



# **The Future of Employee Information and Consultation in the EU**

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# Outline

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- **Employee involvement – business significance**
- **EU framework for information and consultation of workers - overview**
- **Future policy actions – BUSINESSEUROPE views**



# Employee involvement – business significance

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- **people management practices can play an important role in improving business performance**
- **benefits of informing and consulting employees**
  - improved employee relations: trust, fewer conflicts, higher motivation of employees, lower turnover
  - better decision-making: tapping into employees knowledge, exploring more alternatives, etc.
  - more effective implementation of decisions: better understanding of decisions among employees, less conflicts
- **...but there are challenges too** (devising appropriate mechanisms, speed of decisions, choice of topics, encouraging feedback, managing expectations, etc)
- **Commitment and engagement** from both managers and employees **at company level crucial for success**



## Evidence on I&C

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### European Working Conditions Survey 2010:

- **63% of employees** in EU27 declare managers encourage them to participate in important decisions
- **65% of employees** in EU27 say they can influence decisions that are important for their work
- **Differences between Member States**



## EU regulatory framework for information and consultation

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- **Directive 98/59/EC on collective redundancies:**
  - information and consultation of workers' representatives before collective redundancies are made
  - consultations must cover: means of avoiding or reducing redundancies and of mitigating the consequences (e.g. support in redeploying or retraining redundant workers)
  - written information on: the reasons for the planned redundancies, employment levels, number of workers to be made redundant, the period over which the redundancies are to be effected, the selection criteria proposed, and the method for calculating any extra redundancy payments
  - Directive applies to employers employing at least 20 workers in an establishment



## EU regulatory framework for information and consultation

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- **Directive 2001/23/EC on transfers of undertakings:**
  - applies when a workplace is transferred from one employer to another
  - employee representatives must be consulted in good time on any measures envisaged in relation to employees as a result of the transfer.
  - representatives must be informed about the date, reasons and implications of the transfer as well as the measures envisaged in relation to the employees.



## EU regulatory framework for information and consultation

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- **Directive 2002/14/EC - framework on information and consultation:**
  - applies to undertakings employing at least 50 employees, or to establishments employing at least 20 employees
  - sets principles, definitions and arrangements for information and consultation of employees at the enterprise level within each country
  - information and consultation are required on:
    - the recent and probable development of company activities and economic situation
    - the situation, structure and probable development of employment
    - decisions likely to lead to substantial changes in work organisation or in contractual relations.



## Further action?

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- **EU legislation on information and consultation is well developed** - no need for additional legislation
- **EU legislation on information and consultation is “fit for purpose”** – no need for revision
- **Simplification of structures/processes may be needed in some countries** – priority for action at national level
- **Information & guidance about legislation and about effective information and consultation practices**





## Conclusions

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- **Information and consultation can make business sense**
- **Parties at company level should play a decisive role in devising I&C arrangements that best suit their needs**
- **Satisfactory EU legislative framework on I&C exist**

