

## A DRIVING MOTOR FOR CHANGE IN CANTABRIA

'Restructuring' is increasingly becoming the focal point for discussion, not only in Europe, but worldwide. This increased interest can be viewed as a reflection of a general concern about the state of the economy and negative social developments. But even if restructuring as a concept is gaining attention, it still remains a broad notion that is not easy to grasp for people on the ground. What are the practical consequences for companies and workers? What are the real challenges for different economic sectors, as well as labour and social relations? And, above all, what can be done to prevent and anticipate the aftermath of these changes? The EQUAL project *GESSCANT* (Adaptation and Social Management of Change in Cantabria) has been conceived especially to give clear and useful answers to these questions. It has been set up to make a visible change to labour relations in the Spanish region by fostering social dialogue and promoting the adaptability of the most vulnerable companies and workers.

*GESSCANT* is ground-breaking as far as both its partnership and objectives are concerned. It aims to create a territorial network by involving key partners such as the regional government (of which the Department for Work is the lead partner of the project), trade unions, employer organisations, institutions working for the regional development of Cantabria, as well as ORECLA, an organisation specialised in labour conflict mediation. All of these partners are working together with a clear target in mind: to develop new and alternative ways of anticipating structural changes that affect companies and workers in the Cantabria region. In other words: they want to make *GESSCANT* a driving motor for change!



In Spain, a number of big companies including SEAT, Iberia and Telefonica have already restructured their organisation and workforce. However, these companies have had a (relatively) wide scope for flexibility to improve production and adapt to change, thanks to their elevated resources and solid position in the market. Small and medium-sized enterprises (SMEs) live a completely different reality. They have to face the economic and social consequences of restructuring with low resources and limited means for adaptation. This clearly creates a precarious and delicate situation for employers and their employees, which includes the prospect of redundancies.

So this is where *GESSCANT* wants to focus. It wants to give the right tools to the smallest and most fragile of companies in Cantabria to help them to adapt to the latest changes: new technologies, globalisation, international competition, consumer needs and modifications in labour organisation. *GESSCANT*'s underpinning idea is simple: a company with good adaptation skills will ensure its competitiveness, maintain high levels of productivity, as well as retain a qualified workforce. Without these skills, adaptation to new economic and social changes will become a difficult process, often leading to collective and painful dismissals.

As Tristan Martinez, from the General Work Directorate (Government of Cantabria), said: "*GESSCANT* is a project intended to make a real change on the ground, reducing the social consequences of restructuring processes through the common work of key partners in Cantabria. *GESSCANT* wants to produce a change both in the practice and in the mentality of employers and workers, and find a solution that can be effective for everyone".

### READY, STEADY, GO!

*GESSCANT* has chosen a comprehensive approach based on three basic steps: understanding the problem, explaining the solutions, and finally, acting on the ground. This three-step approach is clearly bringing valuable and sustainable results!

**Ready...**

First of all, understanding the problem means asking: what does restructuring really mean? What are its real or potential consequences on the ground? Who is or will be affected? At the start of the project, the *GESSCANT* partners undertook extensive research and analysis around these questions, focussing on the trends, risks, threats and recent changes within four sectors of interest: textile, metallurgy, automotive and retail. These traditional sectors have been particularly sensitive to the challenges of modernisation, and have had little resources and skills to adapt. Moreover, the importance of these sectors within the Cantabrian economy has been great, as shown by these striking numbers: the four sectors put together account for 6.947 SMEs and a total of 27.249 workers across the region.

*GESSCANT*'s initial research also led to the identification of examples of good business practice, not only in Spain but also across Europe. Examples of Cantabrian SMEs, companies at national level, as well as 'success stories' in five European countries (Finland, Italy, Germany, United Kingdom and France) were identified through studies and analysis carried out since from the very starting phase of the project. These examples helped to highlight the right ingredients for anticipating and managing change effectively. The case study of a Cantabrian company in the metallurgy sector, Cantarey-Reinosa, for example, showed how a medium-sized company managed to undertake a complete restructure of its workforce, work organisation, technical development and production system. The fundamental success factor in this case was the increased investment of Cantarey-Reinosa in the industrial and technological developments of the company, leading to changes in the equipment and installations, and the engagement of new personnel; today, 230 employees work within the company, 67% more than in 2002.

An important focus of *GESSCANT*'s research was on the social and gender impact of restructuring processes, as well as on the policies that are put in place to tackle these negative effects. As Sonia Cobo, co-ordinator of the project, said: *"Another goal of GESSCANT's study was to find out about the extent of employment policies developed in Cantabria, to open up new areas of debate about what we need to do to alleviate the negative effects of the restructuring processes, and to find new and alternative measures or policies to those commonly used, in the fields of training, redistribution of working time, social and family support..."*

### **Steady...**

After having understood the scale of the problem and identified helpful solutions, it is of vital importance to explain this to the actors deployed on the ground. With this in mind, several information and training sessions have been organised by the EQUAL project to reach the maximum number of SMEs and workers affected by restructuring in Cantabria.

The first training seminar called 'Corporate restructuring processes in the EU: anticipation and management of change' was organised in October 2005 in Santander, Cantabria's capital. The seminar was delivered by the European Foundation of Living and Working Conditions, a key institution involved in monitoring restructuring and change across Europe. The aim of the seminar was to give the *GESSCANT* partners (only) the necessary practical and theoretical knowledge on restructuring processes and change management strategies, all indispensable information to successfully run the project. The seminar was also intended to start up a debate and thinking around the new tools and methods that could be used for socially responsible change management in Cantabria.

Other seminars were organised by *GESSCANT*, this time open to the wider public: companies, workers, trade unions, employer organisations and regional administrative bodies (actors that will be presented later on). The subjects covered were wide-spread and focused on restructuring from all angles: negotiation tools, reorganising staff, good practice in different sectors, gender considerations, as well as advanced management models. The message that *GESSCANT* wanted to spread was clear: in order to adapt to the new requirements of the economy, and moreover, to do this successfully, companies have to engage



themselves more by adopting new technologies, fostering a high quality of production, putting in place effective human resource practices and encouraging corporate social responsibility. If there is this engagement, restructuring will no longer be seen as a threat, but as a win-win situation for both employers and employees.

As Asun Buil, from the ORECLA foundation put it: "*The seminars organised by GESSCANT are an important tool to foster not only change management knowledge, but also to start up a constructive dialogue between social partners, companies and workers. The aim of these training sessions is to provide key players within the Cantabria region with all the anticipatory mechanisms and instruments to tackle jointly the social and economic problems triggered by restructuring processes.*"

## **Go!**

Understanding the problem and explaining the possible solutions constitutes a big step towards changing traditional mentalities and putting in place constructive mechanisms for the anticipation of change, but what about the tangible action on the ground? To address this question, GESSCANT has an original and ground-breaking initiative in mind: setting up and developing four Sectoral Development Observatories at regional level acting as 'supervision points' or 'sectoral watchers' (one for each of the sectors addressed in GESSCANT's research). The Observatories will be designed as bodies where social and economic data are used to develop change management plans and preventive strategies. In other words, the centres are intended to act as collectors of information such as trends, drivers for change, different structural and macroeconomic indicators, statistics on workers affected by redundancies, as well as examples of innovative business practice. The goal of this work is twofold: on the one hand, monitoring the social and economic evolution of the sectors, and on the other, designing development plans which will help SMEs to prevent the negative consequences of restructuring. The Observatories are very much intended to act as sectoral forums, getting workers, companies and representatives of sectors to work together leading to optimal solutions for everybody.

So far, thanks to EQUAL, GESSCANT has set up an original, effective and wide-spread strategy aimed at raising the awareness of workers and companies in Cantabria towards a concept that is becoming more and more important, that of restructuring.

## **CONSENSUS: THE KEY TO A SUCCESSFUL REGIONAL SOCIAL DIALOGUE**

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"*Social dialogue is essential if we want to make a real change within the region, but that dialogue has to start already within the partnership*" said José Antonio Velasco, from the CCOO trade union.

Reflecting these words, GESSCANT is a sort of mini 'social forum' for the region. And this can be seen by the impressive array of partners involved. These partners have been working regularly together, participating in the project steering committee and sharing responsibility for organising the training sessions. So now let's have a look at the different partners in detail. What are their competences and what added value do they bring to the partnership?

The participation of different departments of the regional government has given a territorial dimension to the EQUAL partnership. What is more, it has created a direct impact at institutional level. Four departments of the regional government are participating in GESSCANT, namely the departments for work (the lead partner of GESSCANT), industry, local employment services and gender. Each of these departments has brought different types of knowledge and experience, and integrated different institutional perspectives into the project. Cantabria is an autonomous community, which means that the regional governmental authorities have important responsibilities in the management of labour issues and industrial policies. The authorities also take charge of the promotion of employment, occupational training, the authorisation of proceedings in the case of collective redundancies, as well as the establishment of funds for the development and modernisation of companies. Clearly, with such responsibilities, the participation of these governmental bodies in the project is critical insofar as they act as mediators between companies and workers dealing with close downs and relocations.

GESSCANT's aim is not only to ensure direct institutional impact, but also an effective social dialogue. That's why the project has involved the main and most representative trade unions and employer organisations in Cantabria (UGT, the general trade union of workers, CCOO, the trade union of working commissions, and CEOE-CEPYME, the main employer organisation in the region). By working directly with enterprises and workers affected by restructuring processes, these actors have gained extensive experience in finding original and alternative solutions to dealing with organisational changes (using human resources and training, for example). This experience is of fundamental importance for the EQUAL project for two major reasons: the establishment of direct contact with the beneficiaries and the implementation of a social dialogue within *GESSCANT*.

SODERCAN and ORECLA are also participating in the project. The former is the Regional Development Agency in Cantabria, while the latter is a company specialised in extrajudicial resolution of working conflicts. The participation of these experienced has given further benefits to the project as far as knowledge of labour and industrial relations in Cantabria is concerned.

What are the aim of the partners and the added value of this new collaboration?

For Ignacio Abaitua, representative of SODERCAN: *"The added value of GESSCANT is the collaboration of the most important social actors in Cantabria within a new context, that of a European project. This has to be seen as an additional communication channel, going beyond the formal and institutional one, bringing direct and tangible benefits to those who really need it: SMEs and workers threatened by restructuring processes."*

José Antonio Alonso, manager of ORECLA, puts the stress on what, in his eyes, is the key to a successful social dialogue: *"The added value of GESSCANT can be found in the underpinning consensus of different partners among a common goal. Each partner has different know-how to share and also different communication channels to explore. Without consensus among the partners, we would not be able to reach our main objective: finding a path that leads to a common solution for both companies and workers in Cantabria."*

Overall, *GESSCANT* can be seen as a source of good ideas and original solutions for the adaptability of SMEs and workers facing restructuring. It is a source based on a rock-solid partnership: all the actors involved in the project come from different backgrounds, have different methods and skills for effectively addressing social and industrial changes within Cantabria. The consensus among the partners is firm and concrete and this will, without a doubt, ensure the attainment of successful and sustainable results in the future!

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