



## Relaunching Collective Bargaining Coverage in Outsourced Services

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### RECOVER IN BRIEF

Funded by the European Commission DG Employment, Social Affairs and Inclusion and involving 5 European partners, the RECOVER project analyses whether and how the growth in outsourcing and subcontracting is triggering coverage problems for workers in these outsourced services. The project will accordingly compare cases of collective bargaining coverage gaps in outsourced services at sectoral and company level in six countries.

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### Editorial

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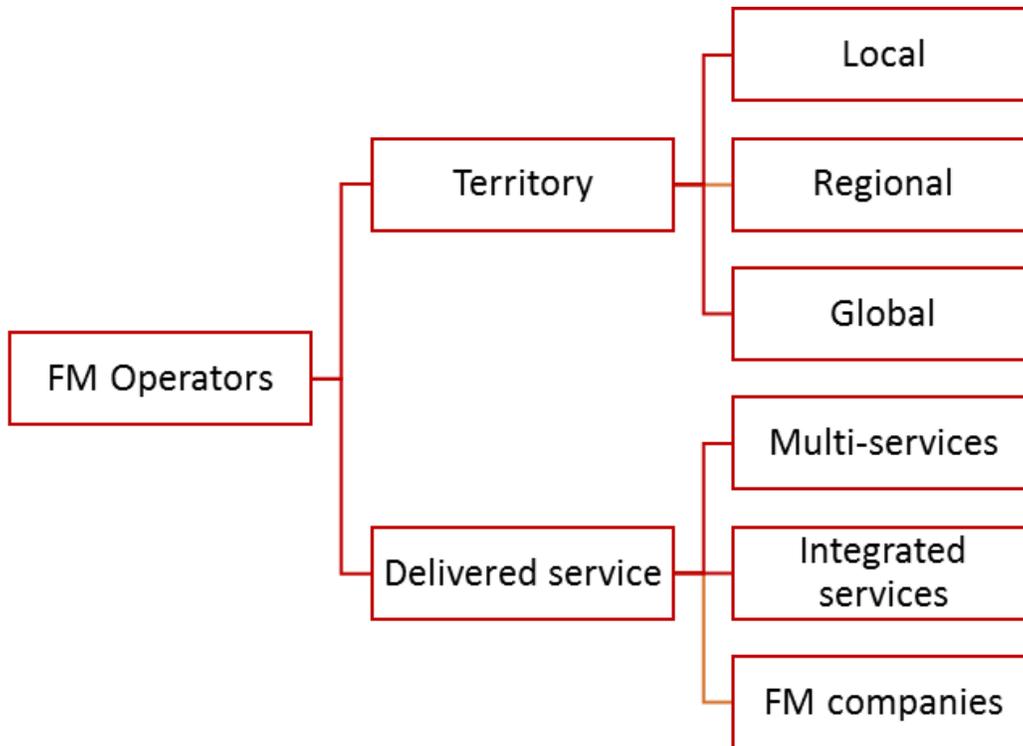
### DEFINING FACILITY MANAGEMENT

There are several barriers to define Facility Management since it is a separate and relatively new business activity, implying a range of interdisciplinary approaches and sectors, and without a universally agreed definition on what it comprises exactly. In any case, common definitions throughout each discipline and national context agree to refer Facility Management to the integrated management (and delivery) of non-core services and processes supporting the core business of an organization.

The facility management is an increasing outsourcing form concerning companies that offer multiple services. In terms of activities, Facility Management traditionally covered maintaining infrastructure and buildings, managing equipment and furniture, efficiently supplying resources and removing waste. However, other functions, such as supervising environmental management systems are increasingly becoming part of the role. This range of activities supply is becoming Facility Management in one the largest business services market in Europe: several studies estimates 5- 8% of GDP depending

on the country, although its difficulty to quantify due to the fragmented activity of FM companies. Those facility management companies are generally classified according to their territorial scope, distinguishing companies that supply outsourced services to client organizations at local, regional or global level. Also, in relation to the extension and complexity of their supply.

## Facility management companies classification



## INDUSTRIAL RELATIONS IN THE FACILITY MANAGEMENT BUSINESS

At European level, EuroFM (European Facility Management Network) and IFMA Europe (International Facility Management Association – Europe) are the largest trade associations in Europe. EuroFM works also as a professional association representing Facility Managers within the business. There are not employer associations at European level organized particularly to represent the activity, but at sectoral level. Regarding workers representation, employees developing facility management activities are represented in ETUC (European Trade Union Confederation) through its sectoral federations and through European works councils

in cases of facility management multinational firms present in several EU member states.

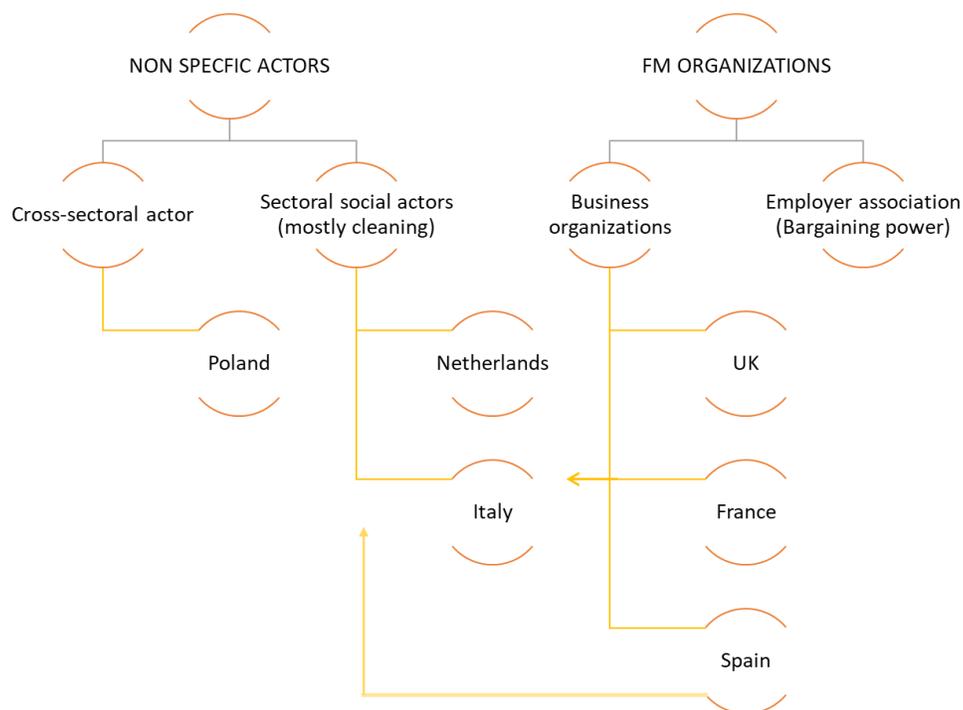
At national level, the structure of industrial relations is more complex due mainly to the sectoral heterogeneity of the facility management business. The representation structures of workers and employers tend to be organized around sectoral logics through federations and associations linked to the development of a specific economic activity. Although, there are several variations in each country that are noteworthy (Graph X). In one hand, it is necessary to differentiate those countries that do not have actors that specifically represent facility management companies or their workers, thus lacking social dialogue specifically for this business activity. This is the case of Poland, which in general reflects the absence

of supra-entrepreneurial social actors in a large part of the country's economic activities.

On the other hand, most countries have sectoral organizations that represent the firms of the Facility Management business according to the various activities that they develop. For instance, in Netherlands the five largest facility management companies are members of one or more of the employers' organizations of cleaning,

contract catering, and security sectors. Similar case to Italy, where facility management companies counts with representation through sectoral federations, affiliated to the major employers' organisations, operating in the sector of cleaning industry, that counts within a section of multi-services industry. This organizational scheme is due to the initial trajectory of most FM companies in the cleaning activity.

### Industrial relations actors of facility management business.



There is a corresponding situation in France: facility management companies are represented by the sectoral federations linked to the activities they carry out, as well as by the main national organizations due to the beginning of most of French FM firms as a single activity model. In fact, most of them continue to develop this activity with a higher weight in comparison with other

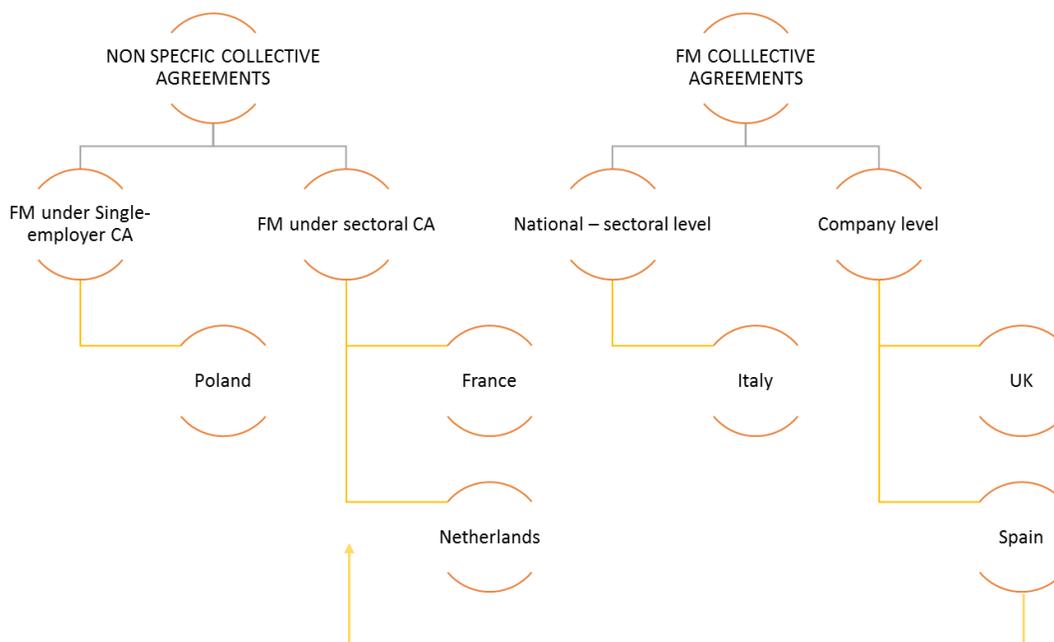
activities in the company (mainly building maintenance, cleaning, security, contract catering, and logistics services). However, the differential issue of France is based on the existence of three facility management trade associations (aka business organizations), representing most of the firms and also many managers at professional level, but without collective bargaining

power. In a similar way, UK counts with trade associations for facility management companies, despite UK employers' organisations have little role to play in collective bargaining. In that sense, main FM business organization fulfil lobbying and advice activities, although it addresses a wide range of services, not only those linked with FM activity.

The Spanish scenario is probably the most difficult to categorized, closely related to current dynamics of its collective bargaining system. The lack of adequacy of regulations to facility management phenomena together with 2012 labor reform that gives priority to company

level agreements enhanced the proliferation of facility management companies with their own agreement to downgrade employment conditions settled at sectoral level. However, the Spanish Justice system cancelled most of them. Afterwards, some of the largest facility management businesses were organised as association, maintaining non-formal meetings to launch an own employer association aimed to promote sectoral collective bargaining for facility management business. Initially, largest unions supported the initiative, but finally they retracted. Therefore, this FM association is practically disappearing, returning to both sectoral representation and negotiation.

### Collective bargaining system in facility management activity



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Besides the Spanish case, the mutual impact between the configuring of social actors (eminently employer organizations) in facility management business and the coverage of collective bargaining has not been so critical (Graph X). In Poland, the lack of sectoral social actors reflects its single-employer collective bargaining system in the whole of its economy, including facility management. As do so UK collective bargaining system, where company level collective agreement for facility management companies are predominant. France and the Netherlands also do not have specific collective agreements, where there is social dialogue in sectors linked with facility

## **FACILITY MANAGEMENT COMPANY CASE STUDY**

RECOVER project has developed the comparative analysis of the same facility management multinational company in each country to observe organizational practices addressing each institutional framework. Multiserv is a multinational firm of more than 100 years and with presence in Europe, Asia, America and Australia. Traditionally it has been a cleaning company with an important international expansion during the 1990s and 2000s. Today it counts with more than 530.000 employees in 50 countries, with relevant workforces in UK, Spain and France.

Today Multiserv provides and manages all the general services that a facility or company may require. In this sense, the strategy of the company is to offer these services in a comprehensive way to their clients, not only supplying these services, but also coordinating between them and the core activity of clients' organizations.

management: cleaning (most common in France), contract catering and security above all.

In the other hand, in Italy there are national collective agreements covering multi-services, global services and facility management companies. The most important one in terms of coverage is bargained together with the sector of cleaning activities, thus resulting a collective agreement at national level for the so-called sector of cleaning and multi-services. This agreement is a progression of the one concerning (and covering) cleaning companies, responding the transformations of the sector to wide and differentiate the range of services offered.

## **Collective bargaining coverage**

Regarding those countries with a limited system of industrial relations, in UK, there are not sectoral neither company collective agreements covering the entire company. Sectoral agreements do not generally cover the activities that Multiserv develops. For a substantial part of employees, working conditions depends on contract with the client firm. Thus, the collective agreement of this client organization (in case any agreement covering) has effect on Multiserv employees. As a result, all workers do not always get same wage, even developing same position, tasks and duties once it changes regarding the client. Consequently, there is a large variety of working conditions within the company. About Poland, its weak industrial relations system leads to the non-existence of collective bargaining at all concerning the activities of the company. Individual negotiations are conventional, placing workers in weak position. The workers' bargaining position is fragile in comparison to employers' one, resulting low wages, high insecurity, and common and arbitrary inequality.

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On the other hand, Multiserv employees in the other countries (France, Spain and Netherlands) cleaning and other sectoral agreements apply. Even with sectoral social actors being responsible of collective bargaining processes, the firm usually plays an active role. In certain cases, there are company agreements for the administrative and the management staff, or for activities not covered by any sector agreement. The consequent advantages are relative higher wages, less insecurity and generally better working conditions in comparison to the cases of Poland and UK. Also, some of these sectoral or company level agreements include mechanisms limiting few-hours contracts and work-load intensification, allowing additional initiatives. However, the main complication is the fact that Multiserv as such is mainly not covered. Thus, the common scenario is that the company deals with many different agreements. In addition, there are uncertainty situations once addressing these employees developing more than one activity. However, the company generally prefer this situation since brings them security regarding the agreement to apply, although it complexes the work of workers representatives.

A third coverage scenario is the application collective bargaining exclusively for facility management. In general terms, that is the case of Multiserv in Italy, where the sectoral agreement of Cleaning and multservices apply for many of the activities developed by the firm. Although, some others not covered by the agreement do so with other sectoral agreements regarding the activity. However, the effects of the coverage of this agreement is similar to those others covered by sectoral agreements as Spain, Netherlands and France.

## **PROJECT FINAL CONFERENCE INDUSTRIAL RELATIONS RECKONING WITH OUTSOURCING. Regulation, practices and challenges in Europe**

The conference "Industrial relations reckoning with outsourcing. Regulation, practices and challenges in



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Issue #4 February 2019

Europe” brought together the partners, stakeholders and interested audience on 4 December 2018 in Barcelona.

The conference aimed to advance the dialogue between policy makers, civil society and researchers to discuss regulatory frameworks, social actors practices and beyond challenges in Europe.

You can download the presentations from the conference [here](#).



More info in the RECOVER official web:

<http://pagines.uab.cat/recoverproject>

With the financial support of:



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