

# **Fachveranstaltung Veränderungsprozesse und Anpassungserfordernisse in der Arbeitswelt**

**Lernen fördern – Beschäftigungsfähigkeit sichern  
am 1. und 2.10.2015 in Dortmund**

**„Change and Restructuring in Europe“**

**Donald Storrie  
Eurofound**

An EU Agency - 1975.

... to provide knowledge in  
the area of social and work-  
related policies.



## Renault closes assembly plant in Vilvoorde without prior notice

Without any prior notice or consultation, Renault announced on 27 February 1996 the closure of its production plant in Vilvoorde (Belgium). The decision means the loss of 3,100 jobs.

This action, which came as a complete surprise to the 3,100 employees, is part of the French-owned motor manufacturer's "new industrial strategy" of concentrating production to cut its financial losses. Michel de Virville, managing director of Renault, announced the closure adding that:

"the management and employees of Renault Vilvoorde are in no way to blame for this decision which was not taken on the basis of productivity, compensation costs, quality or the dedication of managers or employees."

***NICE European Council Meeting 7-9 December 2000.***

- “... as of 2001, in line with the proposals from the social partners, set up a ‘**European Monitoring Centre on Change**’ within the **Dublin Foundation**”.

***Joint opinion of the Social Partners delivered to the European Commission November 2000***

- “The core mission of the Observatory would consist in **monitoring drivers of change** in the European economy. “
- “ “... special attention should be given to issues relating to employment and labour markets ...”

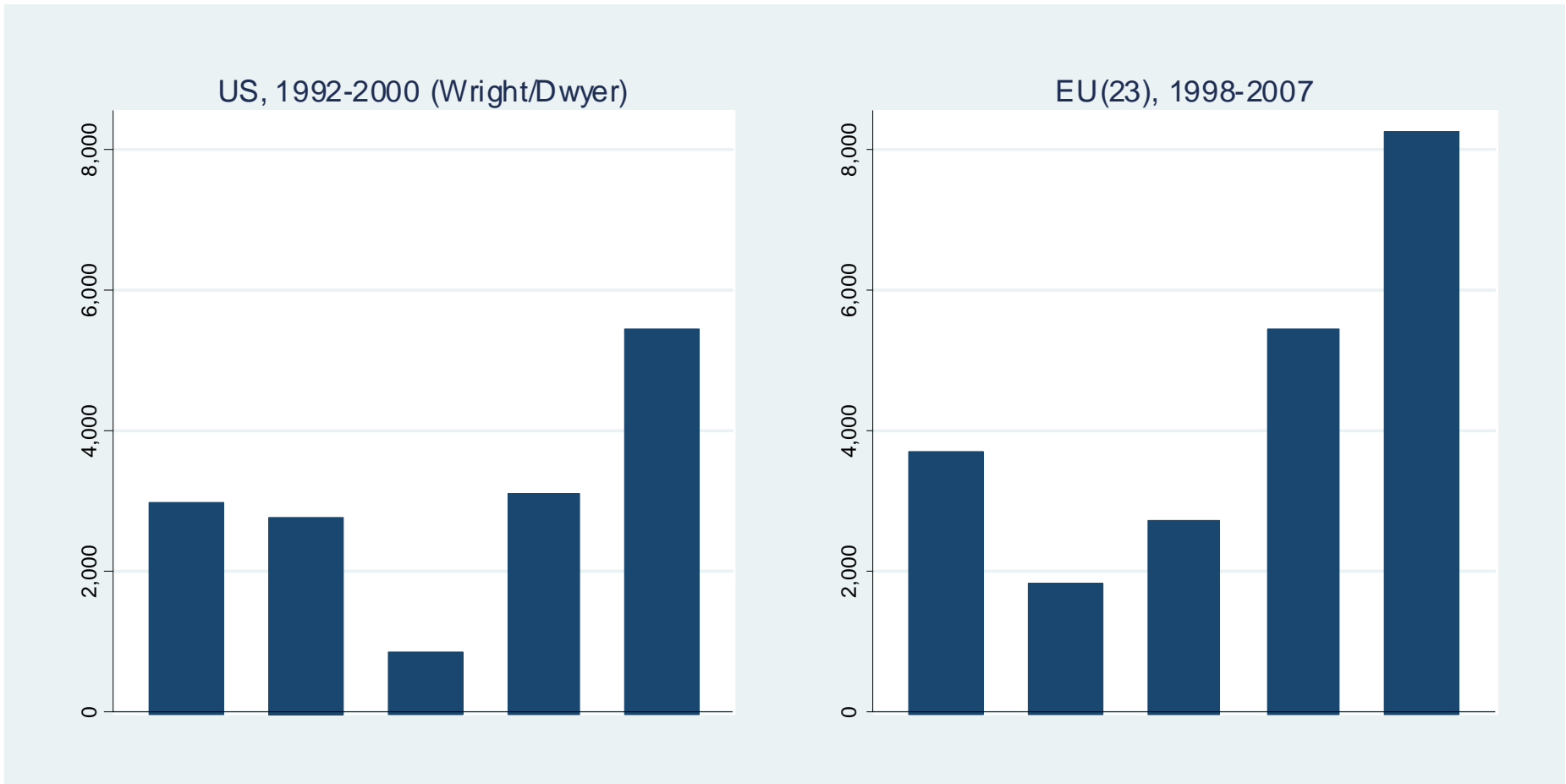
**Managing Change: High level group on economic and social implications of industrial change.  
Employment and Social Affairs, European Commission. 1998**

- very strongly emphasises **restructuring and anticipating and managing structural change in the European economy**

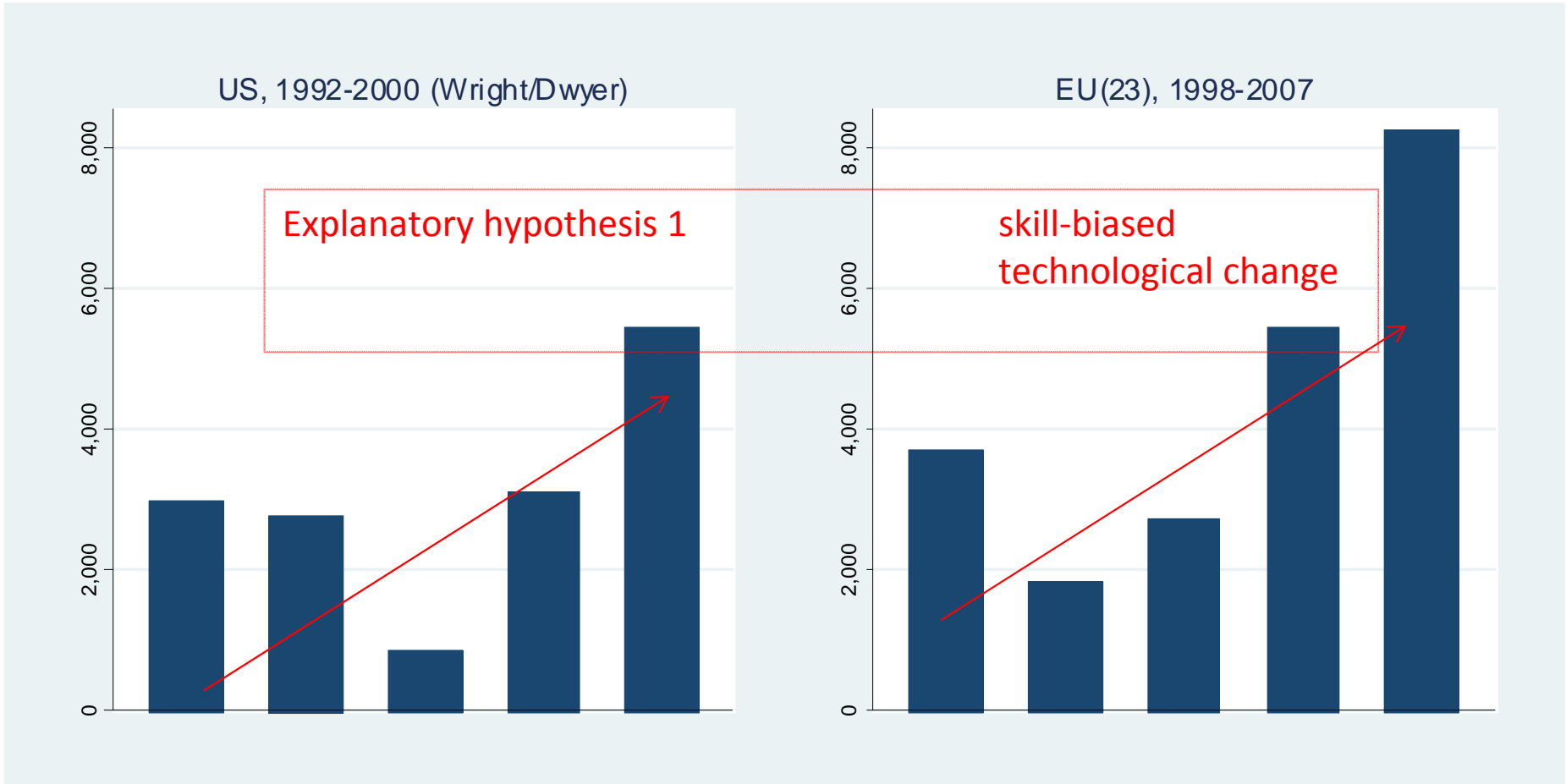
1. Restructuring the Big Picture – The European Jobs Monitor
2. Restructuring happen every day - The European Restructuring Monitor Events Database
3. Restructuring regulation and support instruments databases and restructuring case studies
4. Restructuring studies
5. EMCC Labour Futures –  
“The Future of Manufacturing in Europe”

# Recent employment expansions in EU and US (different periods)

Source: Eurofound, European Jobs Monitor

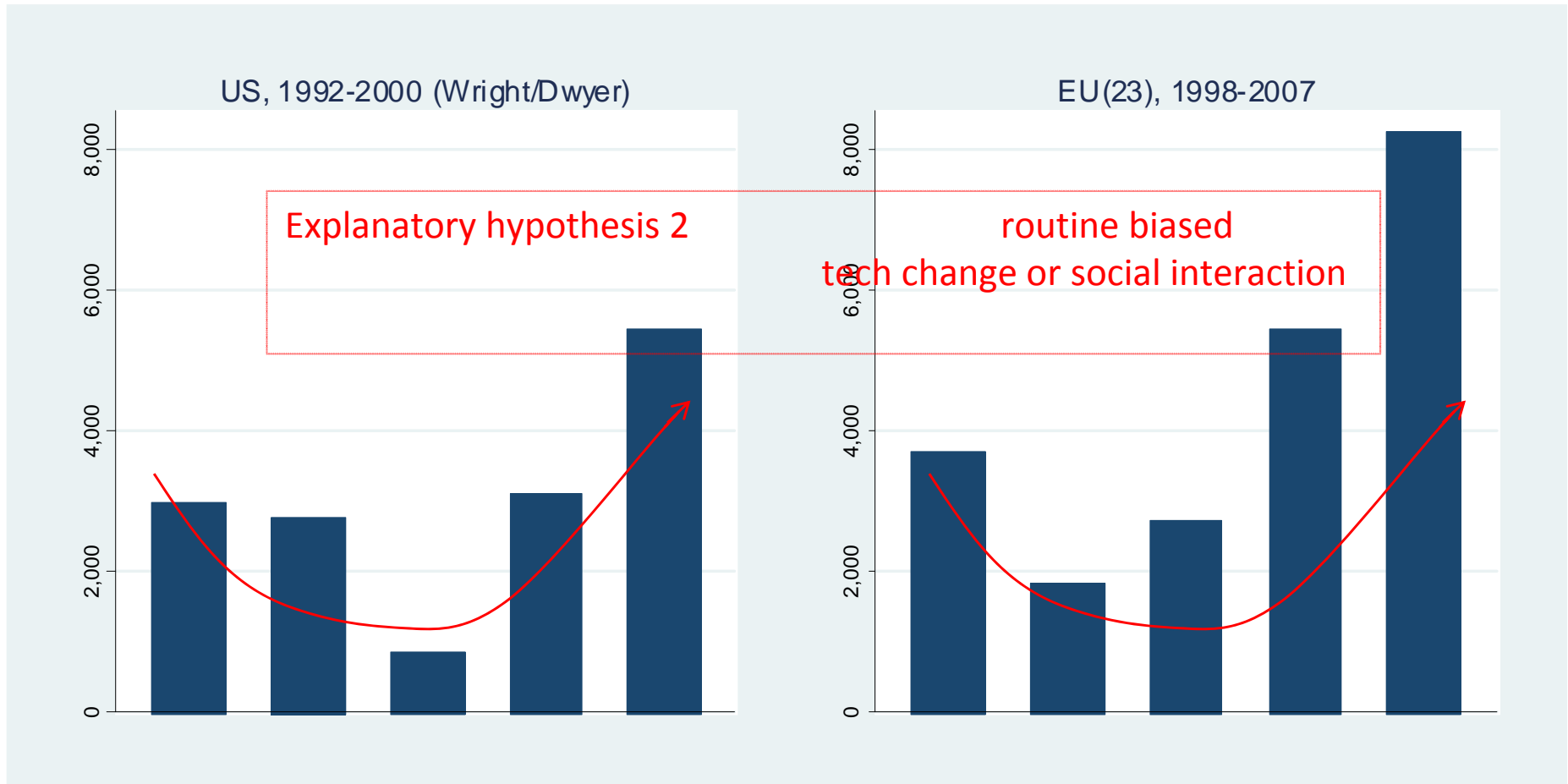


# Recent employment expansions in EU and US (different periods)



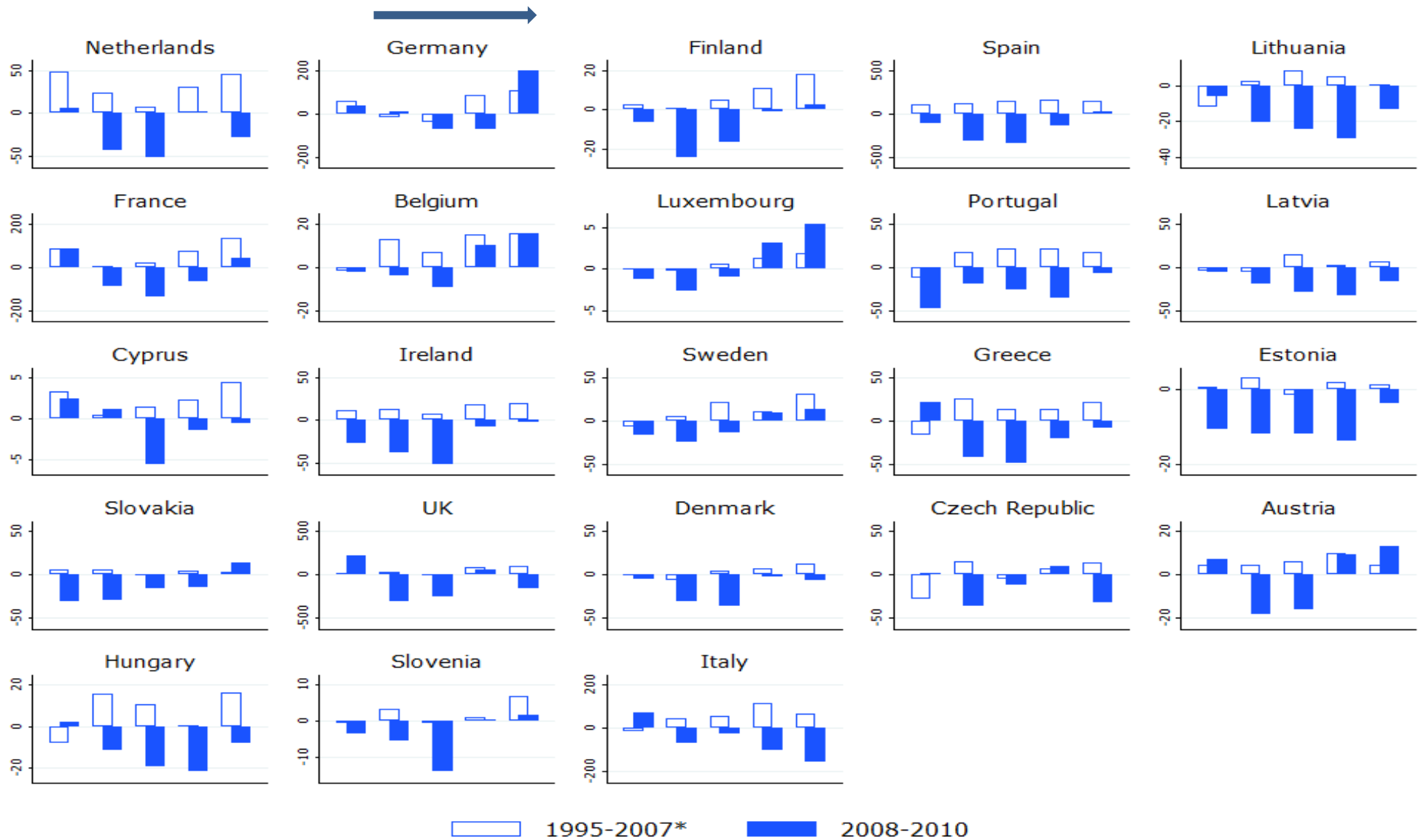


# Recent employment expansions in EU and US (different periods)

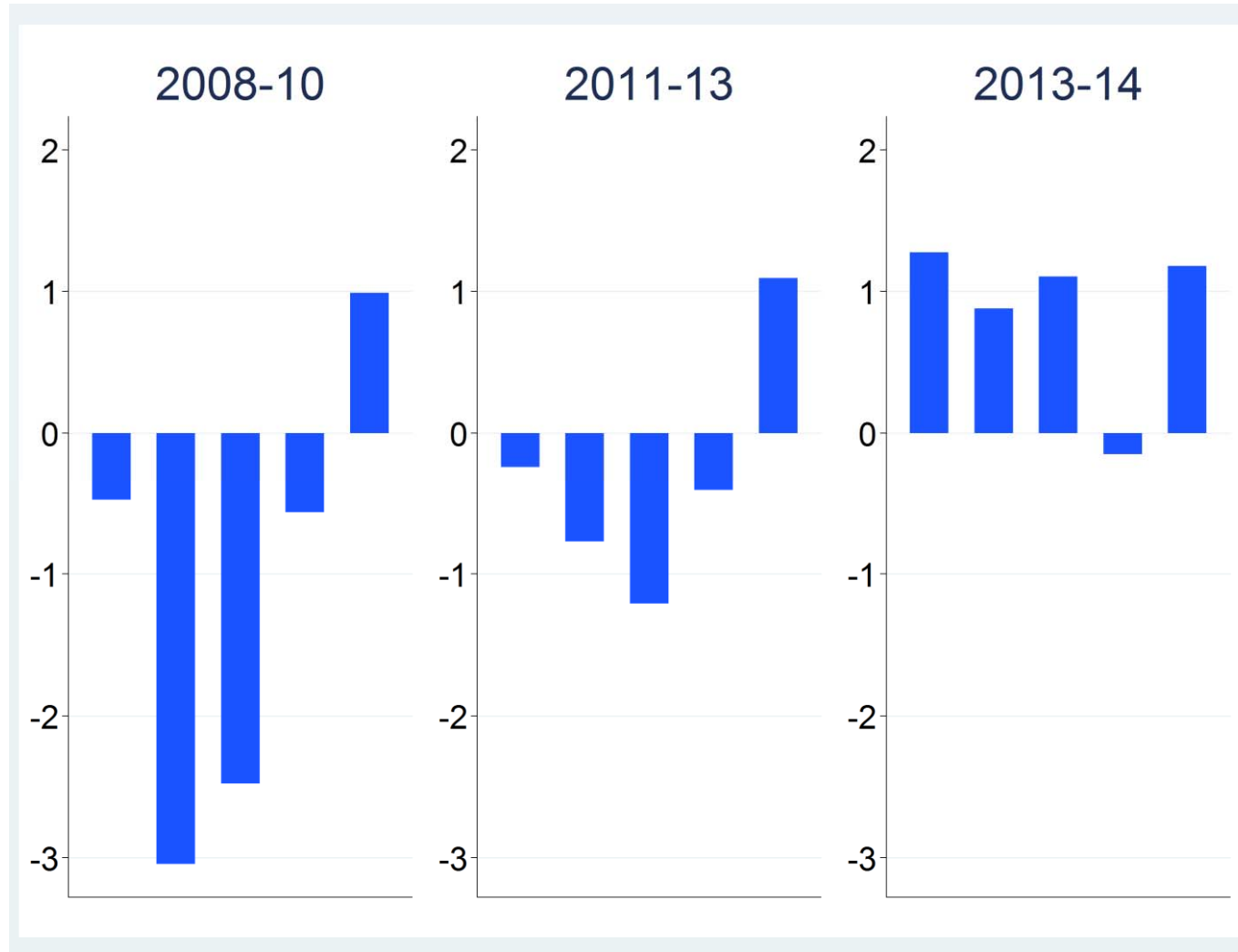




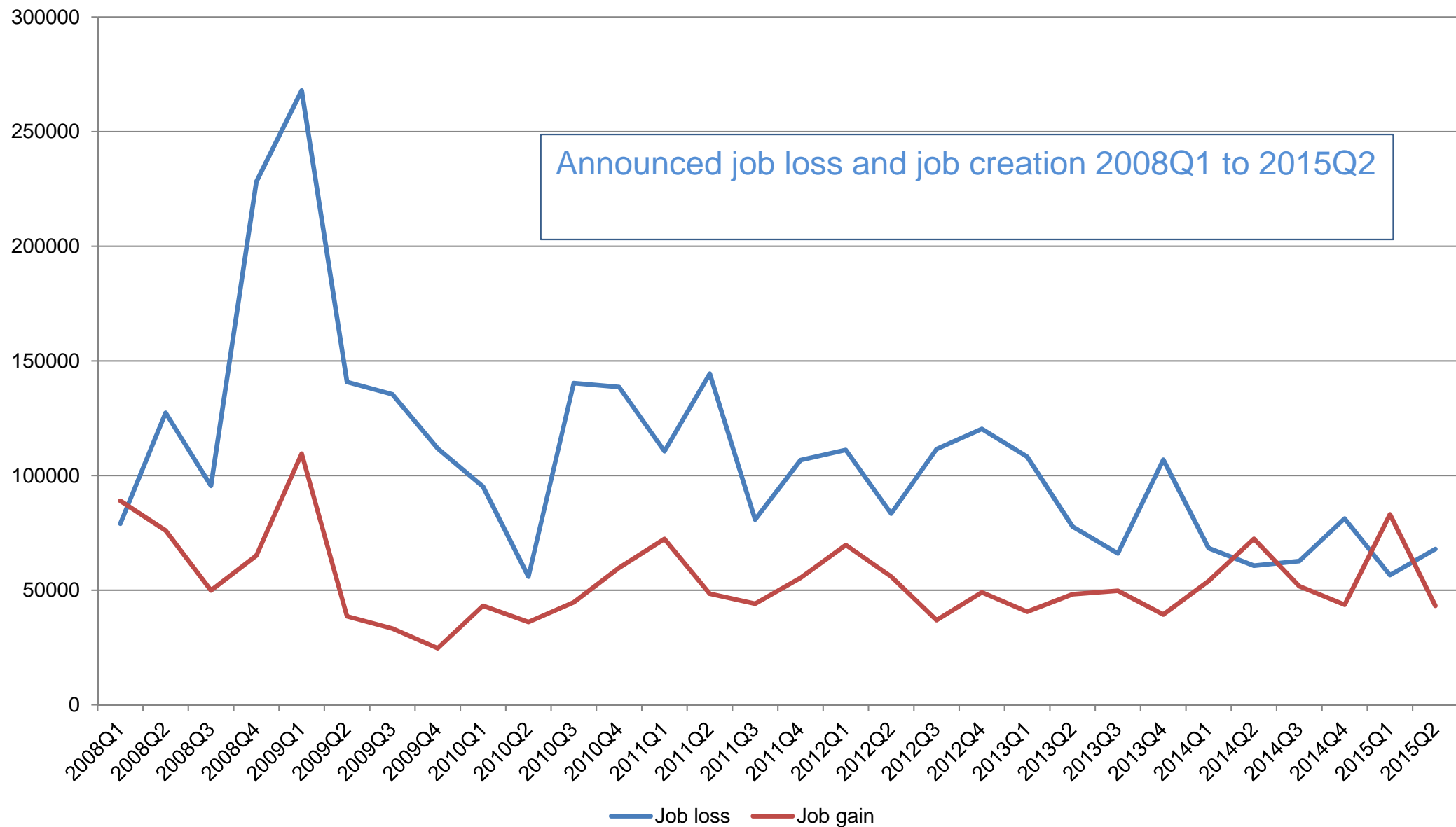
# But huge diversity among Member States



# EJM 2015: Recent employment shifts by job-wage quintile, EU (% pa)



# The European Restructuring Monitor (ERM) ERM events database



# The European Restructuring Monitor (ERM)

## ERM events database – recent cases

Announcement date	Country	Company	Restructuring type	Sector	Planned job creation	Planned job reductions min
17/09/2015	Belgium	Cofely Fabricom	Business expansion	Manufacturing	250 ^	
16/09/2015	World	Hewlett Packard Enterprise	Internal restructuring	Information / communication		25,000 v
15/09/2015	World	General Electric	Business expansion	Manufacturing	500 ^	100 v
14/09/2015	Belgium	Jetairfly	Business expansion	Transportation / storage	120 ^	
11/09/2015	Croatia	Zagrebačka pivovara (Zagreb Brewery)	Business expansion	Manufacturing	80 ^	
10/09/2015	Czech Republic	Ryanair Labs	Business expansion	Information / communication	200 ^	
10/09/2015	Czech Republic	Česká pošta (Czech Post)	Outsourcing	Transportation / storage		3,400 v
10/09/2015	Spain	Vueling	Business expansion	Transportation / storage	200 ^	
09/09/2015	Finland	Fiskars	Closure	Manufacturing		130 v
09/09/2015	Finland	Geologian tutkimuskeskus	Internal restructuring	Professional services		90 v
09/09/2015	Ireland	SAS	Business expansion	Professional services	150 ^	
09/09/2015	Lithuania	Lindorff Business Services	Business expansion	Financial services	300 ^	
09/09/2015	United Kingdom	HGS Europe	Business expansion	Administrative services	500 ^	
08/09/2015	Belgium	VRT	Outsourcing	Information / communication		287 v

Announcement date	Country	Company	Restructuring type	Sector	Planned job creation	Planned job reductions min
23/08/2015	Germany	<b>Karstadt</b>	Closure	Retail		580 ▼
21/08/2015	Germany	<b>Schaeffler</b>	Internal restructuring	Manufacturing		500 ▼
31/07/2015	Germany	<b>Bosch Rexroth</b>	Offshoring/Delocalisation	Manufacturing		300 ▼
29/07/2015	Germany	<b>Mann+Hummel</b>	Internal restructuring	Manufacturing		495 ▼
24/06/2015	Germany	<b>MAN</b>	Internal restructuring	Manufacturing		1,800 ▼
03/06/2015	Germany	<b>Nolte</b>	Internal restructuring	Manufacturing		164 ▼
26/05/2015	Germany	<b>Sandoz</b>	Closure	Manufacturing		306 ▼
22/05/2015	Germany	<b>KME</b>	Internal restructuring	Manufacturing		340 ▼
18/05/2015	Germany	<b>Johnson Controls</b>	Closure	Manufacturing		880 ▼
18/05/2015	Germany	<b>Coca-Cola</b>	Closure	Manufacturing		123 ▼
13/05/2015	Germany	<b>Baur Fulfillment Solutions</b>	Internal restructuring	Transportation / storage		138 ▼
05/05/2015	Germany	<b>Odelo</b>	Offshoring/Delocalisation	Manufacturing		100 ▼
04/05/2015	Germany	<b>buw</b>	Business expansion	Administrative services	250 ▲	
29/04/2015	Germany	<b>Vallourec</b>	Internal restructuring	Manufacturing		600 ▼

- Only ever one EU wide survey to measure this
- Eurobarometer survey between 25 May and 17 June 2009
- Representative sample of c.a. 1000 people in each MS

“

<b>Sex</b>		<b>Cohabitation status</b>	
Male	14.4%	Couple	13.2%
Female	13.8%	Single	17.6%
<b>Age</b>		<b>Lone Parent</b>	
19 - 24 years	21.1%	Not lone parent	13.9%
25 - 34 years	13.4%	Lone parent	16.4%
35 - 44 years	12.4%	<b>Highest level of education attained</b> ←	
45 - 54 years	14.0%	Below Upper Secondary	22.2%
55 - 64 years	15.8%	Upper Secondary + PSNT	13.1%
<b>Foreign background</b>		Tertiary	7.9%
Foreign background	18.3%	<b>Professional status</b> ←	
Local born nationals	13.5%	Professionals	7.4%
<b>Minority status</b> ←		White collar	10.5%
not minority	13.2%	Skilled blue collar	22.2%
minority status	21.9%	Unskilled blue collar	31.5%
<b>Health</b> ←		<b>Tenure with last / current employer</b> ←	
No chronic health issues	13.1%	0-1 yrs	39.7%
Chronic health issues	23.6%	2 years	23.7%
<b>Children in the household</b>		3 years	20.9%
No children	15.6%	4 years	13.9%
Children	12.7%	5+ years	10.9%



# Job finding rates

<b>Sex</b>		<b>Cohabitation status</b>	
Male	25.3%	Couple	27.0%
Female	26.8%	Single	23.1%
<b>Age</b>		<b>Lone Parent</b>	
19 - 24 years	13.5%	Not lone parent	26.3%
25 - 34 years	29.7%	Lone parent	22.6%
35 - 44 years	27.8%	<b>Highest level of education attained</b> ←	
45 - 54 years	29.0%	Below Upper Secondary	21.3%
55 - 64 years	19.9%	Upper Secondary + PSNT	26.8%
<b>Foreign background</b>		Tertiary	36.5%
Foreign background	26.4%	<b>Professional status</b> ←	
Local born nationals	26.0%	Professionals	38.0%
<b>Minority status</b> ←		White collar	32.0%
not minority	26.8%	Skilled blue collar	21.3%
minority status	22.1%	Unskilled blue collar	15.9%
<b>Health</b> ←		<b>Tenure with last / current employer</b> ←	
No chronic health issues	26.7%	0-1 yrs	24.1%
Chronic health issues	22.4%	2 years	26.8%
<b>Children in the household</b>		3 years	26.3%
No children	23.9%	4 years	19.3%
Children	28.4%	5+ years	26.6%

Probability of ..		
	JOB LOSS	NEW JOB
Age	+ Older	Middle aged +
Foreign background	+ Foreign	
Minority status	+ Minority	- Minority
Health	+ Bad health	- Bad health
Highest level of education attained	+ Low education	- Low education
Professional status	+ Unskilled blue collar	- Unskilled blue collar
Tenure with last / current employer	- Long tenure	- Long tenure

Very well researched topic with correct methodology and excellent data.

Job loss leads to, on average:

- Lower income and employment even in the long term
- Worse health
- Other social & family problems

## 1. Job specific capital

- Job-match specific capital (maybe even a career)
- Firm specific capital

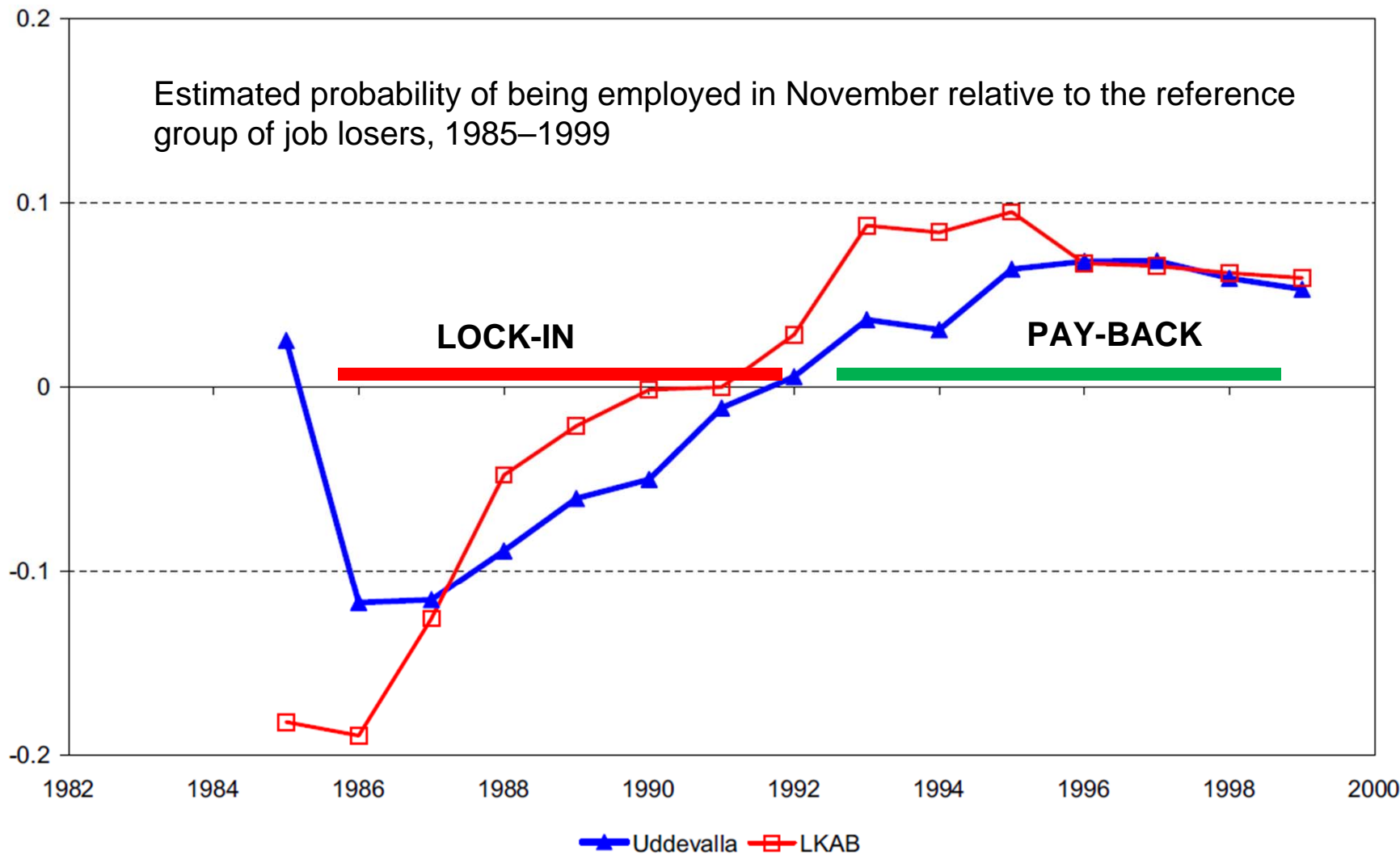
## 2. Seniority wages and privileges

## 3. The job loss process as a stressful life event

- Prevention (anticipation) - innovative & HC creating workplaces
- Strong EPL? – clarity, procedural justice and efficient restructuring
- Getting in early, Social Partners, matching and counselling
- Wage subsidies, training or more extensive education
- Role & the limits of ALMP – micro & macro and social justice
- Restructuring is a regional issue – more industrial policy.

# Evaluations of policies for dismissed employees is very difficult

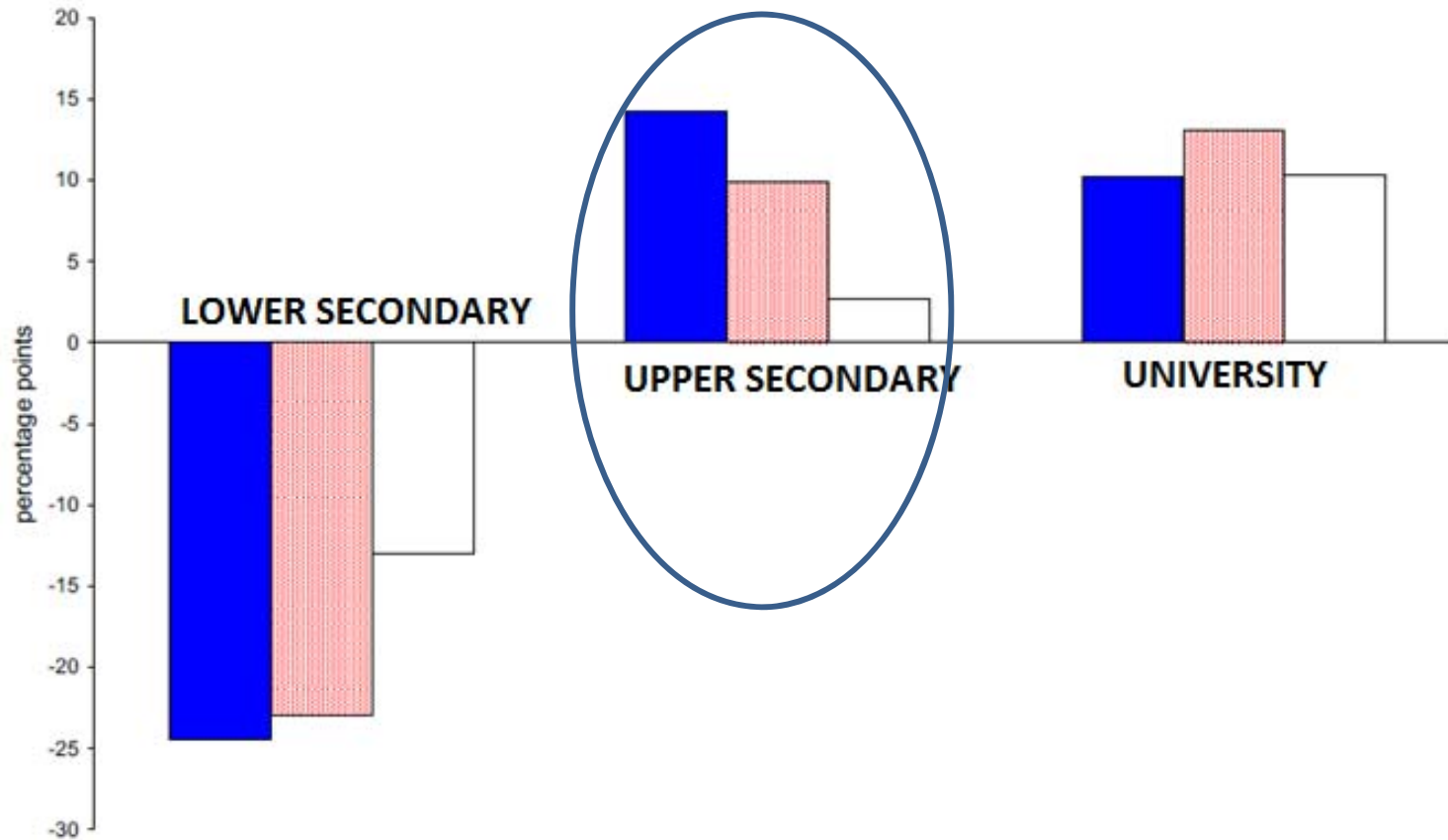
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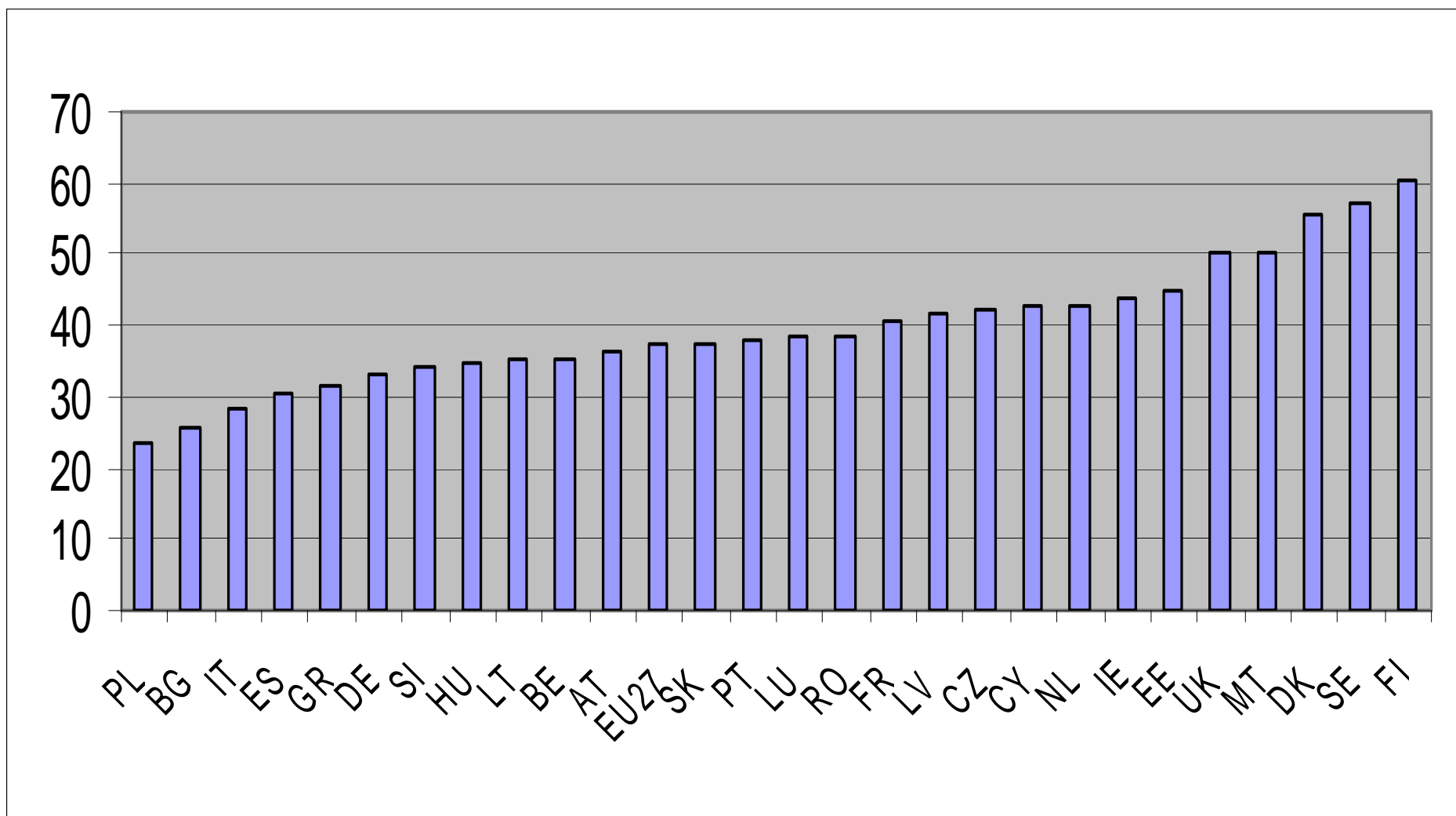
Source: Henry Ohlsson, Donald Storrie, (2012), "Long-term effects of public policy for displaced workers in Sweden: Shipyard workers in the west and miners in the north", *International Journal of Manpower*, Vol. 33 Iss: 5 pp. 514 - 538



# Change in highest education level, 1983–1999.



# % of employees saying that restructuring or reorganisation took place at their workplaces in previous 3 years



## (+) Restructured employees more likely to ...

- more autonomy, teamwork, influence over how work is organised, task complexity, performance assessment ...
- Better paid, more profit sharing
- Greater access to training but more likely to need 'further training to cope well with their duties'

## (-) Restructured employees more likely to ...

- Higher work intensity
- Higher job insecurity
- Higher levels of psychosocial workplace risk (bullying etc)
- report negative health outcomes, especially mental/psychosomatic type problems (sleeping disorders, stress, depression..)
- Greater levels of absenteeism and presenteeism

# Extra slides

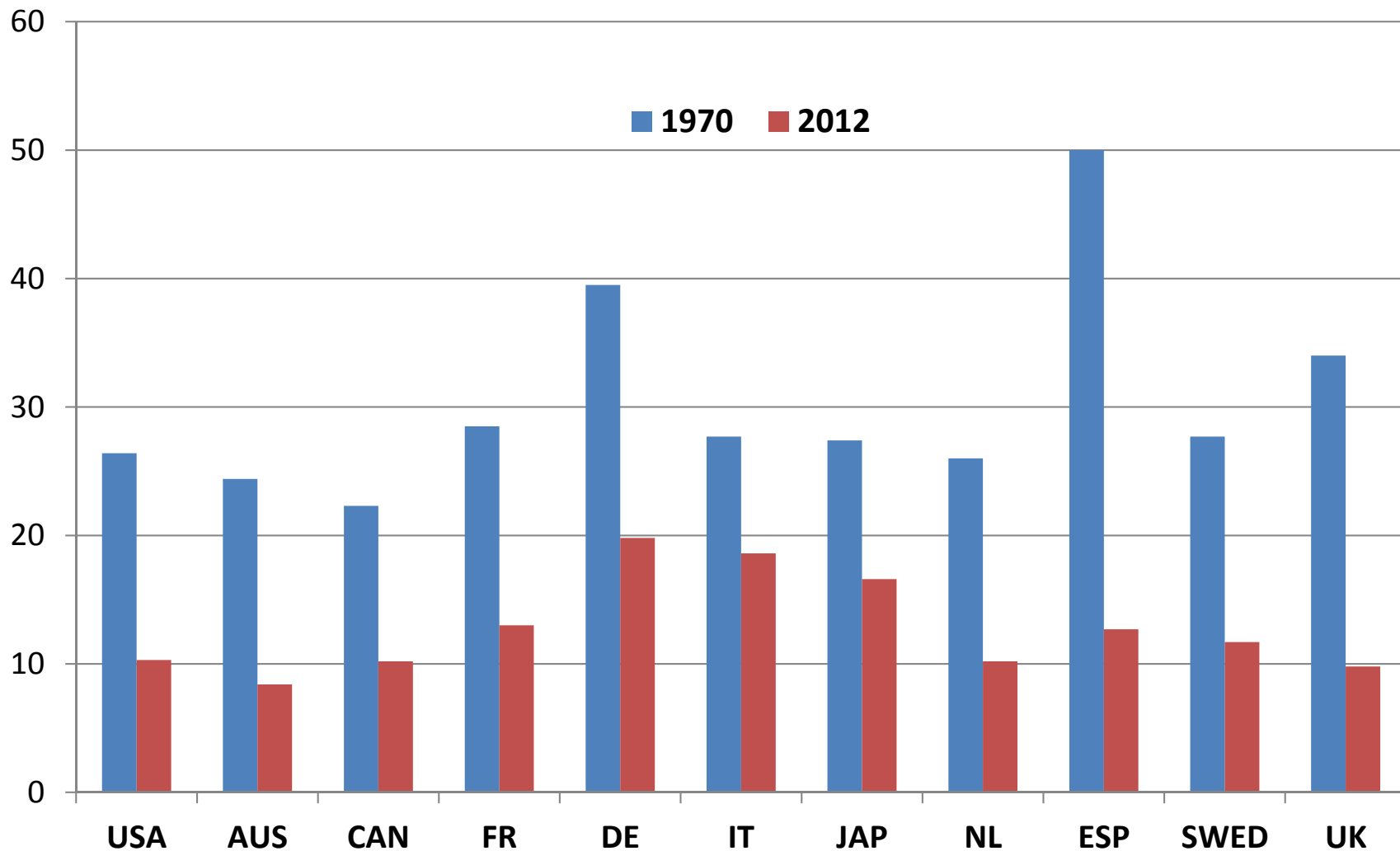
# 1. The Future of manufacturing in Europe



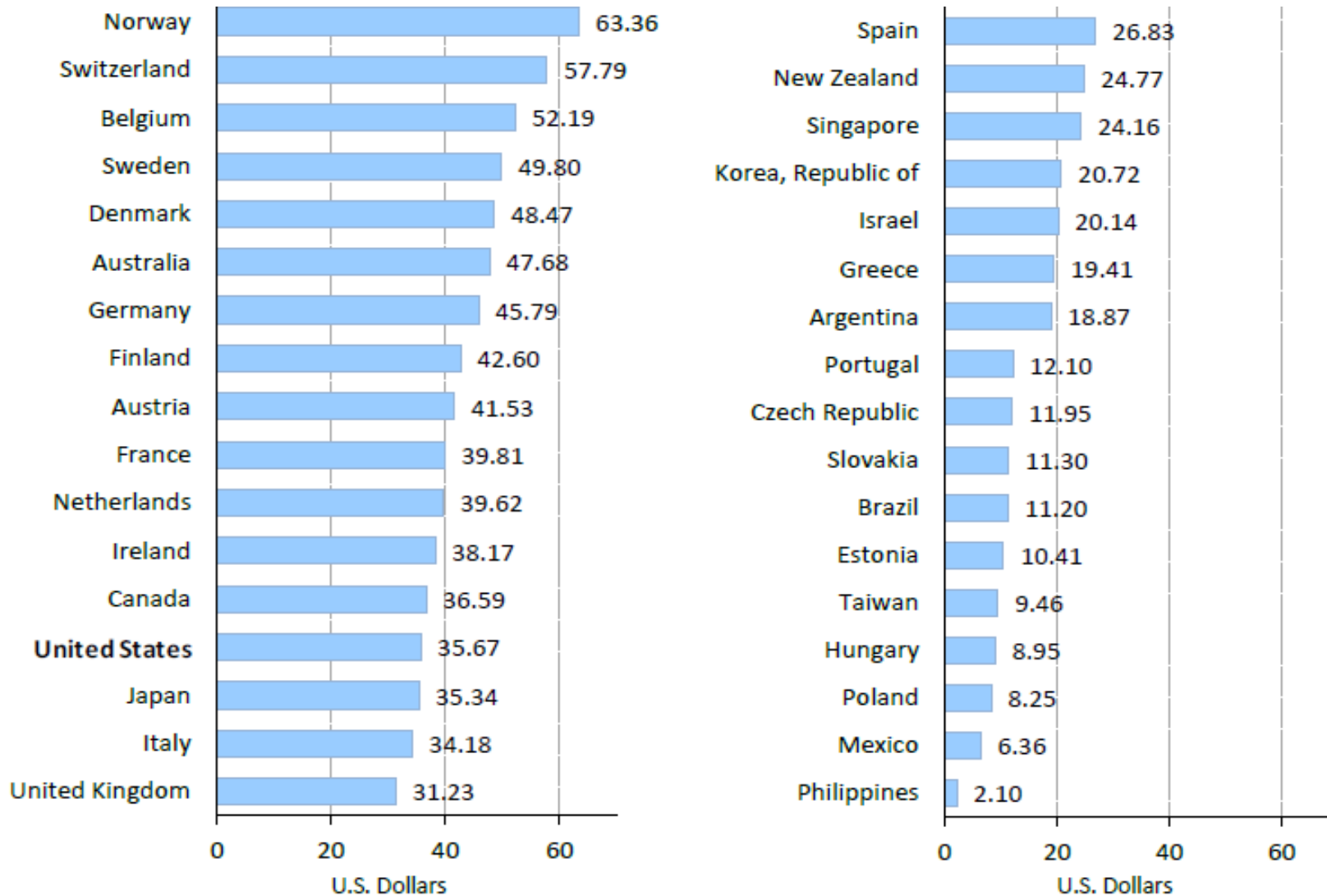
- Proposed by EP Industry Committee  
(who suggest that it be delegated to EMCC/Eurofound)
- 2 million from EU Budget 2014 and 2015
- To be implemented by DG Enterprise and then delegated to Eurofound and reported to EP.
- 4 years duration from 15/04/15



# Decline of manufacturing share of total employment 1970 to 2012

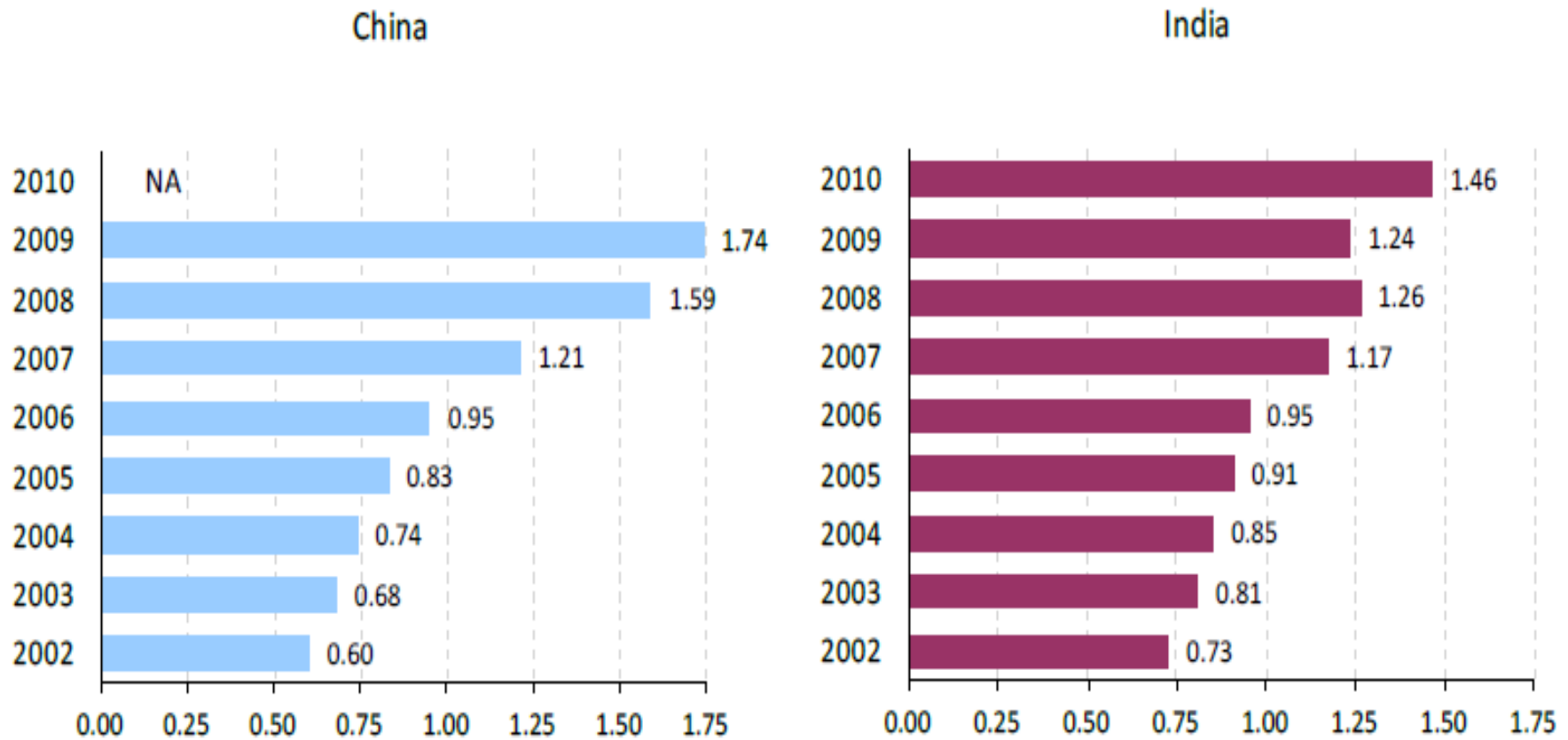


# Hourly compensation costs in manufacturing US \$ 2012



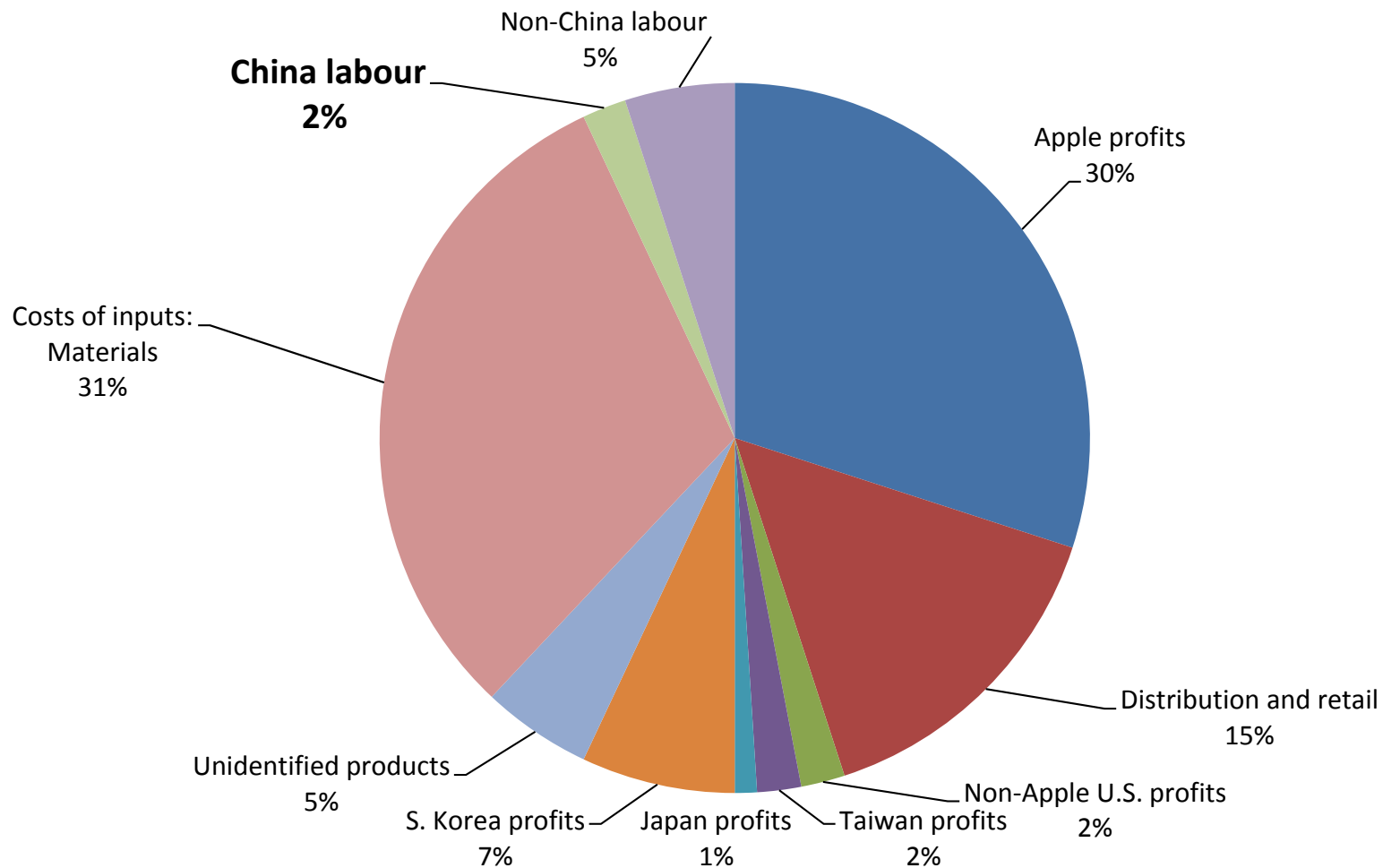
Source: U.S. Bureau of Labor Statistics, International Labor Comparisons, August 2013

# Trends in hourly compensation costs in manufacturing - China and India (estimates) US \$ 2012



Source: U.S. Bureau of Labor Statistics, International Labor Comparisons, August 2013

# Cost of manufacturing labour in an ipad



Source: Kenneth L. Kraemer, Greg Linden, and Jason Dedrick (2011) "Capturing Value in Global Networks: Apple's iPad and iPhone" University of California, Irvine, University of California, Berkeley and Syracuse University

- Scenarios for the assessment of the future of manufacturing (1.1)
- Employment, skills and tasks impacts of the scenarios (1.2 / 1.4)
- Assessment of the role of wages in the future of manufacturing (1.3)
- Assessment of the new key jobs in manufacturing (1.5 )
- Assessment of the impact of new game-changing technologies in manufacturing (1.6)
- Proposal and implementation of a re-shoring monitor(2.1)
- Entrepreneurship and SME internationalization (3.1)
- Mapping of existing industrial policy capacity in EU regions and the identification of some typologies of regional capacity and identification of good practices (4.1)
- At least 4 seminars to disseminate the best practices to EU regions (4.2)
- Review of dual apprenticeship programmes in EU Member States and selected competing world regions and identification of good practices in the dual apprenticeship practices. (5.1)
- Proposals for revision and design of dual apprenticeship programmes, to take into account of the new developments in manufacturing jobs as outlined in task 1 (5.2)
- Final seminar, or seminars, to disseminate the project results in regions. (4.3)
- Delivery of final consolidated report (6)