



RESTRUCTURING IN EUROPE: 27 NATIONAL SEMINARS (ARENAS)

INTRODUCTION TO THE OBJECTIVES OF THE UK
NATIONAL SEMINAR

London, 8-9 September 2009

AIMS OF THE UK NATIONAL SEMINAR

- Exchange of views and perspectives on national background paper
- Cataloguing lessons learned and systemizing knowledge and practices on restructuring in the UK
- Knowledge sharing
- Identifying inputs to the EU Synthesis Report

EXPECTED RESULTS

- Sharing knowledge on Anticipation and Management of Restructuring
- Lessons learned and good practices
- Observatory at EU level on “state of the art” on Restructuring and transferability of good practices.

ORGANIZATION OF THE TWO-DAYS SEMINAR

- Brief presentation of key findings of the NBP
- Starting the debate on the effectiveness of restructuring practices in the UK in the context of the current economic crisis.
- Analysis and discussion of relevant case studies: their impact and transferability to other contexts

SELECTION OF THE INVITED PARTICIPANTS

- High level participation to ensure efficient and profitable discussion as the main challenge.
- A tripartite approach rooted in social dialogue
- Practical experiences of restructuring

Methodology

- A combination of presentations, panel discussions, and working group discussions.
- Facilitator will stimulate debate, discussion and experience sharing.
- Outcomes of the UK national debate will provide inputs for the EU Synthesis Report on lessons learned on restructuring.



National Seminars on Restructuring

8 & 9 September 2009 - UK

European Commission - Directorate-General for
Employment, Social Affairs and Equal Opportunities



What is a restructuring ?



The term 'restructuring' means a modification of a company's workforce That affects both the qualitative (skills and qualifications required) and Quantitative features (number of jobs) following adaptations to the company's structure.



CONSEQUENCES OF RESTRUCTURING



HUMAN COST

Impact on:

Workers (vulnerable)

Suppliers (SMEs)

Upstream and
downstream
effects

Local economy

FEAR OF CHANGE

Unemployment?

Wage reduction?

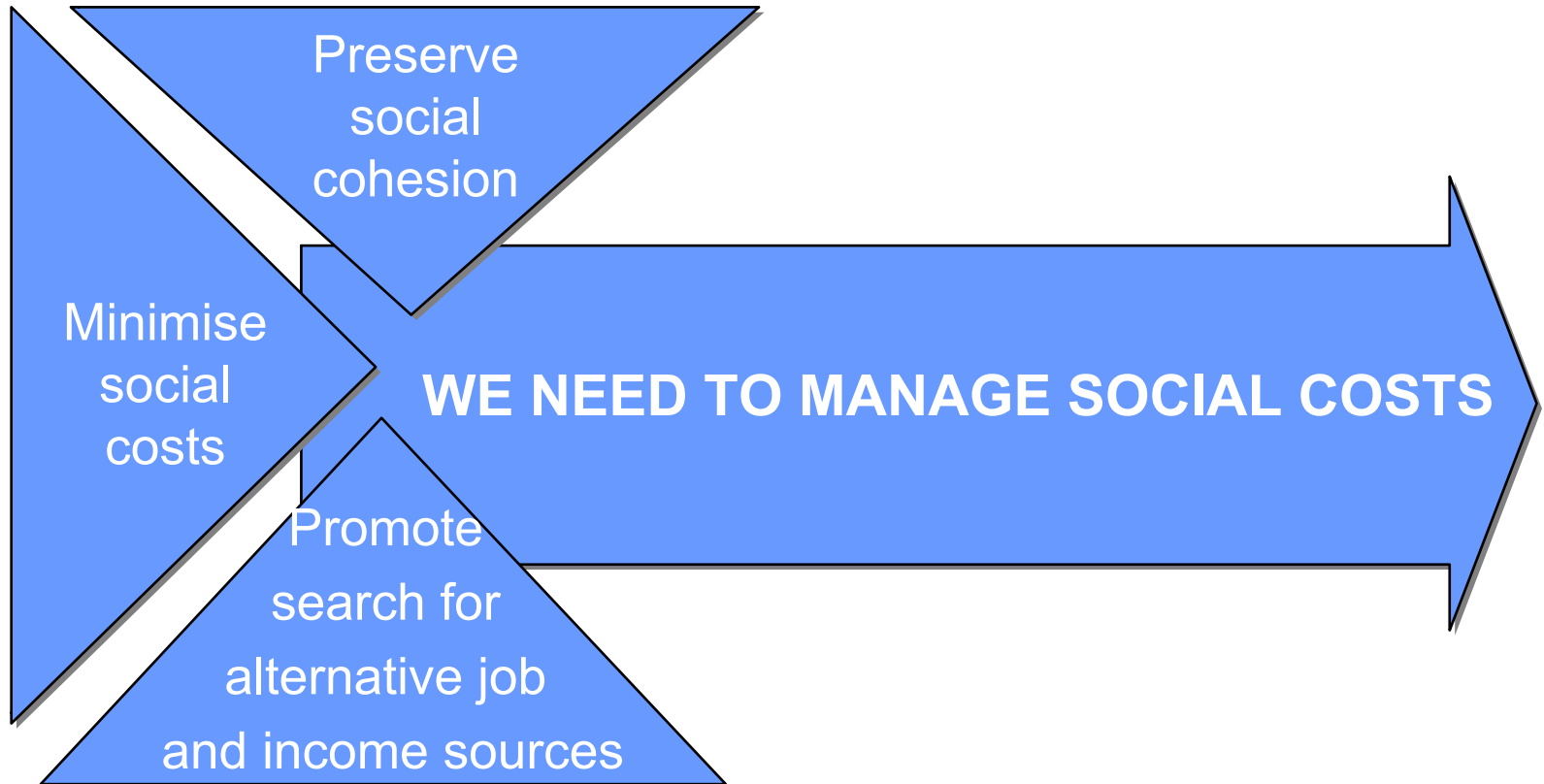
Need to change

Lack of possibilities

Risk aversion

Resistance to change





→ **Laying off workers is costly for the whole economy**



STRATEGY BASED ON 3 DOMAINS



Anticipation → **Preparation** → **Management**

*Develop and stimulate
anticipative actions*

Exchange good practices

*Assist restructuring
processes
(anticipation, preparation,
management)*

→ **Responsible restructuring**

Essential elements:

→ Regional level

→ Partnerships and in particular sectorial





Develop proactive actions: Anticipation



Different levels of anticipation:
company, sector, region, national, European



Anticipation =

Trust, dialogue, transparency, partnership, time,
space, knowledge, commitment,...

PERMANENT PROCESS



RESTRUCTURING FORUMS



Date	Sujet	Suivi
06.2005	Inaugural Session	
07.2005	Sectorial actions in industry	Sectorial Prospective
12.2006	Régions/ restructurations	Discussion ESF Comitee
06.2005	Anticipation of change	Anticipedia
10.2007	Automotive industry	European partenariat
11.2007	SMEs	Training guide on SMEs
11.2008	Transnational agreements	Echange of experiences
11.2008	Innovative Actions of the ESF	Toolkits on art 6 projects
12.2008	Defence industry	European Partenariat
06.2009	Climate change	
11.2009	Toolkits	
12.2009	Sectoral analysis and sectoral councils	





Future skills needs and emerging competences in 18 economic sectors

Objectives

- Identify emerging competences and future skills needs
- Sector level
- Foresight methodology
- Provide recommendations to stakeholders
- Basis for future actions by other actors
- Collaborate with a maximum of partners

Element of « New Skills for New Jobs » initiative





Sectoral studies – follow-up

- Studies are available on our website <http://ec.europa.eu/restructuringandjobs>
- High level conference organised 7 and 8 December 2009 together with EP, EESC and CoR
- Transversal analysis of skills needs across 18 sectors



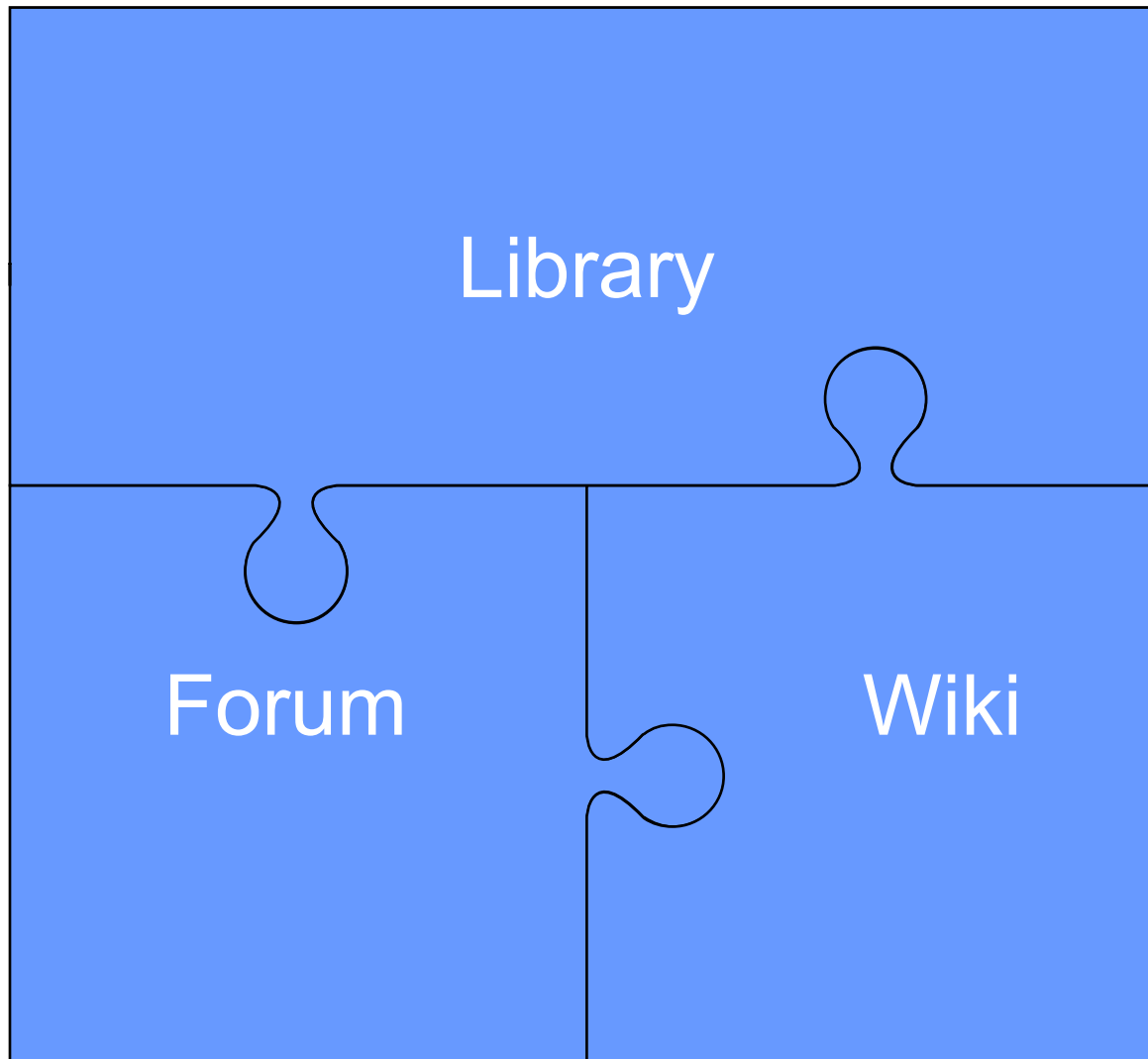


Sectoral councils (observatories) on employment and skills

- Feasibility study
- Review existing « councils » in OECD countries and develop options for the format of councils
- Minimum objective: collect existing information at EU level and disseminate to MS
- Results expected by October 2009 to be presented in forum organised in December 2009

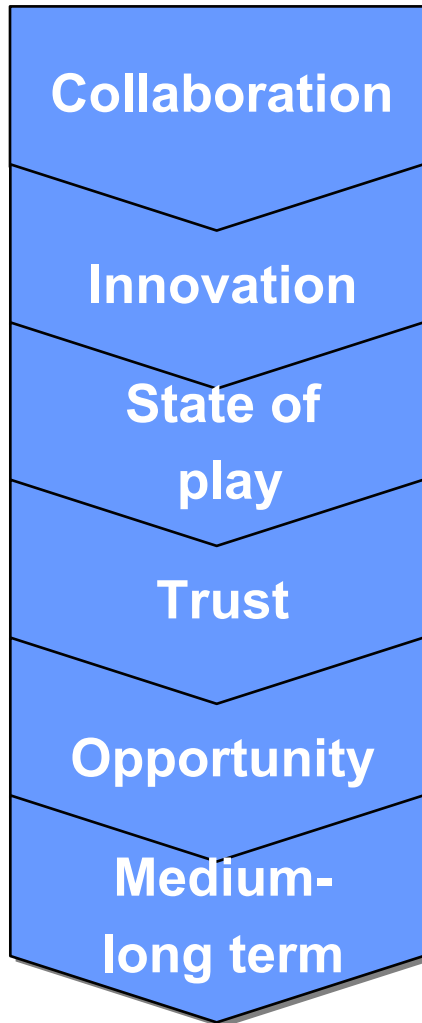


ANTICIPATION – ANTICIPEDIA





European partnership for the anticipation of change in the automotive sector



- Subscribed by Com and European sector organisations
- Roles and responsibilities and commitment of partners
- Work programme implemented
- Trust, dialogue, partnership, commitment
- Opportunity to reflect on social responsible restructuring
- Anticipative approach towards a sustainable industry





Guide for training in SMEs

Objectives

- Help SMEs to prepare, implement and manage training
- Provide comprehensive and systematic overview
- Practical solutions to problems and obstacles SMEs typically face

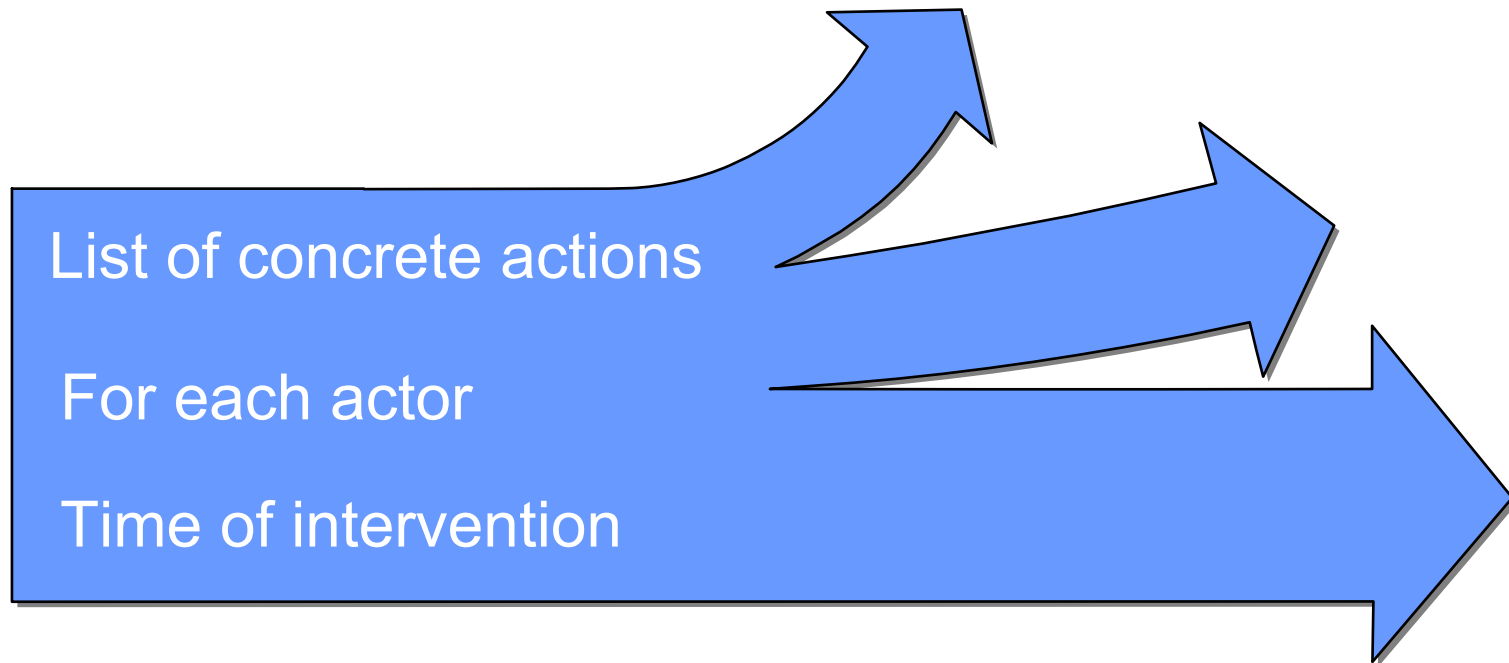
Content

- SME internal barriers and obstacles for training;
- Methods and techniques of training;
- Current and structural challenges of competence development
- Cases of good practices in training and skills adaptation
- Made in collaboration with social partners





Checklists on Restructuring Processes





Actors

- Companies
- Employees' representatives
- Employees
- Social partners and sectorial organisations
- Regional authorities
- National authorities

Timing of the action to be undertaken

- Actions and instruments to be developed on a permanent basis
- Actions to be taken during the restructuring process
- Actions to be developed afterwards





- **27 National seminars on restructuring**
- **Restructuring report**
 - Aim: Dissemination of information
 - 2008 European policies
 - 2009 Sectoral analysis
 - 2010 Outcomes of national seminars
- **Restructuring Task-Force**
 - Coordination of Community policies
 - Better evaluation of the social impact of Community policies





Thank you for your attention!

<http://ec.europa.eu/restructuringandjobs>



UK NATIONAL SEMINAR 8th- 9th September

ROUND TABLE SESSIONS

Topics RT no. 1 (first day)

*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 RT is 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.

Useful questions to correctly shape the topic for the discussion:

1. Among the existing measures for training, re- training workers (Train to Gain, Learners Account, etc) , how do you assess this set of measures/ tools? Which measure/ tool is most effective and which one least effective?

MR MARK DUNKLEY

2. Partnership initiatives for preventing and addressing redundancies through counseling, careers advice, warning system and surveys on skill gaps (for example experience done by UKCES, PACE Scotland) : how do you assess this set of tools? Which tool is most effective and which one least effective for anticipating restructuring?

MR PETER ELLIS

3. Industrial relations. Any help for anticipating change on this side? Participatory relations can be an instrument?

MS LINDA GREGORY

4. Innovation and R&D: are an efficient instrument for anticipating restructuring (for example experience done by SMART Scotland)?

Why there seem to be a lack of investment by firms? How to remedy this situation? Business strategies and alliances, partnerships with universities, with local authorities can be an useful tool?

MR BILL WELLS

Brainstorming Session second day

STARTER QUESTION

Management of Restructuring aims to reach the economic and financial objectives of the enterprise as well as to mitigate the social impact . What are the key elements for combining the needs of competitiveness and employment ? To what extent the existing model can be considered "Innovative" ?

Topics RT no. 2 (second day)

***Managing Restructuring in UK: Lesson learnt from past experience and future perspectives.
Specific Employers', Employees and (local and central) Government experiences.***

The objective of the second RT is to gather information on the assessment made by the keynote speakers on the strength and weakness of the past experience on managing restructuring and possible fields for improvement in the future.

Useful questions to correctly shape the topics for discussion:

1. Government response to the recession: how do you assess the impact in the short period of the set of measures (for example Future jobs Fund,) approved?
MS BILL WELLS
2. Redundancy payment: how do you assess long term effectiveness? Which kind of innovation could be introduced?
MR SIMON LAPHORNE
3. Regional Development Agencies : how do you assess the RDA involvement in managing restructuring during the current economic and financial crisis ?
NO REPRESENTATIVE FROM THE REGIONS
4. The development of the Union Learning Fund (ULF): Strengths and weaknesses? To what extent can be assessed as an effective example of good co operation between trade unions and employers?
MR MARTIN MANSFIELD WILL SUGGEST SOMEONE FROM TUC



ILO Programme on Socially Sensitive Enterprise Restructuring (ILO/SSER)



Economic and social dimensions of restructuring – what are we calling for?

To RESTRUCTURE in a sensitive way, taking into account as much as possible all stakeholders' concerns, in particular those by the **workers** and the **management**, without forgetting the final aim of restructuring, which is =

Improved enterprise competitiveness
and even enterprise survival.



Our message is based on the ILS concerning restructuring – not compliance, but rather a signal from the social actors on what is right and what is wrong

- ✓ Termination of Employment convention and recommendation, 1982 (No. 158 and No. 166)
- ✓ ILS on Non-Discrimination, etc.



Note: Restructuring is not always downsizing (3 “levels” of restructuring)

- Without cutting labour costs (portfolio restructuring, capital mobility, etc.)
- Cutting labour costs, but no layoffs (management accepting pay cuts, etc.)
- Downsizing, but in a **socially sensitive way** (i.e. using a number of suggested tools aimed at helping displaced workers and “survivors”)



If downsizing is necessary, it can be carried out in a socially sensitive way

1. Voluntary redundancies
2. Internal job search help
3. External job search help
4. SME creation help
5. Mobility
6. Early retirement
7. Vocational training
8. Part time job and other AWS
9. Sub-contracted workers
10. Flexible leave
11. Psychological help
12. Severance packages



Research findings: downsizing often leads to

- Lower profits, productivity and quality
- Higher absenteeism and turnover
- Industrial disputes and even social unrest



However: companies do not operate in vacuum – re-employment policies!

- Success of any restructuring effort depends on the support from the government, local authorities, social partners
- Re-employment policies – roles of governments, employers and workers organizations



The main « intervention » areas:

- Policies aimed at anticipation of restructuring (including policies related to long-term workforce planning and training; giving “priorities” to certain industries, etc.)
- Social dialogue
- Legislation and regulations
- Crisis response policies