



F.O.R.M. Pact

F.O.R.M. PACT- French draft paper

by

Claude Emmanuel TRIOMPHE

With Sebastian Schulze-Marmeling, Christophe Teissier and Bertrand Vial
(ASTREES)

Introduction

Preparation for change is an important topic in France since years. Many policies at national as at territorial levels, a consistent legislative framework, and a significant part of social dialogue at all levels have contributed to a huge set of economic and social measures. However, restructuring remains a hot issue in the media, for politicians but also in the society: announcements of downsizing, collective dismissals while being part of the daily life is still mostly perceived as an individual and a collective trauma to be avoided and /or to be cured not only within and by companies but also by public authorities and government.

I. *Overview of main practices related to collective preparation for change*

1. Recent important changes in the French restructuring framework

Beside a lot of changes introduced by law and social dialogue in processes related to collective dismissals and “social plans”, important trends have to be mentioned when looking at the the French restructuring framework and preparation for change. In this respect ones should emphasized the increasing role of collective bargaining – especially that of national cross sector and that of company level.

Since the introduction of the so-called ‘Larcher’ law on 31th January 2007, the government is obliged to consult with the social partners before proposing any labour law reform. Such provisions can then lead to the negotiation of a national cross-sector collective agreement, which can be in turn taken into account in a draft law proposed by the government. This new articulation between law and collective bargaining at national level has already produced important reforms and especially the latest one (2013 - see below 2.3.)

In the field of restructuring, a profound labour market reform results from the law of 14th June 2013 transposing a national cross sector landmark agreement on labour market signed by most representative social partners in January 2013. Considered as a flexicurity agreement, a trade-off between more internal and external flexibility for employers and more and new securities for workers, this reform:

- Develops human resources planning provisions through different means (voluntary mobility, information and consultation of employee representatives....)

- Intends to ensure a greater involvement of employees in the definition of companies' strategies, through the introduction of employees' representatives in boards of directors
- Sets up new tools to foster vocational training, especially through the establishment of individual training accounts
- Reforms the partial unemployment regulation to make it more attractive for companies
- Promotes greater predictability and legal certainty for employers by reforming collective redundancies procedures

In this respect, collective bargaining at company level is strongly promoted to implement some of the measures planned. This point confirms the growing decentralization of collective bargaining in France, a long term phenomenon dating back to the beginning of the 80's: company level is more and more seen as the most relevant one to efficiently deal with changes (both anticipation and management).

In addition, a national cross sector agreement, concluded in December 2013 and transposed through a law in March 2014, has planned a deep reform of the vocational training system. The overall objective of the new regulation is to make the French vocational training system more efficient, by making transitions easier and improving workers' employability. This reform encompasses a wide range of topics but two main elements should be pointed out:

- The reform sets up a new financing system of vocational training to incent companies to train their employees;
- The reform implements the new individual training account planned by law of 14th June 2013.

At present, main common practices related to the preparation of change can be divided in two categories:

- The first ones are related to the notion of human resource anticipatory planning and management (abbreviated to GPEC) and are mostly developed at company level, and more recently at territorial levels (region, local communities..)
- The second ones are related to economic development and are mostly developed at sector and territorial levels (region, local communities..)

2. Practices focusing on employment and related to GPEC

The notion of GPEC can be defined as the design, implementation and monitoring of policies and action plans aiming at:

- Reducing disparities, in advance, between the requirements and human resources of the firm based on the medium-term objectives of this firm
- Fostering the ongoing training of people in the labour market
- Establishing a link between the development of the firm and the personal development of the workers in their professional development projects.

While the notion is not new in France, it has constantly been developed at different levels: company, sector and region. Although the GPEC is based on a number of tools, it was originally designed as a standalone approach and not a stack of sophisticated systems with

an uncertain implementation. In this context, anticipation of restructuring is a concern for companies, but also to an increasing extend beyond companies with numerous initiatives at sectoral and regional level, involving social partners, public authorities or both of them.

2.1. GPEC at company level: recent trends

GPEC practices at company level still play a leading role. Assessments carried out by different institutions of the human resources planning agreements concluded during the period 2005-2011 show that during this period:

- 5 000 companies have engaged negotiations on this GPEC issue,
- and that 3 000 of them concluded an agreement.

However analysis of the latter shows that, in practice, these agreements did not contribute to significant better career paths:

- The negotiations did not really allow for a global forecast of the evolutions of skills in the company that are needed¹
- Human resources planning were often a formal exercise which is not linked enough to companies training policies
- Human resources planning actions did not involve enough subcontractors making it difficult for the latter to anticipate changes.

Therefore recent changes have been introduced by law and relate to.

- ***Greater involvement of staff representatives in the company strategy***
 - o In order to better deal with changes and especially to foster anticipation of changes, new, works council are now to be consulted each year on company strategic orientations. In addition,
 - Social and economic information given regularly to employee representatives is to be centralised by the employer in a permanent database with a three-year forecast. The database will include such items as investments, capital stock and debt, remuneration of employees, management or sub-contracting, employment, occupations at risk, temporary work etc....
 - In order to ensure that employees' views on company strategy are represented in decision-making, employee representatives will be entitled to attend meetings of the board of directors where strategy is decided. Companies with at least 10,000 employees worldwide or 5,000 in France have now to guarantee two seats on the board to employees' representatives (if the board has more than 12 members), or one seat (if the board has less than 13 members). Employees' representatives will have the same rights as other board members and will be allowed to participate in any vote.
- ***Strengthening GPEC negotiations and social dialogue at company level***
 - o Following the provisions of the recent laws, company frameworks should aim to better link human resources planning and training actions at company

¹ Making it difficult to plan relevant actions regarding training, workers mobility, etc...

level, but also widens the topics to be negotiated under the GPEC framework. Mandatory three-year negotiation for companies with more than 300 employees on the GPEC is thus to cover:

- Terms of occupational and geographic mobility within the company,
 - Guidelines for 3 years of vocational training and priority objectives of the training plan²,
 - Anticipation to access to employment contracts,
 - Part time work, internships and means of reducing precarious employment,
 - Subcontractors information on the impact of strategic orientations.
- At the same time, the yearly training plan to be submitted to the works council (information and consultation procedure) should be in line with the contents of the GPEC agreement.

- *Introducing new measures to foster workers' employability and mobility*

Beside the validation of experience acquired (VAE) and the mobility leave, recent reforms focused on:

- Training measures
 - A significant change aiming to enlarge the access of **all**³ workers to training lied in the creation, in 2004, of the individual right to training (DIF). This right aimed to give any worker a possibility to take in charge his/her career path by accumulating training hours that could be used at his/her choosing with the agreement of the employer. However, one quickly noticed that this right was scarcely used in practice despite low progress could be highlighted: in 2008, only 5,5% of employees used this right, 6,2 % in 2009 and 6,4 % in 2010 !
 - For this reason, DIF has been replaced by a new instrument from 1st January 2015: *the individual training account (CPF)*. All employees will have an individual training account valid from when they first join the labour market until they retire. A maximum of 150 hours can be accumulated over nine years. Every employee receives 20 hours per year worked (for a full-time post) during the first six years of employment, and 10 hours a year for the three subsequent years. The number of hours stated on the account can be supplemented at the time of use if the holder does not have sufficient credit to complete the course he takes. It can be topped up by the employer, the account holder him/herself, the industry branches or by the national employment agency. If the holder is unemployed, the account can be supplemented by the state or the regional authority.
- Workers' mobility covering various items such as:
 - *Period of secure voluntary mobility*
 - In companies with 300 or more employees, an employee may be granted a 'period of secure voluntary mobility' to try out a

² Set up each year

³ In France, it is well known that training measures usually benefit much more to people already well qualified than to other people....

job in another company. At the end of the agreed mobility period, the employee may return to his/her previous job, or a similar position, and keep the same pay package as was previously in place. If the employee does not go back, he will be deemed to have resigned (without notice) and the employer is exempt from all obligations arising from dismissal.

- *Internal mobility agreements*
 - Employers are now able to negotiate agreements on internal mobility in order to establish the terms and conditions for the geographical or professional mobility of their employees, where this is related to the evolution of the company. Such a negotiation only aims at addressing usual changes within organisations (it does not apply in case of collective redundancies). Agreements of this type, which have to be negotiated with unions, must set limits on employee mobility⁴ and include supplementary measures such as training, assistance with geographical relocation and work-life balance. They are binding for employees. Any employee refusing them can be made redundant (under conditions for individual economic dismissals).

2.2. GPEC at local and territorial levels: recent trends

The limits of GPEC at company level are well known (see above): among others they are company oriented and do exclude most of SMEs. Therefore, territorial initiatives are developing since 15 years in France regarding GPEC. Called “GPECT” they are very diverse in terms of size, locations, budgets, focuses, stake holders participation and partnerships.

According a recent paper issued by the French Ministry of Employment there were around 300 GPECT initiatives running in France for in 2014, mostly at local level and for a budget of 12 millions euros. They have for most of them a single or a multi sector focus. Taking place in all French regions, they are developed especially in two of them: Nord Pas de Calais and Rhône Alpes. They have also different aims and could be classified under 6 main types (according a recent report issue by BPI):

- Measures aiming at managing restructuring in one or two sectors
- Measures aiming at social responsible employment anticipation
- Measures aiming at managing under loads by temporary transfer of skills
- Measures aiming at anticipation of recruitments
- Measures aiming at managing terminations of fix term contracts and agency work
- Measures aiming at providing information and counseling at territorial and/or sector level

Their activities cover :

- Developing awareness and developing support and counselling for companies in the field of GPEC
- Supporting strategic sorts for the territory

⁴ These agreements may especially not lead to decrease wages and the mobility can only be implemented within the company and not in the boundaries of the whole group, if any.

- Developing mutual HR plate forms
- Supporting economic change by developing integrated packages allowing (13 platforms already labelled)
 - o SMEs to better anticipate change
 - o Securing careers and professional paths for employees by preparing their adaptation and reclassification in order to avoid unemployment periods.
 - o sensibiliser et apporter un appui conseil aux entreprises en matière de GPEC

Partnerships are key for such GPECT initiatives

- They allow to coordinates actions and funding (sate, regional, municipalities and district funding's); they can involve also chambers of commerce, public employment services, poles of competitiveness an training funds and last but not least, in almost 50% of the cases they include companies willing to develop mobility and employability of their employees.
- They feed a territorial social dialogue by involving employers organisations and trade unions even if their roles and places may differ:
 - o Employers' organizations are less committed than TU
 - o Involvement could be direct but also indirect; participation can be very active or limited to information.

Other initiatives at regional and local levels, related to GPEC include:

- *Career development consultations*

According to new laws (2013, 2014), from 1st January 2015, *all* employees will be able to benefit, free of charge, from a 'career development consultation', from the date they first join the labour market until retirement, regardless of their status (employee, unemployed, young...). This provision is underpinned by a belief that employees need support to choose training activities that match their profile and the needs of the economy. This consultation will be accessible out of the company and be organized by public actors at regional level.

- *Prospective of businesses in the professional branches*

Some professional sectors have, some for a long time, had observatories for analysing employment trends. If most of them are based on a bipartite agreement, there is a wide diversity to these, such as legal status, composition and even the way the structures are funded. The observatories can relate to a specific branch or federate several similar branches (such as the observatory for skills and qualifications of mining and construction materials industries). Despite this variety of situations, we can note in particular two main missions common to the observatories:

- to collect and analyse information on the firms, employment and training in the sector in question.
- to analyse and anticipate the impact of economic, technological, regulatory or demographic trends on trends in employment and training requirements

In this measure, the activities of the observatories can clarify the human resource management policy of the firms and therefore contribute to a perspective of anticipating

restructuring. When this is the case, the observatory may act as an interface between the branch and the companies.

3. Practices related to economic development and developed at sector and territorial levels

Those practices are of a very diverse nature. Beside general policies undertaken by public authorities to foster economic development, some specific initiatives – few of them being initiated by the State while some others related to regional or local public authorities - deserve attention when it comes to collective mechanism for anticipation and preparation of change.

Poles of competitiveness

Setting up poles of competitiveness, which the government began in 2004, corresponds to an ambition of developing a new industrial policy focused on promoting innovation and strengthening the French industry. In the context of the globalisation, the poles are meant to organising the collaboration of industrial and scientific players and those in charge of training in a region. Setting up a pole of competitiveness is subject be labelled from the State (inter-ministerial committee on regional planning and competitiveness). Once recognised, the pole can access the public funding with which to realise its projects.

From 2005 to 2011, the budget allocated by the State to the poles of competitiveness was 3 billion euros. Other sources of funding (1,5 billion euros for the same period), such as those from local authorities, complete the involvement of the State. There are currently 71 poles of competitiveness covering numerous sectors of activity.

Given their nature and their specific objectives, the poles of competitiveness raise the general question of the links between innovation and the labour market. If the link with anticipation of restructuring seems to be obvious and questions future skills, many sources say that the involvement of the poles of competitiveness as players, in matters of employment and skills is, in fact, still weak. And employment indicators related to poles are basic : recent audits (Erdyn, BearingPoint et Technopolis, 2012) show that:

- 2/3 of companies involved in those poles created jobs;
- Beside R&D and technology itself, poles were quite weak in terms of other kind of innovations.

Industry renewal initiatives

Based on the outcomes of the national and the regional conventions for industry (“Etats généraux de l’industrie” held in 2009 and repeated several times after, the government launched since then a range of initiatives and decisions , some of them being closely related to multi stake holders platforms. Among the most significant ones, 14 strategic industry committees have been set up; they gather at national, and when relevant at regional level, business leaders, employers’ associations, trade unions, authorities in order to work out a strategic road map plan involving all stakeholders so as to ensure this industry’s future, reinforce it and improve its performance in exports and to propose operational measures on

key points for the development of the sector. Beside specific sector issues, 3 main transversal issues have been identified for those committees: innovation, employment and training, simplification.

Contribution of companies in revitalising employment areas affected by restructuring

Since 2002, when a company implements a mass redundancy programme that according the Labour Code *“affects, by virtue of its extent, the balance of the one or more employment areas in which it is situated”*, the Prefect may take action to *“implement actions so as to permit the development of new activities and counter the effects of the envisaged restructuring on the other firms in the one or more employment areas”*.

Depending of the company size (50 to 1000 employees, more than 1000), the Prefect may order a social and regional impact study that accounts for the observations of the firm and asks for actions to be implemented in order to develop new activities and counter the effects of restructuring on the other firms (especially sub-contractors) in the one or more employment areas in question. The planned actions must also be determined after *“consulting with the regional authorities affected, the administrative bodies and the social partners”*. If companies were more than 1,000 workers are employed, an agreement (called a revitalisation agreement) must be signed with the State within the 6 months from the notification of the redundancy programme to the authorities. The company will be asked to provide a financial contribution which cannot be less than two times the index-linked minimum growth wage per lay-off.

With an average of 150 agreements signed each year and amounting 100 millions euros, those agreements most commonly covered actions involved support with business start-up/takeover, seeking a buyer, granting loans or premiums for job creation projects. Recurrent assessment of revitalisation agreements highlighted their overall positive effect on job creation: the average rate of compensation of the number of jobs destroyed varies between 60% and 80% since 2011. But even if social partners are expected to play a role, studies carried out show that they remain passive in most agreements (less than 5 of those agreements have been signed by them since the beginning)

II. Case study – Mécaloire

1. Background

Started in a different setting in 1995, Mécaloire became in 2010 a local cluster of SMEs, willing to build a business alliance to face the constant decline of the metal industry in the region – but also in the country – since many decades. It's located in a very old industrialized French territory, the Loire district, around the city of Saint Etienne (Rhône Alps region, second one at national level)⁵. However, because the region has developed mostly subcontracting activities, local firms have been in majority small businesses.



In 2009, 23,000 people were employed by the industry. 1165 companies were specialised in industrial subcontracting activities in Loire. 950 of them have less than 10 employees; only 46 have more than 100 workers.

Companies of the metal sector also suffered from crisis and have gone through staff reductions (the workforce decreased of 10% in one year only, between 2008 and 2009) and reorganizations. Some large companies have reduced their workforce or closed some subsidiaries: ThyssenKrupp, Siemens⁶, Ackers, etc. But if jobs in mechanical industries have been reduced, there are still a significant number of them available. And recruitments are not easy: those industrial jobs do not attract a lot of young people. Therefore this region and this industry face in the same time unemployment, vacancies and shortage of skills.

Consequently, SMEs and subcontractors faced vulnerability of their undertakings and difficulties to conduct business in that area. In this background, the usefulness of a cluster such as Mécaloire is to be considered at three levels:

- ✓ Local level: companies show reactivity and innovation in times of crisis, to contractors and clients
- ✓ Sector level: specific competencies in the metal industry could be shared and promoted in that collective dynamic, much more than in an exclusive company-focused production process
- ✓ Company level: it helps them show a will to face economic situation and to look for anticipation and change.

⁵ The district was considered as one of the most dynamic industrial place of France and Europe thanks to its metallurgic activities (weaponry and cycle manufactories, subcontracting) and its coalmines.

⁶ Work councils and unions documents related to the Siemens Restructuring are reviewed on the following Website <http://www.siemensvaimtsasce.com>

2. What is Mécaloire ?

Mécaloire gathered 30 companies at the beginning; the cluster's membership is now of more than 150 SMEs. The average company size is of 10-15 employees, as some large companies are allied with very small ones. The cluster added value attracts new members on a regular basis. Its affiliated companies are totalizing a turnover of 550 million € and employ altogether around 3500 employees. Mécaloire main expected result was an "incubator of businesses and alliances" (for new commercial relations, and more autonomy) within the territory and abroad. It was necessary to address their relative lack of access to the internal (and export) markets and to reduce administrative burdens. Moreover, as subcontracting rapidly developed in metal industry, cluster also was a way to avoid bad manners and low tariffs from prime contractors. The cluster allows its members to:

- Build common projects,
- Reduce the crisis impact on turnover, on commercial development and on all business aspects.

Mécaloire budget amounts a yearly average between 300 and 400 000 € with

- Affiliated companies contributing to 100 to 150 000 €
- Public subsidies between 150 and 200 000 €

In kind contributions (working time spent by administrators and affiliated managers) should be added to that amount and represent a total of 200 000 €. Funded by public subsidies – the State (at the beginning), the region (for projects) and district support the cluster though a yearly budget of around 150 000 €- Mécaloire is permanently supported by Saint Etienne's Chamber of Commerce, St Etienne municipality and Loire district.

The cluster is managed by a board and chaired by a president, all members being local Companies' managers. They are assisted by a permanent staff of 3 full time people.

3. *How Mécaloire does contribute to reduce the crisis impact and to better prepare change?*

In the field of human resources, the cluster impact does not make miracles but its collective organization avoids a waste of people skills or energy. Some measures have been taken even in companies members, such as the decision not to renew contracts of precarious workers (temporary and short term): "We feel a stability in employment, even if there is no staff recruited. Big companies (such as subsidiaries in automotive industry in Loire) have reduced temporary work, trying to avoid shortages".

The circulation of information in several groups and the attendance to regular meetings allow some useful exchanges related to one job available or one urgent staff need:

« There are some examples of mutual help in case of jobs shortages : during one Mécaloire breakfast, the opportunity was given to a manager to inform about the availability of one qualified operator, and put through his HR manager to transmit contact of the identified person.(...) Also some Mécaloire members could have access to some best practices in HR mainly.»

Moreover, it makes people in companies feel less isolated:

“Each company had to face commercial and financial difficulties, trying to solve it on his own (...) With the cluster, we know that we prefer to die altogether, than that only one company survive, alone” (Mécaloire manager)”

One main method explained by Mécaloire president comes from the mapping of existing skills and know-how; each company shows what its staff is able to do. And one result is the potential alliances on this basis, and contracts can be signed together.

Ex : Areva (the French biggest nuclear constructor) asked PSI (one of the cluster’s SME), to build highly specific machines. Lacking the needed engineering expertise internally, Mécaloire president (also the SME’s general manager) made an alliance with another cluster’s SME, in order to tender together and to “win the contract”.

One other improvement method is the working groups and communities meetings, dedicated to processes, products, and integrated solutions for example, welcoming buyers and providers from big groups and SMEs. Their mutual learning about internal processes and practices provides SMEs the needed information. Last but not least

- Mécaloire is a member of VIAMECA, pole of competitiveness for mechanical industry developed in Rhône Alpes ad Auvergne Regions: Viameca is seen as a ressources center for innovation for Mécaloire while Mécaloire is a basis for Viameca experimental actions or a partner in some projects or call for projects.
- Mécaloire has developed Metalink as a commercial brand for Mécaloire collaborative products.

4. An innovative HR programme

Mécaloire recent challenge consists in the development of HR management programme for companies(GPEC). In 2011 an agreement related to anticipatory management of employment (jobs and skills) has been signed with public authorities and involved 20 companies (at the beginning but only a dozen at the end). Its main objective was to respond to recruitment problems and companies future skills needs.

This programme amounted around 190 000 € (direct costs) and has been funded by the State (Employment and Labour administration, around 100 000), by the Rhône Alpes Region (50 000 €, for the 2011-2013 period), by participating companies (20 000 €) and by AGEFOS PME (20 000 €), a specialized training fund for SMEs. It has been implemented with the technical assistance of HR consulting companies and training funds experts and under the supervision of a steering committee consisting of representatives from:

- Mécaloire board;
- Rhône Alpes Region ;
- Employment and labour administration (DIRECCTE) ;
- Training funds (AGEFOS PME);
- Main trade unions
- Employers’ organisation.

The HR programme's wants to take benefit from their alliance in order to map jobs submitted to shortages in the mechanical industry, to plan employment and training needs at the local level, and to improve the HR management in SMEs and especially in very small companies. It was implemented through 4 main phases:

- anticipation: all volunteer companies participating in the GPEC program clearly formalized their mid/long term strategy and communicate it in the company;
- control: after individual diagnosis and gaps analysis, plans of actions are developed;
- synchronization: a collective opinion is given on each company case; good practices are exchanged in order to develop confidence between each other;
- qualifications improvement: actions are set up; and ideas to improve the GPEC program, especially for next participants.

The main outcomes, according our interviewees were:

- a global satisfaction from all participating companies;
- a consistent progress made in HR (bigger by bigger companies, less by smaller ones.);
- a better awareness of HR key factor in companies competitiveness;
- a better mutual knowledge among Mécaloire affiliated companies leading to a "reservoir" of skills.

More precisely, according Mécaloire coordinator, it was useful for one company, decreasing activities, to take advantage from an increasing activity from another in same sector. Another positive effect or added value is the ability of HR managers to optimize and share resources by improving annual interviews, selection of HR reporting, etc. Additionally, some staff sharing arrangements could be planned, like those on commercials staff for instance. Shared working time has also been discussed as one example of cluster's added value.

There were also some limits of this HR programme

- HR strategy remained at single affiliated company level but did not lead to a shared HR strategy among the cluster members;
- The programme follow-up revealed to Mécaloire staff that many companies involved have very low HR thinking (« I thought companies were more "progressive" on HR. (...) Talking about HR strategies with their own staff is not common at all. Managers lack of time and availability, and they always deal with urgent tasks ». (Mécaloire representative)
- Despite demands from other affiliated companies to enter in the programme, it has not been renewed, because not supported by the main employer organisation (UIMM);
- According to our Mécaloire interviews, HR meaning relationship involving employers and employees is sometimes outdated: "employment relationships" are at least for some activities and jobs replaced by a relationship between clients and provider: « On both sides, we have shown that the traditional relation employer/employee is almost dead. (...) I try to avoid this relation, and I limit as much as possible the staff recruitment. I replace it by a contractual and commercial relationship, that is between service providers. I simply buy services to our members ».
- The level of social dialogue related to this programme was very low (see below).

5. Mécaloire and HR programme: what involvement of employees, unions and public stake holders ?

Generally speaking, involvement the of employee representatives is rather limited in SMEs. Regarding the Cluster creation process, social partners have not been involved. First, only a few affiliated companies (10%) have their own representatives. There are also very little contacts with unions and low expectations from relationships with them, not to mention a kind of fear.

Strongly suggested by the Employment and Labour administration (DIRECCTE), the HR programme steering committee included public authorities, economic organisations and social partners (UIMM as main metal industry employer organisation and most representative trade unions). But outcomes in terms of stake holder involvement varied and social dialogue has been, according all parties, quite limited:

- The Chamber of commerce as an economic organisation (affiliating all companies in France on a mandatory territorial basis) had a more effective contribution, as business development is at the core of the project.
- Public authorities (Rhône Alpes Region ,DIRECCTE) said that this HR programme was very innovative and quite unique; the steering committee was an interesting platform for multi stake holders exchange as well as an example of territorial and not only company level “GPEC”; they try to association social partners in the economic governance of their funding (including that of Mécaloire)
- The UIMM as an employer organisation, and member of Mécaloire board, tried first to block the initiative before “tolerating it”. They see Mécaloire as competing with their own organisation and initiatives and the president of the board as a prominent representative of another - and competing ! - employer organisation.
- From trade union side, only one (CFDT) played a more active role: for its local representative, “Mécaloire has the cluster language and not a company one. Its will to participate to such a program is a good basis for social partners. So it is easier for us to contribute and to exchange”.
- Others unions remained absent or participated to meetings in a negative approach (“they only criticized and tried to stop our initiatives” said one Mécaloire representative). Some unions complained also about bad social climate in some of the affiliated companies.

6. Collective preparation mechanisms: lessons learnt and general assessment

What transferability of the case?

Mécaloire as a cluster is an experience of SMEs working together to cope with desindustrialization and innovation. Facing their lack of attractiveness, they developed a quite ambitious HR programme. Many clusters do not have such initiatives even if in the same Rhône Alpes Region, there are several initiatives including an HR aspect. But, for in the Loire district, Mécaloire has not really been copied of imitated by other business sectors: the

culture of cooperation among SMEs is still an emerging one and employers' organisations are not automatically promoting it.

However it seems that the trend is in favour of such initiatives in the future:

- Main contractors increasingly try to limit the number of their subcontractors and want global offers and global solutions: the only way for SMEs to be “in” is to work together.
- Public authorities try to promote this cooperation by funding clusters but also other initiatives like poles of Competitiveness (Viameca and many others) which might be used to develop collective actions⁷.
- New initiatives are also emerging: Not allowed, so far, to renew its HR programme, Mécaloire recently signed an agreement with Manpower to use their new “open ended” agency workers.

What collective preparation for change?

As a collective mechanism of preparation for change, Mécaloire has three aspects:

- A positive one: this cluster experience is a way to fight against SMEs weaknesses
 - o by affiliating SMES and making them work together, build alliance and look for innovation
 - o by bringing together various stake holders, public and private, economic and private willing to speak to each other and to collaborate in order to find out common solutions.
- A mixed one: the HR programme has been considered as a success for the companies involved but did not lead reach the others (the majority) and did not led yet to a real common HR strategy and obstacles for making new steps in that direction are still heavy
- A negative one though the very limited outcomes achieved in terms of social dialogue so far. Most of those clusters are still “terra incognita” for unions. And, in addition, Mécaloire experience has been slowed by the competition between two employer’s organisations.

List of people interviewed

- Mecaloire
 - o Jacques Patras, President (03.04.2014)
 - o Marie-Céline Rasclé, Director (03.04.2014 and 23.06.2014)
- Rhône Alpes Region
 - o Nathalie Maisonneuve (20.06.2014)
 - o Cathy Fillie (20.06.2014)
- Employment and labour administration (DIRECCTE)
 - o Jean-Christophe Cristoforetti and Philippe Daval (23.06.2014)
- St Etienne Chamber of Commerce and Industry
 - o Sandy Marion (24.06.2014)
- Social partners
 - o Luc Thorat – CFDT (January 2014)
- Loire district (“département”, 24.06.2014)
 - o Aurore Testard, In charge of « Netwoks and territories
 - o Serge Zarembowitch, Director for economic development

⁷ Indeed, Poles of Competitiveness gather many companies (big but also SMEs) whose aim is to develop collective and innovative projects. For now, they have more developed economic actions than considered the HR dimension.

III. Case Study – Thales TSA

1. Thales and TSA: key data

1.1. Thales Group

Thales Group is a French multinational company that designs and builds electrical systems and provides services for the aerospace, defence, transportation and security markets. It is partially state-owned by the French State (around 26% of the shares), and has operations in more than 50 countries. It has 68,000 employees worldwide and generated €14.2 billion in revenues in 2013. It is the 11th largest defence contractor in the world and 60% of its total sales are military sales. In France, the company employs some 35,000 people, 25,000 of them being engineers. Thales is governed by an Executive Committee (13 members) and a Board of Directors (14 members). Two delegates of the latter are elected employee representatives. It is organized in Global Business Units (GBU). This case study describes the situation at TSA (Thales Airborne Systems), which is one out of four companies belonging to DMS, a GBU specialized in aerospace, defence and defence mission systems.

1.2. Key information on TSA

TSA's main activities cover electronic combat systems, intelligence, surveillance, and reconnaissance systems. TSA is organised on three sites located in France: Elancourt (TSA headquarter and main R&D centre, near Paris), Brest (Brittany), Pessac (Bordeaux region). It employs 3,323 people (as of December 2013). Activity and workload varies considerably (from one to 100 times more) and changes quickly in reaction to developments on the company's important markets.

Currently, the most important job families are

- Research and technology,
- Architecture system and system engineering,
- Tests and equipment + software developments,
- Production,
- Marketing and sales,
- Integrated support.

TSA's management identifies two categories of skills in the company: the critical skills (called the "backbone") and the other skills (called the "muscle").

- Critical skills: within the 15 Thales job families, critical technical skills are those related to systems, hardware and software. The average acquiring skills period is 15 years (and many skills are very rare). Nowadays, the average employee age is 55 years
- Other skills, like those needed for R&D which employs 1500 people, have to be reactive. Here, the average time to build up the skill set is between 3 and 5 years (less for software, more for electronic).

An important feature of TSA's workforce is the generation gap between those between 30 and 40, and those above 50 years of age. As a consequence, the transfer and adaptation of skills are crucial issues for all stakeholders and form an important part of management policies.

With regards to staff levels, the number of TSA employees has constantly decreased over the past decade. At Elancourt, staff levels decreased from 2,500 in 2006 to 1,500 in 2013. In spite of continuous job reductions, there has not been a social plan (*Plan de sauvegarde de l'emploi, PSE*)⁸ at TSA since 2006, but changes were implemented through a range of short-term (GAE) and mid-term (GPEC) initiatives that were backed up by collective agreements at different levels. The remainder of this paper will discuss the process of formulation, implementation and governance of both sets of measures.

2. The Industrial Relations Context at TSA

Both management and union representatives underlined the peaceful and constructive nature of social dialogue at the subsidiary Thales Airborne Systems (*Thales Systèmes Aéroportés, TSA*). The trustful relationship has a long history of over 30 years and is seen as a prerequisite for all negotiations and the involvement of the social partners in the company's employment policies. A result of the industrial relations climate is the conclusion of a number of company agreements at different levels that cover both broad strategic aims and the development and implementation of concrete action plans.

At the European level, Thales has signed two framework agreements with the European Metalworkers' Federation (EMF). In 2010, the so-called TALK agreement (*Transparent annual Activity discussion for mutual Listening and developing professional Knowledge*), is designed to introduce compulsory annual assessment interviews with each employee. Based on a national experimental agreement concluded in 2006, the 2009 agreement on *Improving professional Development through Effective Anticipation (IDEA)* seeks to increase the employability of Thales employees through annual anticipation reports. These reports are to be discussed at European, national and local level and will feed into a concrete action plans. Both European agreements cover the entire Thales group.

At national level, there is a comprehensive agreement covering a range of issues on the company's anticipatory human resource management. The subsidiary TSA has its own implementation agreement that was negotiated with the local representative unions. Representative unions are those that have received at least 10 per cent of the votes in the preceding works council elections. Currently, three unions benefit from this status, CFDT, CFE-CGC and SUPPer. The latter is a spin-off of the CDFT and affiliated to the trade union confederation *Union syndicale Solidaires*, often abbreviated as SUD. SUPPer recruits its members mainly from TSA's technical staff and positions itself in a position that is more critical towards management, but does not disapprove of negotiations. All three representative unions have signed TSA's GPEC/GAE agreement.

This agreement includes a range of provisions on the short-term (GAE) and long-term (GPEC) management of a changing workforce (see section 4 below). In addition, social partners are involved in the governance of the agreement through a two-level system of monitoring committees. At group level, the central monitoring committee consists of three

⁸ French law stipulates that companies with more than 49 employees that plan to lay off at least 10 workers have to develop a so-called social plan that cushions the effect of restructuring on the workforce. PSEs may include measures such as internal or external mobility, the provision of training or flexible working time arrangements. Social plans are to be discussed with the works council and need approval of the local labour administration agency (DIRECCTE).

employee representatives from each of the signatory unions, a member of Thales' central works' council, and an unspecified number of managers from the human resource department. The central commission holds quarterly meetings and plays the role of a steering committee that watches over the "bigger picture", according to a CFDT representative.

Each of TSA's local plants has its own local monitoring committee that is similarly composed with the exception that there are only two representatives from each representative union. Local committees meet once a month. Their role is the implementation of the anticipatory management plan set out in the central agreement. Most notably, the members discuss over management's strategy, define the number and job families that are to be affected by the respective measure, propose criteria to choose possible candidates for early retirement, and are provided with information on the take-up of the current initiatives.

The assessment of the commission's effectiveness is ambiguous. Both management and the unions stress the importance of a continuous dialogue and a close cooperation in the design and implementation of the anticipatory management plans. Management underlines the importance of transparency towards the unions with regards to its human resource policies. A CFDT representative, however, states that the committees' role in the implementation is to be improved and that most measures are initiated by management. Moreover, the union asks to include a broader range of operational managers into the committee, which is currently limited to human resources. With regards to information, employee representatives often have to insist in order to get all necessary information. One of the other representative trade unions, SUPPer, reports an improvement in management's information policy in such a way that there now is formal reporting in place. Previously, management had just informed the committee that the measure had been implemented without providing detailed information.

More generally, there is a great degree of stability in the industrial relations climate at TSA. The employment policy agreements are usually negotiated in an atmosphere of mutual trust and signed by all representative unions, which, according to management, paves the way for a trustful social dialogue. Although strong trade unions are present at all TSA sites, the strategic choice to opt for anticipatory management practices instead of redundancies has allowed management to significantly reduce the workforce without any industrial conflict in previous years.

3. Relationship to external stake holders

The approach chosen by Thales to rely mainly on tailor-made internal employment policy and not to make use of the restructuring provisions provided by public authorities limits the impact of external stakeholders on the process. At national level, the company informs the Ministry of Labour, Employment and Social Dialogue about its restructuring activities. At local level, regional prefectures and local communities are informed through local management or Thales' local economic development unit (Geris). Geris is generally responsible for all issues concerning employment in the local community. Its role is specified in a chapter of the 2013 GPEC agreement that was concluded at company level (i.e. for the entire organisation).

In addition, management reports that there were a few cases of difference of opinion with local labour inspectorates. In case of the more common way to reduce the staff level through a social plan, the local labour inspectorate is in charge of the verification of this plan and plays thus an active role in the restructuring process. GAE/GPEC are internal means that replaces mass redundancies. Therefore, the public authorities may be informed, but the process of implementation is largely beyond the regulatory supervision of the state, which may explain a certain reluctance.

4. GPEC/GAE approach: history and present developments

4.1. Brief history

Until 2004, Thales managed restructuring mainly through collective dismissals and social plans. Subsequently, management wanted to adopt a new approach and decided to negotiate a “method agreement” with unions, but finally abandoned this option and chose to negotiate directly on collective solutions to manage a changing workforce. Therefore, they launched, in 2005, a first local round of talks on GPEC (forward-looking human resources planning, see below). In 2006, on the basis of the 2005 local experience but also as a part of a wider global deal including global revision of staff terms and conditions, trade union rights and social dialogue processes, the first GPEC agreement at group level was signed with all representative trade unions.

4.2. Present developments

Thales has adopted a global HR approach and change management. This includes, among others, sharing with employees and their representatives a mid-term and a short-term budget, a mid-term (3 years) employment road map and a skills management plan for each job family (3 years) complemented by an action plan. It also includes annual people reviews with yearly interviews for job development for all employees.

The TSA agreement has two interrelated sections:

- The GPEC section involving a mid-term and a long-term approach in a triple logic (prospective, HR development, management) and including sharing of the strategic vision, understanding of the environment, building a job project and implementing the approach for each individual. It contains a set of measures consisting mainly of
 - o A Central Commission for anticipation set up at group level
 - o Sharing of information with employees
 - o Training measures
 - o Support to mobility
 - o Territorial initiatives to foster employment
 - o Support to create companies.
- The GAE section focused on a short term approach (1-1,5 year) dealing with
 - o Short term challenges in terms of job reductions and redeployment
 - o A set of measures based on volunteers in each company concerned and for each individual, consisting mainly of
 - Training measures
 - Support for mobility within Thales group and TSA but also for external mobility in other companies
 - an early retirement scheme (*mise à disposition, MAD*)

- Retirement and possibility to get part time jobs.

4.3. Implementation

GPEC/GAE actions at TSA are implemented through a “core team” that composes of social partners mainly from the company’s employment and training commission and the central/local works council) at company level as well at plant level (see section 2 above). They are complemented by several communication initiatives directed at employees.

In 2013-2014, GPEC/GAE covered three kind of actions, the GAE adaptation (job cuts), the GAE creation (jobs created) and GPEC.

- 260 job cuts were realised through GAE adaptation and led to
 - Early retirement (MAD) for 87 people and retirement for 100,
 - Mobility within Thales group, 30 people, and 35 within TSA 35
 - Other solutions: 8
- 75 jobs were created by GAE creation through
 - New recruitments for 30 people
 - Mobility from Thales group, 20 people, and within TSA,25
- GPEC oriented measures consisted of 240 plans of acquiring skills (so-called PACs) representing 18,000 hours for mentored employees and 6,000 hours for mentors. Those GPEC actions involved in total some 800 people.

The acceptance of employees has been very high, according HR managers. For trade unions, management is too optimistic since employees know the approach, but comprehensive communication is still missing (notably with proxy managers). They are not fond of PACs since they are considered neither spontaneous nor natural.

A series of GPEC activities has been launched in 2013 in hardware engineering and is still in progress. In this TSA branch, there is an underload for certain jobs while skills shortage are experienced for some others. GPEC processes led to a plan for job development based on volunteer employees (no particular problems in 2012-2013) and involved 32 people in 2013 (18 in 2012) in the PACs in activities such as:

- Reclassification (2 people),
- Achievement of skills development modules for 16 people,
- Multi skilling modules for 8 people,
- Knowledge transfer modules for 6 people.

37 mentors and one “ambassador” (focal point for all managers involved) played a key role. PACs included mentoring “at the workplace” and dedicated theoretical training (3-6 months). Those actions were monitored by social partners, through the TSA Employment and training commission and the works councils.

5. GPEC, GAE and job preservation and creation

Thales is cutting jobs but thanks to GPEC/GAE it preserves employment and sometimes creates new employment. At group level, 2,200 jobs have been cut and redeployed in the last years. Moreover, 1,100 additional jobs have been reduced since June 2013, but with 740 people redeployed.

TSA experienced five waves of GAE and it is becoming increasingly difficult to identify volunteers. The five GAE were:

- 2007: 290 jobs cut and 108 jobs created,
- 2009: 210 jobs cut and 123 jobs created,
- 2010: 205 jobs cut and 89 jobs created,
- 2011: 63 jobs cut and no jobs created,
- 2013: 260 jobs cut and 75 jobs created.

As restructuring may have a very differentiated impact on employees depending on their qualification, their employment relationship, their age, their health, the issue of how GPEC/GAE had an impact on “vulnerable employees” has been raised.

- Young people are not ‘sacrificed’ during those changes, merely because they represent a small group of new recruits. TSA employed, in 2013, only 308 people under 30 years (less than 10 per cent of the workforce) and 54 per cent of them (163) were in various forms of apprenticeships. The latter is increasing with 125 apprentices in 2011 and 148 in 2012. In addition, trade unions claim that the company invests increasingly in the recruitment of young people, some unionists insist on taking into account diversity as a criteria for recruitment and demand that the apprenticeship tax is attributed to high schools in neighbouring towns with problematic areas. Last but not least, CFDT claim that management should recruit not only engineers but also technicians and also to take them from the neighbouring areas. According the management there is no specific restriction for people having a migrant background.
- Fix term contracts are rarely used at TSA with 180 people employed as such by the end of 2013 and 90 per cent of them being apprentices. Furthermore, an average of 19 agency workers per month have to be added.
- Over the past years, flexibility was sought to be achieved through the provision of services by subcontractors but their use decreased over the last 15 years by a factor of three to a number of some 40 full time equivalent employees in 2013. Last but not least, the issue of psycho social risks, often associated to restructuring and organizational change, was not mentioned by none of our interviewees.

6. GPEC/GAE costs, returns and assessment

6.1. Costs and returns: managerial views

GPEC/GAE costs are known by management but were not available for this study. However, HR managers estimate that they represent an additional 15 % in comparison to restructuring plans. For management, these additional costs produce many positive side effects compared to restructuring plans in terms of good social climate, absence of strikes, increase of global competitiveness. GPEC/GAE also helps to

- Quickly manage employment downsizing while safeguarding the operations and competitiveness
- Redirect training policy and spending to actions closely related to GPEC (instead of responding to a collection of individual demands)
- Manage parts of the new approach outside of the HR department by
 - o Top and front managers (despite the fact that top managers still assess GPEC mid-term approach performance according GAE short term achievements),

- Trade unions and employees representatives
- employees; for example, the participation rate of employees in self- declaration of their 3 key skills amounts to more than 85% of the staff

According to HR managers, GAE becomes now more complicated

- The reservoir of “early retirement”, popular among employees, is not unlimited;
- The mobility in the group proves difficult although thanks to GPEC, more people are now less reluctant to move.

The expectations from the Indian market, from which substantial orders are expected, are high but, in terms of skills, HR managers do not consider it as a serious issue: “we have still skills and some other markets will be at the end. If it happens, it will only last for 3 years”. But obviously, if it does not happen, GPEC/GAE will be at risk: “we will be in a big trouble”.

6.2. Assessment by trade unions

Trade union representatives have different views, which converge on certain points.

SUPPER

- For them, GPEC is a tool to bridge the current situation and the situation in the future (what are my needs in 3 years, what actions are to be undertaken?). Their representatives stated that they were always in favour of GPEC and criticized management not to implement it. They did not accept the GAE agreement negotiated centrally at group level but signed it at TSA only because they succeeded to obtain more favourable terms of GPEC and GAE in the company agreement. For them, it is a progress compared to social plans period, but GPEC/GAE led to very individualized processes whereas social plans are collective and unions may reply to the latter by their classical collective means. Moreover, it was reported that an individual approach and the proposition of departure through internal or external means had a negative impact on employees’ self-confidence and their perception of being taken seriously. Today they consider GPEC at Thales as a bit abstract, compared to GAE.
- The measures are not assessed in the same way:
 - One third of the GAE is realised through early retirement, but the other two thirds are much more difficult even when based on volunteers (proposed to the team, but focused de facto on specific people). With MAD, no transfers of skills are organized (no people to be transmitted, no capitalization of knowledge)
 - PACs are not bad but not enough. They need to be implemented more practically and less theoretically. Obstacles arise not from HR but from operational managers since resources are taken from their budgets and not from the training funds
 - The workload within the same department is not always balanced. Moreover, if the company receives a great number of order from the Indian market, this would be the true stress test of GPEC: “We will face a wall and huge shortage of people and skills”, said one of the union representatives.

CFDT

- CFDT signed the first GPEC agreement in 2006, in 2013 at group level, and at TSA level (GAE). Because of big fluctuations in the activity, it was necessary to find innovative processes to maintain and even to create jobs: the more people are skilled, the easier will be their position on Thales internal labour market. Priority has to be

given to group mobility within Thales and especially towards the subsidiary Optronics that is also located in Elancourt. Beyond GAE, GPEC mainly consists of PACs and may be extended to a more comprehensive approach.

- The union criticises that the constant presence of GAE measures, i.e. the permanent proposition to employees to leave TSA, creates an atmosphere in which even younger workers with skills that are needed tend to leave the company because they do not see a future for themselves within Thales.
- The strong point about GPEC/GAE is that it allows more individualised processes thanks to mentoring (before it was based mainly on training plan) and more workplace learning with more experienced people. Moreover, as regards the creation of jobs, trade union are better informed.
- The weak points relate to the age pyramid which makes it more difficult (when average age is around 55) and to the fact that, up to now, activity has been decreasing making employees more anxious about the future and less ready to accept mobility. In addition, GAE will be too short if the Indian market is not confirmed (here, CFDT disagrees with the company strategy about the priority given to military).
- Union representatives report that the most successful measure is early retirement with very rare returns to work, except when finally the job is not cut. In the words of the CFDT official, “without MAD, GAE would never work, especially in regions such as Brest in which job opportunities are rare.”

7. Collective preparation mechanisms: lessons learnt and general assessment

7.1. Social dialogue and GPEC at Thales and TSA: a long history and a sophisticated process

Managing change is not new at Thales and the GPEC/GAE approach has been tried within the group and its subsidiaries for some eight years. This new approach is a collective mechanism involving managers and employees representatives aiming at both anticipate and manage important changes. It relies on:

- A profound social dialogue culture developed quite continuously over the last 30 years;
- A sophisticated tool box combining a range of long, mid and short term measures aiming at
 - o Continuous exchanging and sharing strategic information;
 - o Fostering internal and external motilities within Thales and outside of the company and the group;
 - o Avoiding the ‘trauma’ of dismissals and social plans;
 - o Recurrent monitoring of activities and actions undertaken.

7.2. Strengths and weaknesses

Thales (and TSA) experiences seem to have some success. The combination of long, mid and short term measures is extensive and directed to all employees independent of their qualifications, status, locations or seniority. It has been proven quite efficient and positive outcomes are identified in terms of job-to-job transitions, but also with regards to social

climate and competitiveness. This approach also “resisted” to the new contradictory top managerial attempt largely because of its quite deep rooted background. It is shared by all trade unions at group and company level. The costs, according to managerial sources, are not much higher than those related to common restructuring plans with regard to their financial and non-financial ‘returns’. In spite of critical remarks by the unions on some side effects of GAE/GPEC, an employee representative also stressed that the strategy was a good trade-off between management’s aim to decrease the average age and some of the employees concerned who were satisfied to leave into early retirement.

Well known in France, the Thales example is a quite successful achievement and quite exemplary for big French multinational groups. Last but not least, the fact that two European framework agreements have been signed on similar issues is a sign of both acceptance and transferability within a wider national and social scope.

However, some limits of their sustainability and /or transferability might be identified:

- The context of the defence industry is more stable than others and the high qualification of the workforce makes it difficult to be imitated by other sectors with different workforce structures
- Even if the costs are not much higher than those related to restructuring plans, they are significant (in the social plans periods, those implemented by Thales were considered as generous and costly): not all company can afford them. What will happen in the future if budgetary constraints become much more strict ?
- The company main actors have resisted to attempts made by the new CEO in 2011-2012 to implement another approach. But new CEO will be appointed in the future. Therefore, it is unclear to what extent they will take the company culture of social dialogue for granted or as a beneficial factor, especially if they are driven only by short term financial indicators?
- A large part of the GAE measures rely on early retirement, but such a strategy is costly, dependent on the existence of a sufficient number of people at early retirement age, and it cannot be pursued indefinitely since the age pyramid will reverse eventually. Moreover, high employee turnover causes problems of knowledge transfer, especially in an environment that draws in highly specialised and company-specific skills. The short-time GAE initiatives must thus be combined with complex and resource-intensive transfer measures and cannot be adopted separately.
- Last but not least, the expected Indian market will be a stress test for the GPEC/GAE approach at TSA: if it is confirmed, the company will be probably facing a shortage of skills, if not will the “soft” measures included in the present GPEC/GAE be able to cope with?

List of people interviewed

Management

- Pierre Groisy (Thales group, Industrial Relations Director, June 10 2014)
- Didier Pignon (Director for anticipation and skills June 10, 2014)
- Pierre-Henri Haran, (TSA, HR Director, June 10 and 27))
- Stéphanie Citroën, (TSA, June 10 and 27)
- Jean Marc Chabroux (June 27, 2014), member of the TSA GPEC/GAE core team
- Estelle Trancart (Competitiveness and skills manager for hardware engineering, June 27)

Trade union representatives

- CFDT: Bernard Borredon (TU representative at CCE, ex CCE secretary, CFDT, June 27, 2014)
- SUPPER: Jean Chambrun and Gérard Guilvard (TU representatives and members of the Employment commission).

IV. Lessons learnt and preliminary conclusions

Managing change in France has been an important issue for years. Many reforms have been introduced by law and through social dialogue at different levels. Innovation in private companies' practices are numerous. Financial and non-financial incentives have been set up to support both companies, including SMEs, and employees in those processes. *TSA GPEC/GAE* as well as *Mécaloire initiative* are quite exemplary though their transferability seems to be limited.

Main trends to be emphasized are:

- The developments of various, multi-levels and multi-stakeholder frameworks to better anticipate and prepare change;
- The priority is given to negotiations instead of information or consultation primarily at company level
- The diversity of tools to boost employability
- The attempts to redirect training activities and funds to better prepare change
- The multiplication of territorial initiatives.

Some of those measures are too recent to assess their impact. However, serious concerns have to be mentioned:

- An effective implementation of anticipatory human resource management policies as discussed in our case studies requires a substantial amount of resources, which are not available in all workplaces. Additionally, GPEC at company level produces limited impacts on employability and mobility;
- The effectiveness of labour market reforms remains weak;
- Sustainability of local and territorial initiatives in terms of funding, stability, visibility, coordination or access to companies and employees is at stake; their coverage as well as their outcomes are still limited;
- The empowerment of individuals has just started;
- The dualisation of the labour market is not decreasing and most people working with short term contracts are hardly involved in those innovative measures;

Improvements have been made when comparing collective preparation mechanism with the situation 10 or 15 years ago. But the system as such lacks of clarity, accessibility and sustainability, especially for people not working in large companies. Therefore and not surprisingly the collective trauma about economic dismissals is still there.