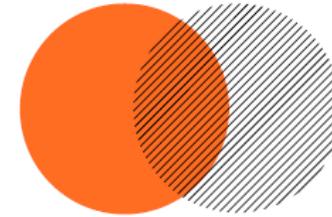


INDUSTRIAL RELATIONS RECKONING WITH OUTSOURCING

Regulation, practices and challenges in Europe



RECOVER FINAL CONFERENCE



EMPLOYMENT, SOCIAL AFFAIRS & INCLUSION

04
12
2018



Barcelona

Final Conference

The RECOVER Project: An Overview

Casa de la Convalescència, Barcelona
December 4th, 2018

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Alejandro Godino

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Autonomous University of Barcelona



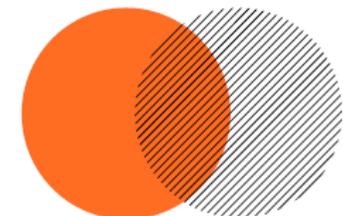
Outline



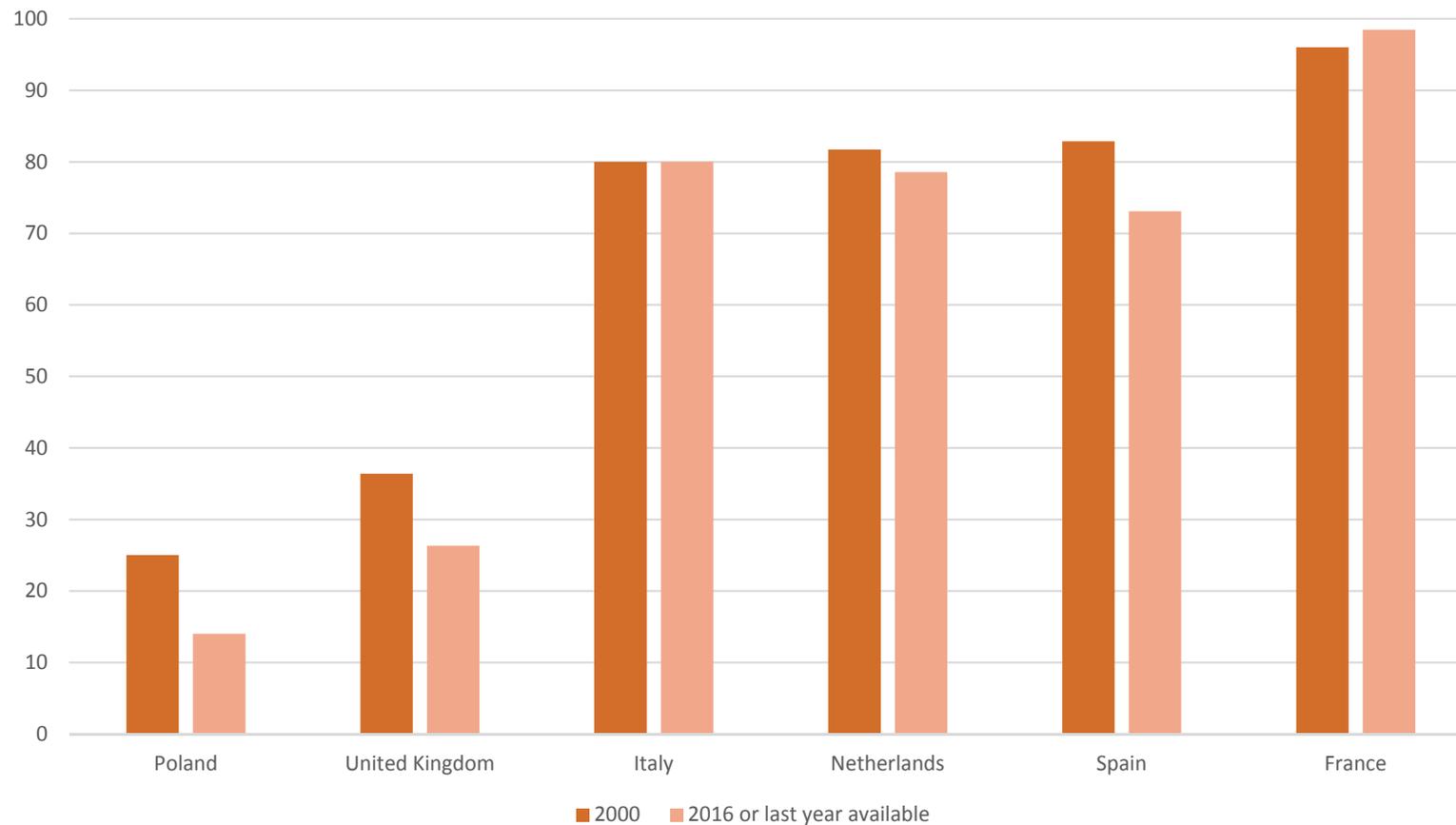
- The Final Conference: Objectives, Agenda and Organisational aspects
- The RECOVER Project: Objectives and Research implementation
- Outsourcing and Collective Bargaining

- 09:00** Welcome Coffee and Registration
- 09:30** **General project overview and comparative results**
Oscar Molina - Sociological Research Centre on Everyday Life and Work
- 10:00** **Bargaining coverage conflicts in outsourced intensive occupations**
Jan Czarzasty - Institute of Public Affairs
Nöelle Payton - Amsterdam Institute for Advanced Labour Studies
Marcello Pedaci - Università degli Studi di Teramo
- 11:15** Coffee break
- 11:45** **Outsourcing and collective bargaining in high skilled activities**
Bernd Brandl and Anne Kildunne - Durham University Business School
Joan Rodríguez - Sociological Research Centre on Everyday Life and Work
Alejandro Godino - Sociological Research Centre on Everyday Life and Work
- 13:00** Lunch
- 14:00** **The Facility Management challenge**
Maarten Keune - Amsterdam Institute for Advanced Labour Studies
Alejandro Godino - Sociological Research Centre on Everyday Life and Work
Moderator: Dominik Owczarek - Institute of Public Affairs
- 15:30** **European round table**
Social partners from countries and sectors involved in the project
- 16:45** **Concluding remarks**
Oscar Molina - Sociological Research Centre on Everyday Life and Work

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Collective Bargaining Coverage



Source: ICTWSS and OECD

Research Questions



- Is the decline in collective bargaining coverage related to outsourcing?
 - Do we observe coverage gaps for workers in outsourced services?
- How are trying social partners to address the challenges posed by outsourcing?

Implementation



- Six countries, three case studies per country

	Activity I	Activity II	Facility Management
FRANCE	Railways cleaning	IT services	FM
NETHERLANDS	Logistics	Employment services	FM
POLAND	Healthcare	Security	FM
SPAIN	Chambermaids	Journalism	FM
UK	Healthcare	Security	FM
ITALY	Cleaning	IT services	FM

Blurring sectoral boundaries



- One of the underlying motivations of the project: blurring boundaries of companies and / or sectors
- In the RECOVER project we're particularly interested in the sectoral dimension
 - Is the sector losing its role as key dimension for the coordination of collective bargaining and industrial relations more generally?
 - Collective bargaining in most EU countries is organized on sectoral basis
 - Trade unions and employer organisations are also organized along sectoral logics
 - But growing outsourcing is challenging the notion and the identification of sectors
- This means that existing institutions may not be adequately suited to deal with the challenges posed by outsourcing.

The Object of Analysis



- Sectors vs Activities / Occupations:
 - The focus is on outsourced activities
 - We accordingly want to analyse collective bargaining coverage problems for workers (dependent, self-employee, TAWs) that provide an outsourced service in any sector of the economy
 - When doing the analysis, there will two levels of analysis:
 - General level: provide a perspective on the coverage problems facing different types of workers providing the same service in any sector of the economy
 - Case study of a particular group of workers facing coverage problems

Outsourcing vs Subcontracting



Outsourcing	Subcontracting
Permanent	Temporary – Project Based
Both skilled and unskilled activities / services	Usually requires workers with specific skills not available in the company
Long-term relationship between client and supplier	Short-term relationship between client and supplier

Outsourcing and Collective Bargaining



- Important questions in the outsourcing debate:
 - Why?
 - What?
 - How?

Why? Explaining Outsourcing



- There are several explanations for the development of outsourcing from the micro or organizational level:
 - Transaction costs (McCarthy and Anagnostou 2004)
 - Asset specificity
 - Core competencies (Arnold 2000)
 - Flexibility
 - Transfer of demand uncertainty
 - Reduction of direct and indirect labour costs
- Understanding the motivations is not the main objective of the project
- However, the project has a comparative approach whose objective is precisely to understand how the national context impacts on some of the variables we study
 - This is the case particularly for institutional variables

Institutions and Outsourcing



- Two types of institutional factors:
 - Labour market regulation; flexibility to hire and fire
 - Industrial relations and collective bargaining

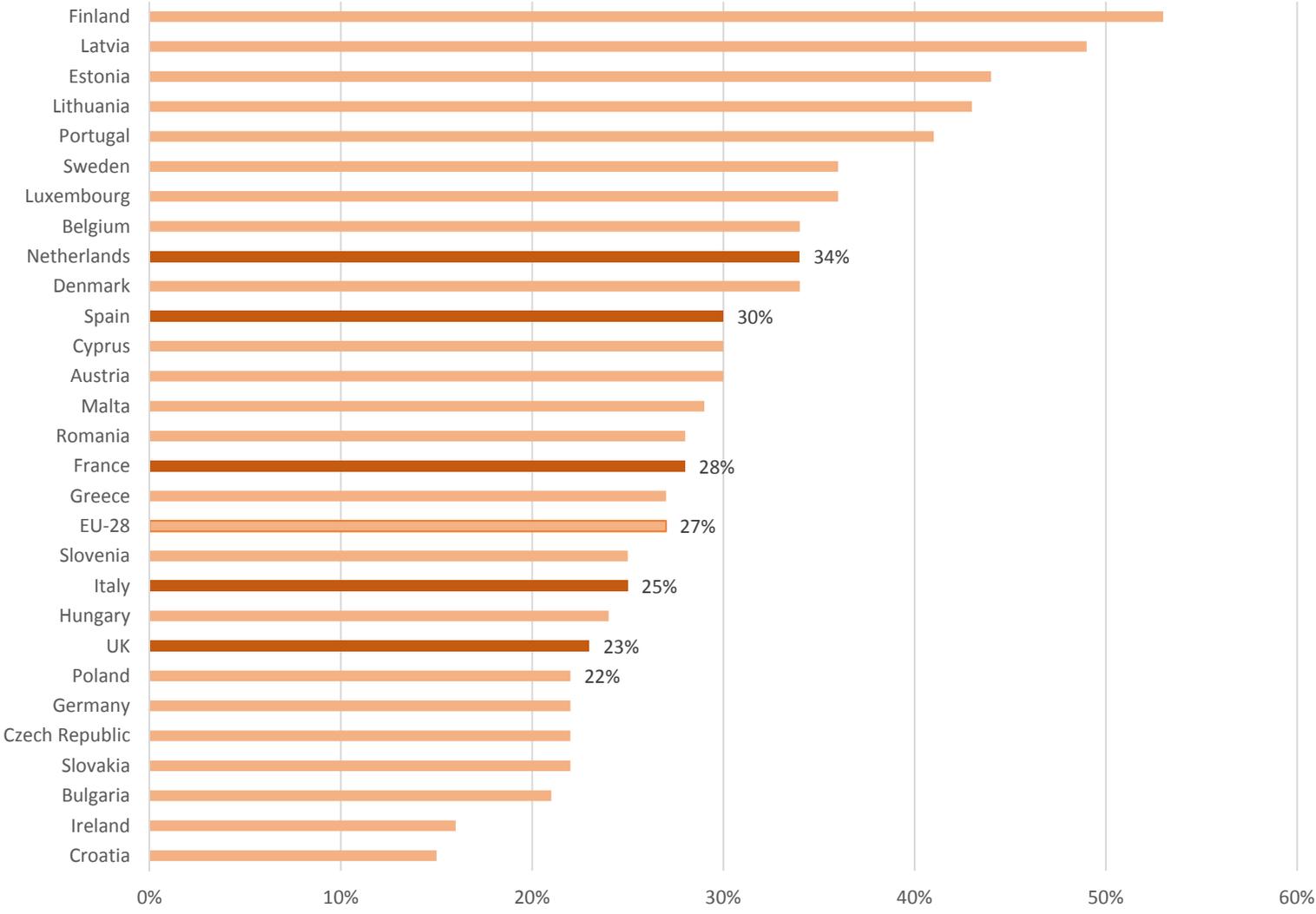
- Hypothesis:
 - Companies will be more inclined / have more incentives to outsource in those countries with stricter labour market regulations; outsourcing as a functional equivalent to flexibility
 - Companies will be more inclined / have more incentives to outsource in those countries with stronger trade unions, higher trade union density, higher collective bargaining coverage (or CB extension mechanisms)

Why and How? Explaining cross-country variation



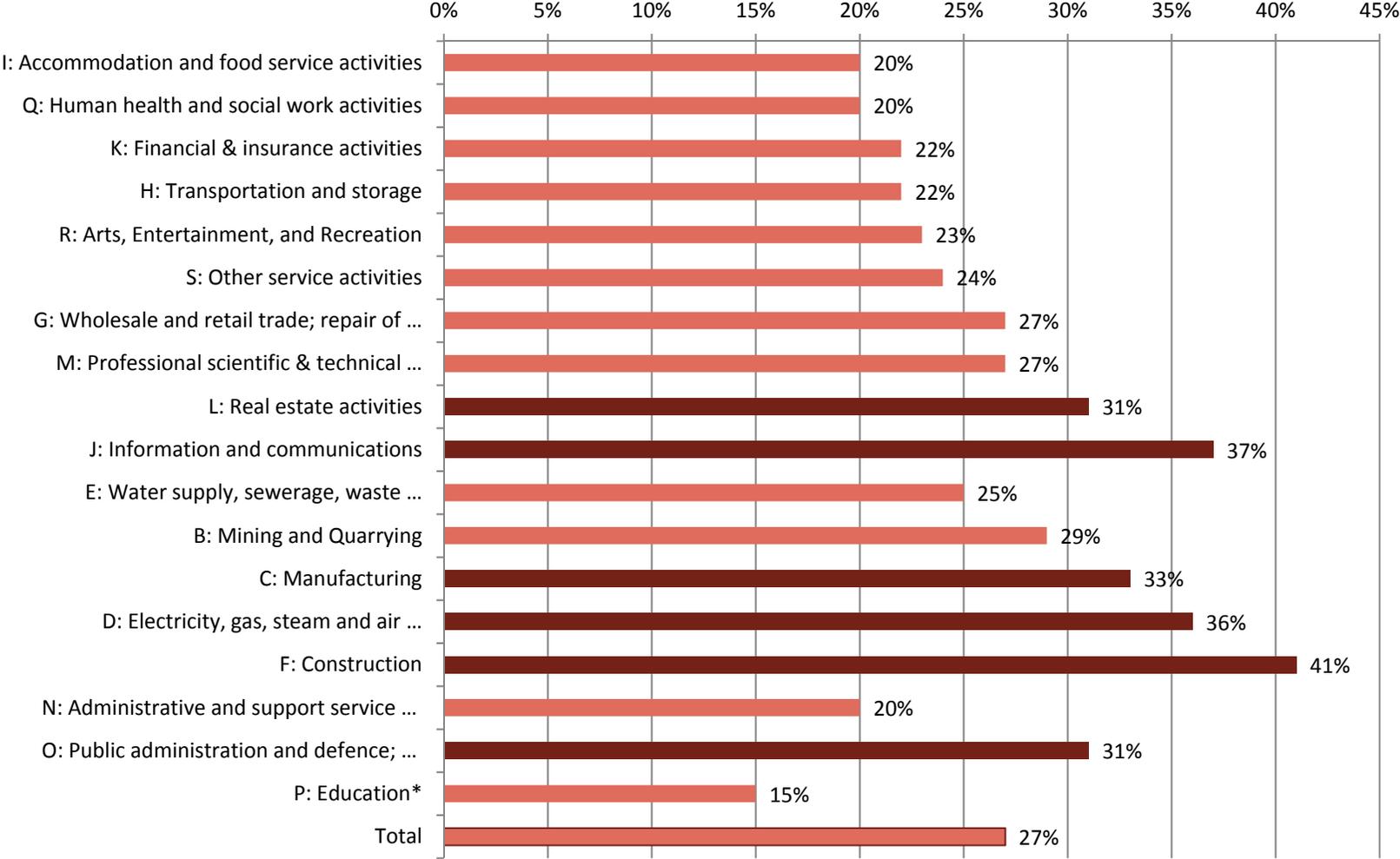
- We can expect differences across countries, both in the main motivations (**Why**) as well as in the mechanisms whereby outsourcing takes place (**How**)
- In order to explore the first, we're carrying out a quantitative analysis using ECS data in order to understand how the national context impacts upon the reliance on outsourcing
- The idea is to assess the influence of institutional factors on the extent of outsourcing
- Unfortunately, the ECS only provides (imperfect) data on whether the company outsources, not on Why or How

Extension of Outsourcing



Source: ECS 2013

Extension of Outsourcing

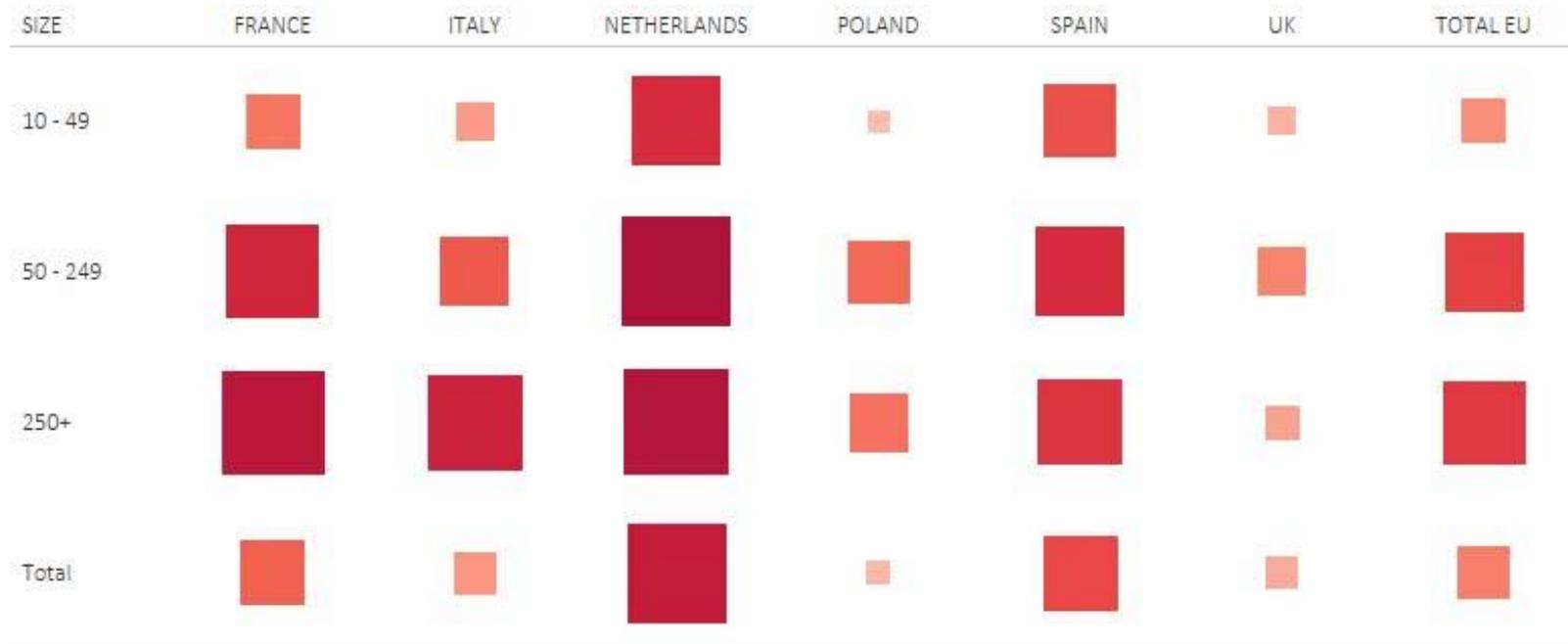


Source: ECS 2013

Results of Multi-level Analysis



- Preliminary results suggest no incidence of institutional factors on the outsourcing decision
 - Institutional (country) effects limited to 20% of variance
- Only company size seems to have a significant effect



How? Explaining different forms of outsourcing



- Outsourcing is an evolving and multi-dimensional phenomenon
- Outsourcing can take many forms:
 - Another company / organisation
 - A self-employee / free-lancer
 - A multi-service, facility management company
 - TAW
 - Crowdsourcing
- The type of outsourcing depends on many variables:
 - Activity outsourced
 - Size of outsourcing (client) company
 - Driver for outsourcing
- Some of them are particularly disruptive for employment relations and collective bargaining coverage in particular
 - This would be the case of using self-employees

Important aspects for discussion



- Is outsourcing behind the decline in collective bargaining coverage?
- How to better protect workers in outsourced activities?
- Are sectors losing regulatory capacity in CB?
- Which policies and mechanisms have been implemented by social partners in order to address coverage gaps and eroding working conditions for workers in outsourced activities?

Important aspects for discussion



- What is the main challenge posed by outsourcing in your country / sector? In particular, is outsourcing eroding working conditions and undermining collective bargaining (coverage) in your country / sector?;
- b) Are multi-service or facility management companies creating additional strains on collective bargaining?
- c) How is the impact of outsourcing on industrial relations being addressed by your organisations? Could you please explain specific policies put in place?