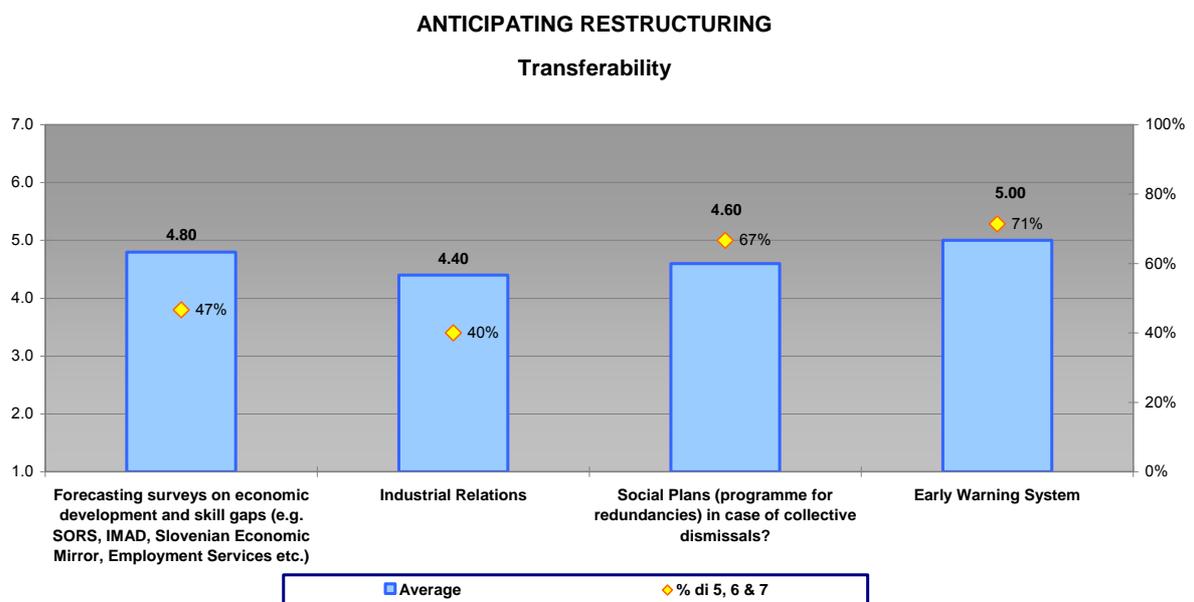
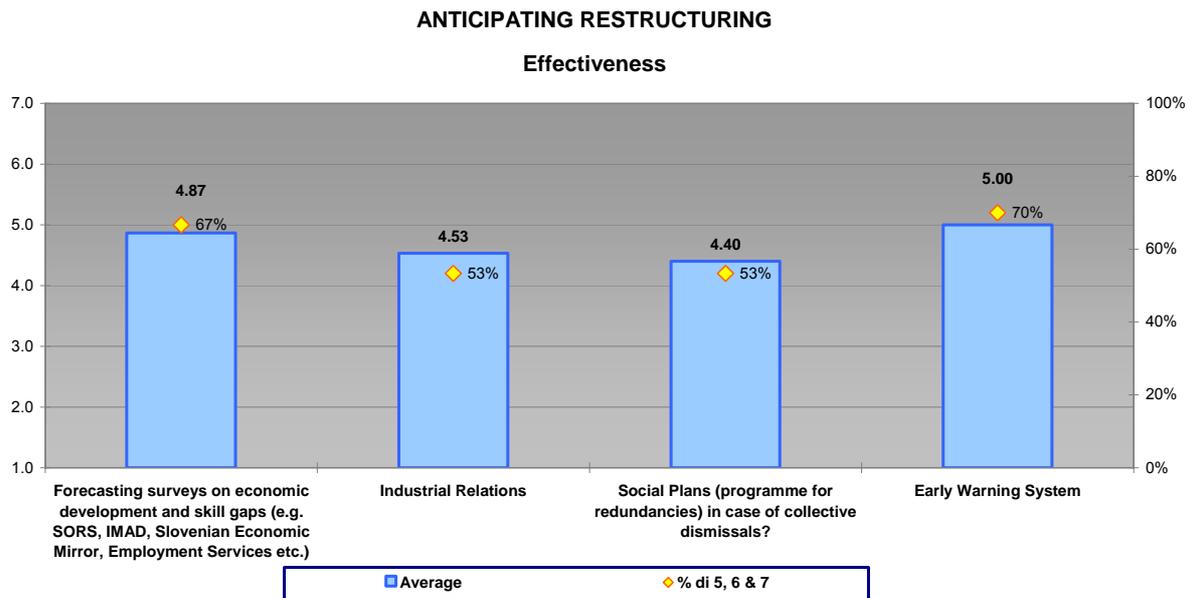
The results of the small group discussions on the case of *Peko* are as follows:

<b>Managing restructuring - ing case study</b>	<b>Success factors</b>	<b>Main problems</b>	<b>Potential of improvement</b>
<b><i>Peko</i></b>	<ul style="list-style-type: none"> <li>• Restructuring was managed in close consultation with 2 trade unions and the company's works council.</li> <li>• The company reached a collective bargaining agreement over a flexible working arrangement.</li> <li>• The company included employee training workshops in its programme for managing restructuring.</li> <li>• There was an emphasis on good communication between management and workers.</li> <li>• Government kept the company going through increasing its shareholding and guaranteeing loans.</li> </ul>	<ul style="list-style-type: none"> <li>• Losses caused restructuring which was not anticipated</li> <li>• Without government financial support, the company would not have survived.</li> <li>• The company's future depends on the success of its new focus on specialization and aiming at niche and higher value markets.</li> </ul>	<ul style="list-style-type: none"> <li>• This case study shows the importance of adapting to market changes and preparing beforehand for managing restructuring.</li> </ul>

#### 4.5 Evaluation session on effectiveness and transferability of measures and tools for Anticipating and Managing Restructuring

The aim of this exercise was for the seminar participants to identify the priority themes according to the effectiveness and transferability criteria concerning the measures and tools discussed during the seminar.

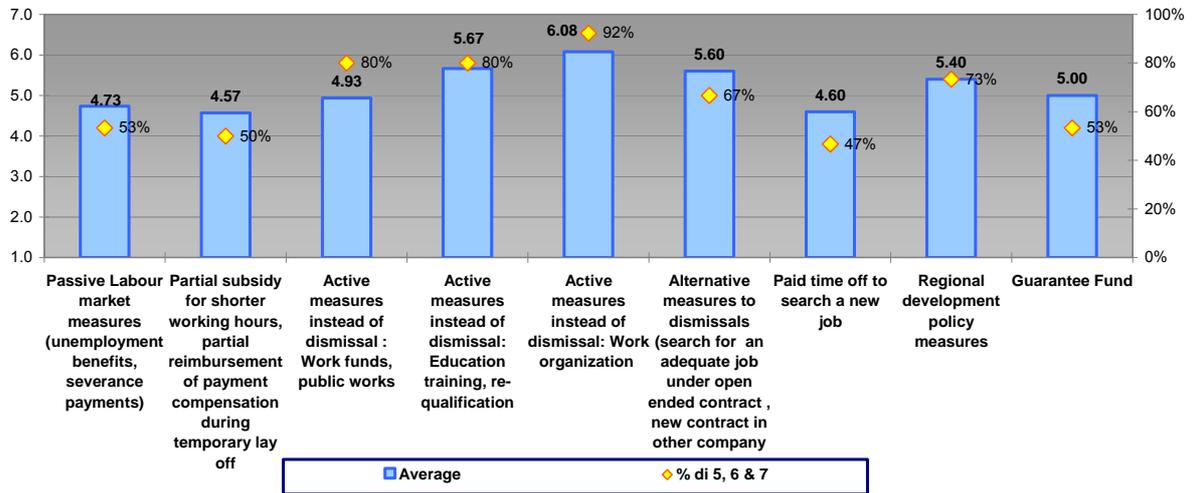
The graphs below show that among the anticipation measures and tools, the most effective is to have an early warning system, and that this is also considered to be the tool with the highest level of transferability.



Regarding Managing of restructuring the graphs below show that the most effective measure is active labour market measures concerned with education and training and work organization, and these same measures are also considered to be the ones with a high level of transferability.

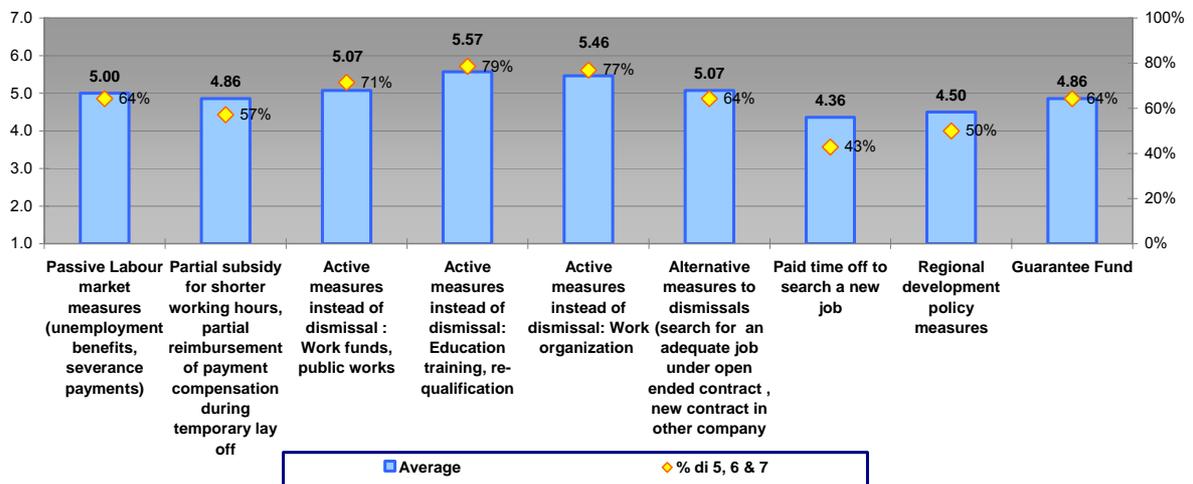
### MANAGING RESTRUCTURING

#### Effectiveness



### MANAGING RESTRUCTURING

#### Transferability



## 5. Conclusions of the seminar debates

Some broad conclusions can be drawn from the debates and discussions that took place at the one-day National Seminar on Restructuring for Slovenia, though these should be read together with the Summary and Conclusions section of the National Background Paper.

### A. Conclusions on anticipating restructuring

- The high growth rate for the 15 years before the current economic crisis, plus the relatively low rate of unemployment, meant that measures for anticipating restructuring in Slovenia were not given much attention at the national and at the company level, leaving cases to be dealt with individually;
- The global economic crisis that started in 2008 has had a significant negative impact on Slovenia's economy ending a sustained period of high economic growth, causing a sharp fall in GDP in 2009, and resulting in a sharp rise in unemployment.
- Anti-crisis measures have been put in place by the government, including temporary subsidies for lay-offs and short-time working, and anticipating restructuring is being given more importance by government and the social partners;
- The Employment Relations Act (as amended in 2007) regulates the procedures that must be followed by employers when restructuring takes place.
- Employers are critical of the burden of legal provisions on employers, who are forced by economic reasons to reduce their workforce, and complain that seven separate and cumbersome procedures are required by the law.
- Trade unions emphasise the importance of employment and social protection in helping workers at times of restructuring.
- Social dialogue at the national level is an instrument that can help forge agreements between government and the social partners on the measures necessary to anticipate restructuring.
- The quality of industrial relations is very important for the implementing restructuring in order to minimise its negatives consequences on workers and employers.
- Government has put in place an early warning system and a range of active labour market measures to help employers and workers affected by restructuring.
- There is a general view that more can be done to anticipate and prepare for restructuring in normal economic times as well as at times of crisis.

### B. Conclusions on managing restructuring

- Good communication between management and employees and social dialogue at the company level are key factors for successfully managing restructuring;
- Where there are good industrial relations, collective bargaining can be effective in reaching agreements between employers and trade unions on how to manage restructuring.

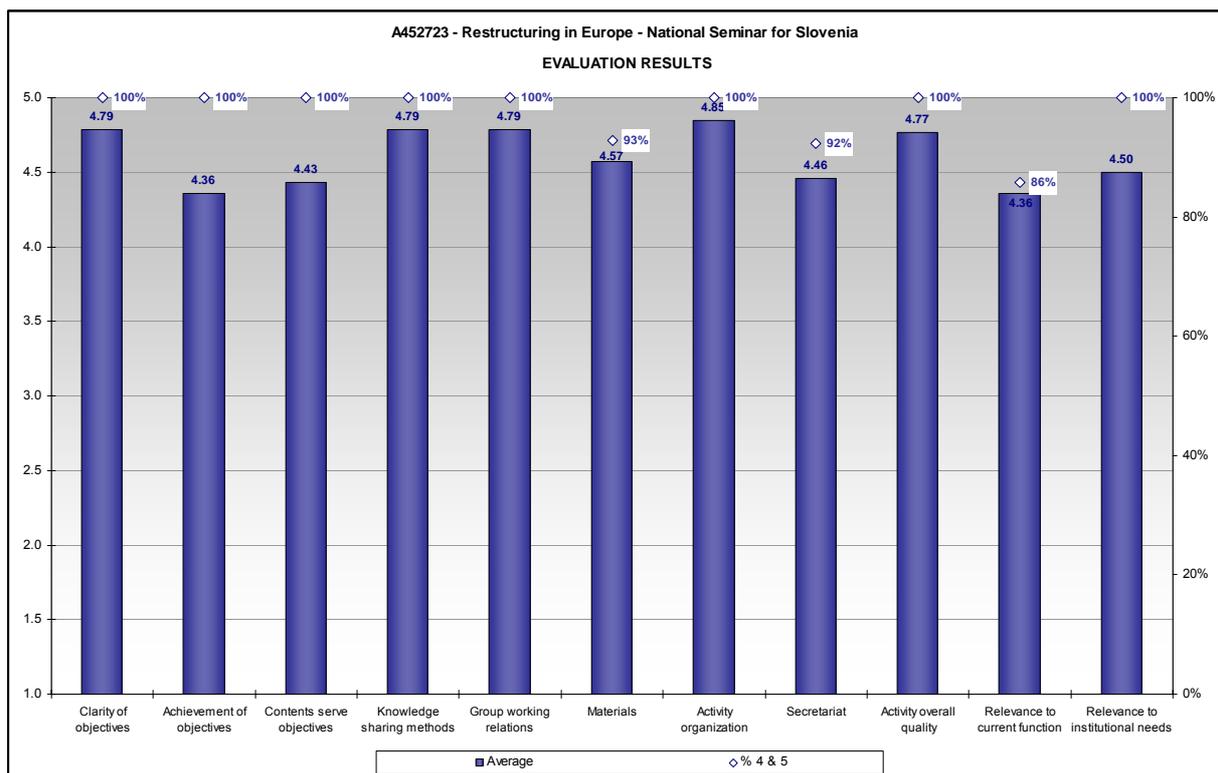
- The assistance of the Employment Services of Slovenia to redundant workers is important as part of the instruments available for managing restructuring.
- Education and training of workers can be effective instruments for finding new jobs and retaining existing jobs during restructuring.

## 6. Main Results

The National Seminar on Restructuring for Slovenia resulted in the systematization of current knowledge and practice on anticipating and managing restructuring in the country, and sharing this knowledge with the government and the social partners. It was a space for analysis and reflection about which practices are working effectively and where there are gaps and challenges.

From the organizational and methodological perspectives, the seminar was well attended by the target audience and the debate was lively. The seminar proved to be a good opportunity for both knowledge-sharing and social dialogue.

The evaluation results of participants' satisfaction with the seminar were excellent (an average of 4.6 points out of a possible total of 5 points). Notably, the score for the activity organization earned the highest mark.



From the technical side, the seminar highlighted how the legislative framework for collective dismissals and restructuring is in line with the EC Directive. The importance of prior consultation and social dialogue are well accepted by the government of Slovenia and the social partners. Equally, it was recognised that there are weaknesses and room for improvement in the current policies and practices for anticipating and managing restructuring in the country at national and company levels.