



DIGITALISATION AND RESTRUCTURING: WHICH SOCIAL DIALOGUE?

Lessons from the DIRESOC project

Project Synthesis Report

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Lessons from the Diresoc project

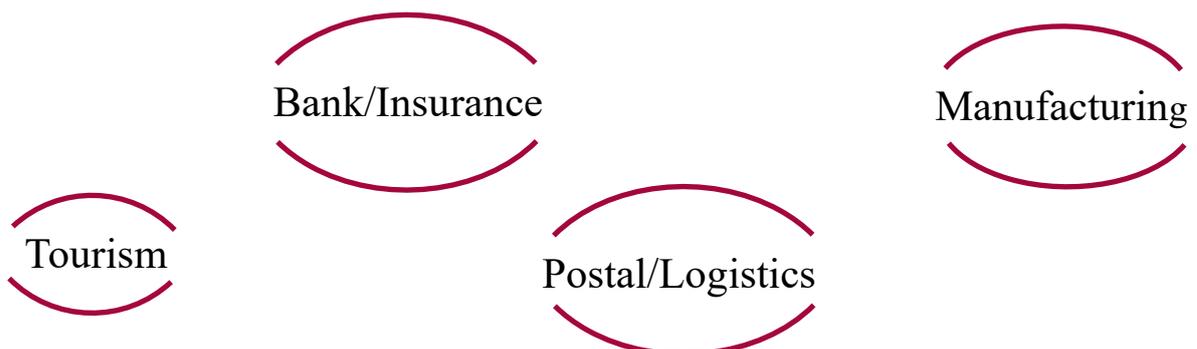
Digitalisation has been at the forefront of academic and public sphere attention for several years. Carried out by a network of independent academic experts and trade unions' related research institutes, the Diresoc project intended to contribute to a better understanding of the way social dialogue may play a role in shaping the ongoing processes of restructuring resulting from digitalisation while, as well as, the ongoing processes of restructuring resulting from digitalisation may contribute to shaping social dialogue.

The project included **different work packages** covering eight European countries:

- **a literature review** and interviews to provide information on the state of the art of the project's topic,
- **a transnational survey** of the current situation and the prospective evolution of the topic from the point of view of the different stakeholders in order to identify perceptions and expectations (657 respondents from 8 countries, employer or union representatives), and
- **company case studies** focusing on consolidated business searching to highlight inspiring practices (15 companies analysed in depth).

On this basis, the project aimed to triangulate empirical evidence regarding the implementation of digitalisation processes and the related labour impacts as most of the analysis carried out so far have been on a macro level.

In order to take stock of the variety of sectoral situations, the research project selected **four specific industries** considering their economic relevance and technological variety:



Three general questions were at the core of the DRESOC project:

- To what extent is digitalisation a reason for restructuring?
- To what extent does digitalisation influence the restructuring regimes at national level?
- Does social dialogue play a role in shaping the restructuring processes analysed?

OUR RESEARCH SHOWS

- that it is often difficult to identify to what extent digitalisation is the main reason for restructuring. In most cases, digital changes often combine with other restructuring factors.
- that digitalisation is clearly a reason for restructuring, as it is often combined with both internal and external drivers for change. In the final analysis, the relevance of digitalisation as a driver of change is sector and/or company dependent.

As for the impacts of digitalisation on employment, skills and working conditions,

OUR RESEARCH CONFIRMS

previous findings, i.e. there is a wide range of different consequences: job losses, job creations, job changes and job shifts.

OUR RESEARCH PROVIDES

deeper and clear evidence that most of the discovered consequences relate to job changes and more specifically to the transformation of tasks which imply new skills requirements for workers.

We did not find evidence of clear amendments to existing national restructuring regimes when compared with previous researches. In fact, digitalisation seems to justify a significant number of qualitative adjustment measures – mainly to support job transition – rather than quantitative adjustment measures (job-cutting or a worsening of working conditions).

If the impact of digitalisation on employment and work has clearly gained importance in the agenda of social partners at different levels and in different sectors, many disparities still exist according to the country and sector analysed.

At company level, we classified the 15 analysed companies into **three broad groups** related to the level of involvement of the workers' representatives in the restructuring processes linked to digitalisation. Conventionally, these groups may be categorised as **“limited”**, **“reactive”** and **“anticipatory”**. This categorisation shows that the interplay of social partners may be very different, depending on a number of factors related to the specific situation of each company and the national system of industrial relations, rather than on the activity sector.

Our **survey** and the development of a **social dialogue quality index (SDQI)** clearly showed that *pre-existing social dialogue processes and routines make things easier at the time digitalisation implies restructuring.*

In light of these results, it overall seems clear that social dialogue processes and actors still need to increase their capacity to deal with varied and uncertain changes driven by digitalisation on employment and work.

The recent European Social Partners Autonomous Framework Agreement on digitalisation is surely a good step in this

direction but many questions remain regarding the pace and extent of digitalisation, the relevant measures to mitigate digitalisation negative impacts on employment and work and the evolution of social dialogue as such, as a social technology to counter technological determinism.

We thus finally suggest three **policy pointers** in light of our works:

- **Developing digitalisation partnership approaches at a decentralised level**
- **Fostering effective skills development able to secure workers' career paths**
- **Adapting structures and promoting an enrichment of the contents of social dialogue to challenges raised by digitalisation**

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1. Introduction

Digitalisation has been at the centre of the academic and public sphere for several years. This general topic has become even more prominent in the context of the COVID-19 crisis as the latter has placed special emphasis on issues such as telework, platform work or contact-tracing apps.

More specifically, this report aims at providing an overview of the results of the European project called “**Digitalisation and restructuring, which social dialogue?**” (DIRESOC) and at making policy recommendations. Carried out by a network of independent academic experts and trade unions related research institutes, the project intends to contribute to a better understanding of the way social dialogue¹ plays a role in shaping the ongoing processes of restructuring resulting from digitalisation and the way the ongoing processes of restructuring resulting from digitalisation contribute to shaping social dialogue. International and national debates addressed the issues of job destruction, job creation, job changes and job shifts (Degryse, 2016²) due to the digitalisation of the economy. However, little empirical evidence has emerged so far, leaving room for debate. This can be explained mainly because the nature, shape and scope of this impact are influenced not only by technological development, but by economic, social and institutional factors as well.

The DIRESOC project intends to pursue previous work undertaken by its members on digitalisation, restructuring and social dialogue.

- **Digitalisation** refers to the integration and application of different digital technologies and innovations across economic and social domains. In this project, we refer to digitalisation as “*all types of changes that are based on the changing use of digital technology, which in some way affects individuals, as employees in their exercise of their professional role*” (in their work tasks, in their working conditions or skills requirements).
- **Restructuring** is seen as a unifying concept for “*all types of changes that, from the point of view of the individual worker, implies a change in employment status or working conditions.*”³ This can include dismissals, a reduction of wages, reduced working hours and other forms of change where the employer changes the working conditions in an effort to reduce labour costs and / or adapt the workforce to avoid redundancies.
- **Social dialogue**, as defined by Eurofound, is a component of democratic government and also of economic and social modernization. The consultation of social partners on the design and the implementation of economic, employment and social policies is in fact one key principle of the European pillar of Social Rights. In our project, it refers to various processes between social partners at various levels of industrial relations: especially national and cross-sectoral levels, sectoral levels and company or at enterprise levels.

In order to take stock of the variety of sectoral situations, the research focuses on four specific industries: **tourism, bank/insurance, postal/logistics and manufacturing.**

This synthesis report is the conclusion of this DIRESOC research journey. The aim is first to give an overview of the three main productions of the project, i.e. (1) a literature review and **92** interviews with experts, (2) a **transnational survey** of the current situation and the prospective evolutions of the topic and

¹ Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. (<https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm>)

² Degryse, Ch. *Digitalisation of the Economy and its Impact on Labour Markets*. ETUI, Working Paper 2016.2.

³ O. Bergstrom, *Monitoring Learning and Innovation in European restructuring*, 2014, IRENE, p.4.

(3) **15** company case studies highlighting inspiring practices. Each of these steps are described and analysed in specific reports, available on the project website: www.diresoc.eu. On this basis, the intention is secondly to draw up conclusions from these results by suggesting recommendations to policy makers at both European and national levels.

This report is divided into four sections:

- The first aims at analysing to what extent digitalisation may be considered as a driver for restructuring
- The second looks into the potential influence of digitalisation in the usual restructuring regime
- The third focuses on the role of social dialogue in shaping restructuring driven by digital transformations
- The fourth develops policy pointers addressed at both European and national levels.

2. Assumptions and results

Three general questions were at the core of the Diresoc project:

- ✚ To what extent is digitalisation a reason for restructuring?
- ✚ To what extent does digitalisation influence the restructuring regimes at national level?
- ✚ Does social dialogue play a role in shaping the restructuring processes analysed?

Whereas Diresoc's main focus is on the role of social dialogue, it is necessary to first report on our two first issues, as they allow a framing of the context in which social dialogue can be used or not to anticipate or manage restructuring as well as the way the ongoing processes of restructuring resulting from digitalisation contribute to shaping social dialogue.

2.1 Is digitalisation a reason for restructuring and to what extent?

2.1.1 A global approach: digitalisation as one of the reasons for restructuring

Generally speaking, the project results teach us that, in all of the countries covered, digitalisation is one of the main drivers for restructuring⁴, currently and in the near future. But it is striking to observe that it is rarely announced as such. Indeed, digitalisation is always interrelated with other more visible processes, not directly resulting from digitalisation strategies: cost-cutting strategies, increasing international and national competition, the changing nature of regulations, austerity policies, etc. This especially means that digitalisation cannot necessarily be isolated from other reasons in the case of restructuring and often probably plays a role in conjunction with other factors. This is not surprising, as we know that digitalisation processes usually have a lot to do with how a company tries to foster its competitiveness in light of increasing competition or its position on the market. However, while trying to determine the extent to which digitalisation is the main factor of restructuring, the Diresoc survey provides us with some details⁵. As a matter of fact, according to respondents whose company experienced restructuring in the past three years⁶, 26% of the job creations, 39% of the job destructions, 42% of the shifts in job status and nearly two-thirds (63%) of the changes in the nature of the jobs are thought to

⁴ In the wide sense of the notion we adopted in the Diresoc project – see introduction – concepts used

⁵ See Franssen, Naedenoen, Pichault – [Diresoc : results from the transnational survey](#) (2020)

⁶ Including according to the survey: job destruction, job creation, changes in the nature of jobs and shifts in job status; see Diresoc survey WP2

have been brought about by digitalisation. **These findings suggest that, even in association with other factors, digitalisation as such constitutes a very significant reason for restructuring in companies nowadays.**

Nevertheless, differences in national situations should be noted, according to the overall state of play of digitalisation in each country. The Diresoc research thus shows that while in some countries numerous cases of digitalisation related restructuring are already well-covered by the media and at the top of the social partners negotiations' agenda, in others digitalisation has played a minor role till now. Among the first group are Belgium, France, Germany, Sweden and Italy; and in the second one are Bulgaria, Portugal and Spain.

2.1.2 Motivations to launch restructuring processes: sectoral and company level perspectives

One should complement this general approach with sectoral-related as well as companies-related observations in order to better identify to what extent digitalisation can motivate restructuring processes. All the sectors and companies covered and analysed in the Diresoc project provide clear illustrations of how digital technologies lead to restructuring, in terms of job destruction, job creation, changes in the nature of job or shifts in job status⁷. Furthermore, to classify different motivations to launch restructuring processes, it is interesting to refer to the “Study on monitoring the application of the EU Quality Framework for anticipation of change and restructuring”⁸ produced by the European Commission. According to this report, the drivers for restructuring can be either internal – change in management staff, workforce capacities, innovations – or external: change in societal and customer demand, political change, global financial crisis, etc.

In light of such classification, one might identify differences regarding the sectors covered.

In the financial services sector, digital transformation has been among the restructuring drivers for a number of years – e.g. the automation of back office activities, online and, more recently, mobile telephone banking, the relationships with clients via the internet (Skype or other messaging tools). Recently however, digitalisation has started to include multiple new areas – e.g. AI, bots for customer relations, fintech, blockchain, and so on. These technological evolutions are supposed to increase the performance of financial services companies and to respond to changes in clients preferences. In this sector, drivers for restructuring are thus both internal and external and digital innovation is key in all cases.

Monte dei Paschi di Siena- Italy. Motivations for restructuring

Monte dei Paschi di Siena is an Italian joint-stock commercial bank, active both in Italy and on international markets. The bank has faced an intense economic crisis during the last decade with deep restructuring processes, oriented on the one hand towards a deep reduction in the number of employees; and on the other, to a push towards digitalisation, which continues a trend of continuous innovation that has been progressing slowly but surely since the 2000s, in order to face the rise of international competition and the changes in the customer's services.

Source: Di Nunzio (2019)

⁷ See section 2.2 below

⁸ <https://op.europa.eu/en/publication-detail//publication/1c22896d-4e10-11ea-aece-01aa75ed71a1/language-en/format-PDF/source-119998670>

In various **manufacturing sectors**, in most of the countries covered, digitalisation is on the top of companies' agendas, very often under the label "Industry 4.0". At the core of this concept lies the Internet of Things, that is the combination of internet technologies with physical artefacts. The industry 4.0 concept is used in the factory in order to illustrate the switch toward a "smart" production of goods: it primarily means the digitalisation and networking of industrial value creation. The evolution allows more flexibility and a quality differentiation rather than an answer to external constraints making it necessary to change completely companies' business models⁹. In this respect, digitalisation appears to be firstly brought about by an internal driver for change.

Sopharma Group – Bulgaria. Motivations for restructuring

The company operates in an activity branch – the pharmaceutical industry – with a long tradition of investment in innovation. In this regard, according to a company representative, *"the company is continuously investing in technologies, innovation, research and science. Our everyday big challenges are to widen and improve quality production standards and technologies"*

Source: Terzyska (2019)

Postal services is a sector in which restructuring, especially impacting larger historical and national operators, primarily results from the profound transformation undergone in the sector since the nineties: liberalisation, privatisation and consumers habits. In this context, the main restructuring drivers are the changing patterns of postal services consumption, namely the continuous replacement of paper letters with e-mails and the massive increase of e-commerce. This leads to a deep switch of the company business models, with a decrease of the added-value and volume in letter distribution and an at least partial compensation by CEP (courier, express and parcel services) activity growth. In some countries, these changes are also expressed in the search for a greater diversification of activities, well beyond mail or parcels delivery, such as banking activities (Portugal, France). A complete change of business model is therefore at stake in this sector, leading us to see digital innovations primarily caused by external drivers for restructuring, linked to the progressive decrease of the traditional core business of postal operators.

In the very fragmented **tourism industry**, according to studies carried out¹⁰, digitalisation emphasizes the flexibility of the sector since it allows the traveller to opt for a greatly individualised journey experience, which has deeply transformed the way business used to be managed. One of the biggest issues presented in our research work is the transformation of the distribution channels. Technology (websites, search engines, etc.) now offers the possibility for clients to directly interact with the provider (hotel, travel) and to organize travel themselves (room booking, travel ticket purchase and so on). It represents a particularly major challenge for most SMEs, poorly equipped to develop new digital services. This digital evolution also signifies a reduced role for tourism agencies, replaced by large digital platforms. More and more dominant as a new kind of intermediary between the tourist and the service provider, these new actors represent a threat for most of the "classic players". In other words, looking at these two broad evolutions, one understands that digitalisation first involves external changes leading to a possible complete change in the core business model of the companies. This can then result in company strategies based on digital innovations to develop a customer-centric model of work.

⁹ It nevertheless seems connected to an increase of international competition and an evolution of the demands of consumers, asking for more personalised products and services

¹⁰ See Kirov et. al, [DIRESOC –Work Package 1: transnational analysis](#) (2019)

Hotel Alban – Belgium. Motivations for restructuring

The Belgian Hotel Alban is owned by a large property management firm. The Hotel was closed from December 2017 to August 2018, in order to be fully renovated and digitalised. These changes were a pilot project aiming to test a new customer centred model of work in which traditional professions (cooks, receptionists, bartenders) are replaced by a single multifunctional job called “host”. The motivation was to develop a new philosophy of working in the hotel industry. Through digitalisation, staff are relieved from routine work (e.g. check-in) and low value-added tasks (in terms of personalisation of services) in order to focus on offering a personalised service going beyond providing rooms to sleep in.

Source: Franssen (2019).

To sum up, it is often difficult to identify to what extent digitalisation is the main reason for restructuring due to the various dimensions this buzzword entails and to the fact that digital changes often combine with other restructuring factors. Our research shows however that digitalisation is clearly a reason for restructuring, as it is often linked to both internal and external drivers for change, to some extent depending on countries, sectors and companies’ distinctive features.

2.2 To what extent does digitalisation influence the “usual restructuring regimes” at national level?

2.2.1 The impacts of digitalisation on employment: our findings

The issue of the actual impacts of digitalisation processes on employment has clearly been prominent for a few years now¹¹. In general terms, the current scientific and policy paradigms were first dominated by predictions of mass redundancies, hollowed-out government and social upheaval (e.g. Frey & Osborne, 2013; Brynjolfsson & McAfee, 2014; Streeck 2015; Fuchs, 2018). However, new insights have since called for a more nuanced approach. This approach highlights that the actual outcome of transformations depends on the business models adopted by different actors, including companies, and on the responses provided by institutions, including social partners. These business models are capable of delivering the ‘dystopia’ (Fuchs, 2018) that the more recent discourse predicts. Alternatively, they can lead to upgraded job quality, wealth creation and socioeconomic inclusivity (Jaehrling et al., 2018). According to the ILO (2016), while technological changes may have eventually led to new job creation, they typically began with “labour-saving” efficiency gains (i.e., job shedding) and the speed of such technological efficiency enhancement is often faster than that of creating jobs for displaced workers. What both perspectives have in common is that current scientific understanding of these developments and their socio-economic implications lack systematic evidence and are heavily influenced by topical rather than typical developments (Bernhardt, 2016).

The analyses of the open comments provided by respondents to our Diresoc survey contributes to highlighting more precisely some of the impacts observed in the different sectors covered according to the different categories of restructuring we focus on.

Destruction of jobs

In the bank/insurance sector, the most affected functions concern administrative management, e.g. back office, reception and operator. One of the most salient observations is the decrease of direct face-to face customer interaction. Digitalisation abolishes certain tasks or even positions and allows customers to access remote digitalised services via websites, for example. The disappearance of some entities is explained by the centralisation of numerous activities in technology support centres, whose functions are more and more specialised, and the decline of

¹¹ See Kirov et al, [Diresoc –Work Package 1 : transnational analysis](#) (2019)

"face-to-face" positions. One approach to carry out these changes is the non-replacement of retirees and the use of early retirement schemes, instead of collective redundancies.

Manufacturing sector respondents emphasise the productivity and efficiency gains resulting from the digitising of workstations and the growth of outsourcing activities to other low-wage countries. Some also point out that digitalisation has eliminated exhausting tasks, such as lifting heavy loads, repetitive gestures, etc. and has reduced the risks of accidents. One of the strategies implemented by companies in this sector is also the early retirement of their employees.

In the postal sector, respondents notice a significant decrease in the use of letters and magazine subscriptions, as already identified in the national reports' analyses. There is a significant reduction in purely operational and executory functions.

The tourism sector is more than ever competitive with the advent of new players such as "pure players" (internet companies). Companies have been forced to implement online booking tools made available to customers to strengthen their place on the market and therefore suffer from the reduction of human intervention in customer services. Indeed, according to respondents, computer programs are progressively replacing customer relations, reservations, orders, etc.

Creation of jobs

In the bank/insurance sector, jobs are created principally in the IT department. Current recruitments mainly affect IT, commercial and marketing functions. In Belgium, respondents also commented that companies are increasingly using temporary contracts via temporary workers or external consultants.

In the manufacturing sector, new departments – such as data centres - are being established to develop the digitalisation of customer service communication. New profiles of workers better trained in digitalisation are being sought.

In the postal sector, the presence and the growth of e-commerce has led to a considerable increase in package activities and, consequently, the creation of positions in parcel logistics. Increasing demand for digital services from both professional and private customers is also creating specialised positions related to the digitalisation of services.

In the tourism sector, respondents highlight a considerable shift in job descriptions and worker profiles. They are now required to possess skills such as web-design, e-marketing or digital marketing, which often leads to the hiring of new workers.

Shifts in job status

The bank/insurance sector is increasingly focusing on external consultants or subcontractors.

The postal sector also has recourse to workers of various statuses (salaried workers, public servant, self-employed, temporary workers) in order to better cope with the growing flexibilisation of the work and the demand for rapid delivery.

Changes in the nature of the jobs

In the bank/insurance sector, digitalisation changes the nature of jobs by pushing workers to complete their tasks away from customers. They now work essentially by telephone calls, which according to respondents depersonalises customer relationships. The increase in time and work rates, the change in productivity standards, the need for adaptation and flexibility in the face of changes, coupled with frequent lay-offs generate a great amount of stress and competitiveness among company workers. This leads to more individualism in working relationships.

In the manufacturing sector, respondents mention a change in the nature of their jobs, now requiring digital and technical skills. Indeed, operational tasks are disappearing, making way for the monitoring and control of production processes, requiring more procedures, reporting and

information sharing in real time. This conversion enables workers to have greater responsibilities, which can however lead to more stress and pressure for low-skilled workers in terms of the qualifications they need to acquire.

In the postal sector, respondents perceive a large increase in parcels following the exponential development of e-commerce. They experience more pressure related to the management of these packages but, in return, the management of letters is decreasing considerably. However, this also means a search for alternatives in terms of activities to compensate the decrease in letters.

In the tourism sector, the change of work positions is also characterised by a remote customer relationship. Moreover, the computer scripts to be used directly by the workers reduce the added value of the technicality of employees. These types of workstation are therefore perceived as less attractive in this industry.

Source: Franssen, Naedenoen, Pichault – Results of the transnational DIRESOC survey (2020)

At company level, considering our 15 case studies, it is hard to assess any direct impact of digital transformation in the **destruction of jobs** noticed so far. In fact, all the restructuring processes have been driven not only by technological change, but also by other factors having higher influence in the short term on job losses. For example, different companies such as the Spanish Naval have faced a highly adverse economic situation, which has led to significant decline of employment. A notable fact is that the destruction of jobs has been relatively limited so far in most of the firms analysed. This may be explained by the fact that for most of the cases studied the process of digital transformation was still at an early stage.

Insurance Group -Spain. Estimations of job losses linked to digitalisation

According to an analysis carried out by the company itself, in the short term the impact of digitalisation is mainly focused on the more routine tasks and professional profiles, and therefore with higher risk of automation:

- In the area of “Product development, marketing and sales support”, a strong decrease is expected in those tasks related to standard product reporting and sales monitoring.
- In the area of “Operations” (insurance survey, policy service, claims management), a higher impact is expected in the most regular operations, such as processing standard applications, and handling simple policy or claims processes.
- In the area of “IT support”, a strong potential decrease is related to tasks such as designing and building solutions for core systems or infrastructure operations. In this case, however, the reason is the externalisation of these operations to third companies.
- In the area of “Support”, there is to be expected a higher effect in tasks such as transactional human resources processes, postage handling, or standard reporting in activities such as finance.

Source: Rocha and De la Fuente (2019).

The restructuring processes linked to digitalisation have led to **job creation** in six of the 15 companies, although this positive impact on employment has been limited so far (in terms of the volume of jobs created). Similar to the destruction of jobs, one of the explanatory factors is certainly the lack of hindsight to assess the positive impact of such restructurings in the long run. Two specific factors triggered job creation in our cases: first, the need to reinforce the workforce of the company in order to meet the increasing demand of activity linked to new markets or new products; second, the creation of new professional positions linked to emerging digital profiles.

Lamborghini – Italy. Job creation linked to digitalisation

Lamborghini is a historic Italian manufacturer of luxury cars, which is currently incorporated within the Volkswagen Group. In 2014, Lamborghini managed to snatch the production of a new model super SUV (URUS) – from the Slovak site of Audi, obtaining for this purpose important investments both from the German group and from the national and regional public authorities. In 18 months, the Italian plant doubled its area, further modernizing itself, with the construction of a new line, a new logistics centre, and a test track. This led, in just five years, to a 70% increase in the number of employees, going from 1,029 in 2013 to the current 1,754, with an average annual growth of 10%. At the end of 2018, there were 229 new hires, at an average age of 29, all on permanent contracts and with 30% holding a post-university degree. This acceleration was driven by the positive trend of the URUS, which had already allowed the recruitment of as many as 500 workers in previous years. We are therefore here faced with a case in which an important product innovation has led to an equally significant process innovation – from a socio-technical point of view – contributing overall to significantly jobs creation, and certainly not to cutting them.

Source: Leonardi (2019).

Only one of our cases illustrates a case of *job shift* driven by digitalisation. It is related to the integration into a large postal Group of a labour platform providing jobs to self-employed couriers in line with the development of new delivery services in urban areas.

However, one key pattern that can be identified in most of the cases is that the implementation of digital technologies implies first the transformation of some tasks and the emergence of new ones. This process entails that new skills requirements arise for the workers concerned. In the context of *job changes*, the case studies also provide information on other impacts of restructuring linked to digitalisation, which in some cases have been beneficial for workers but in others have entailed a worsening of working conditions. The reason for this ambivalence is that the characteristics and the scale of the impacts on working conditions are not only shaped by the technologies implemented but by other factors, like the management of human resources and the role of social dialogue.

2.2.2 Restructuring facing digitalisation: business as usual?

In light of the previous developments, a significant issue is to determine whether the usual ways of managing restructuring in the countries covered are impacted or not by digitalisation. We refer here to tools and measures used to manage restructuring and mitigate their negative impacts on employment¹². In other words, does the fact that digitalisation now plays a role in restructuring processes, and thus produces concrete impacts on employment and working conditions, change something in the management of restructuring?

Our project results include empirical observations about it. Globally, the management of restructuring processes does not really evolve as digitalisation increasingly becomes a driver for change. In other words, when for instance looking into the job destructions digitalisation might generate, measures used to adjust the number of jobs needed will remain the same as habitually used in the different national regulatory contexts, i.e. collective redundancies, social plan, etc.

However, the fact that, in most of the situations we studied, digitalisation first results in job transformation leads to a significant use of classical measures to support job transitions, i.e. to what experts call qualitative adjustment measures rather than quantitative adjustment measures¹³. As an illustration of

¹² These measures, resulting for instance from the law, collective agreements and/or company practices, vary from country to country and lead researchers to talk about different national restructuring regimes.

¹³ “Quantitative adjustment refers to limiting or reducing the supply of labour when the demand for labour is decreasing or ways of increasing or expanding the supply of labour when demand is increasing”; see O. Bergstrom, Monitoring Learning and Innovation in European Restructuring, synthesis report, 2014

this, through our case studies, the development of training actions aimed to favour the adaptation of the workforce is one of the most common measures negotiated to deal with the job changes linked to digitalisation. This search for a qualitative adaptation is also frequently presented as a way to secure employment and so to avoid job destructions. One might notice that such measures are not necessarily included in collective agreements as companies might also implement them unilaterally.

Examples of negotiated training measures

The agreement to be signed at **Otis GmbH & Co.OHG** in Germany recognizes that continuous qualification of employees is indispensable for the long-term safeguarding of competitiveness and for the future success of the company and that therefore qualification offers for employees should be offered in a consultation procedure agreed between the employer and the works council. When work organisation is changed by industry 4.0 activities, the employees concerned are entitled to qualification in order to prevent staff reductions and to secure employment.

The Framework Agreement of Transformation and Employment signed at **Insurance Group- Spain** includes a first point on “training and development for transformation”. The key idea behind it is that the process of digital transformation of the company does not affect only the dynamics of destruction/creation of employment but, basically, the evolution of the existing jobs. Against this background, the agreement establishes that 50% of the annual budget on training will be allocated to the training of workers on those critical skills and knowledge that are expected to be necessary in order to deal with the future products and services.

The Agreement negotiated at **Monte dei Paschi di Siena** also addresses staff training programmes in order to adapt skills to the changed internal and external contexts, with a view to requalification to strengthen commercial and customer support activities. The Agreement enhances the logic of diversification and personalisation of training by role clusters (Top Management, Management, Middle Management, Core), training interventions focused on areas of greatest need such as, for example, risk measurement. It also introduces important new features aimed at facilitating easier access to and consequent usability of training through the combination of integrated tools (classroom, online, webinar, etc.) and methods of fruition (protected time and use in “agile work” mode)

Source: Diresoc Work Package 3: Case studies – Synthesis report (June 2020)

Beyond training or other comparable support measures, our results also highlight changes in work organisation introduced to deal with digitalisation. This is especially the case regarding the introduction of “multifunctionality”, that is changes in the jobs profiles, which may justify additional qualification measures for workers.

Multiple qualifications in HHLA a German port logistics company

A corporate concept for meeting the challenges associated with digitisation processes is multiple qualifications. At HHLA’s subsidiary CTA (Container Terminal Altenwerder) in particular, this concept was proactively promoted by the works council due to the terminal’s high degree of automation affinity. The concept is also welcomed from the management’s point of view. Multiple qualifications from two to seven activities are possible at the CTA. However, the perspective of the employees is different with regard to this measure. The majority of employees welcome the offer of multiple qualifications, but there are also employees who are less positive about this measure, as they see the offer of further qualification more as an imposition than an opportunity for further development. This, in turn, calls for comprehensive educational work on the part of the company actors in order to explain to the employees their direct personal advantages regarding the concept. On the one hand, the multiple qualifications’ concept is intended to create a health benefit for the employees. Unilaterally stressful activities are reduced and supplemented by

others. Furthermore, there is the possibility of introducing more variety into the work process. As already described above, some of the employees assess the routine of the work tasks as positive; however, the experience of the actors involved was that after completion of the qualification for a further position, the positive experiences predominate. Routine is important, but should not lead to boredom. On the other hand multiple qualification also protects employees from possible job loss, which can occur by substituting work for automation. Ultimately, the measure also has advantages for the company. In addition to the positive health factors that benefit the employees, these can also be used more flexibly in the various jobs and compensate better for short-term vacancies.

Source: Harbecke and Mühge (2019).

In light of these observations, one might assume that digitalisation is a driver that confirms findings from previous studies regarding the evolution of national restructuring regimes. We refer here to an increasing emphasis put on qualitative adjustment measures used to deal with restructuring, a trend previously highlighted in research studies when comparing the evolution of different national restructuring regimes over time¹⁴. That said, many uncertainties remain:

- Are those kinds of qualitative measures likely to become widespread or will they remain limited to specific companies, especially the largest ones and those with a well developed social dialogue?
- Can such support measures prove to be efficient in the medium and long term, especially in their capacity to foster workers' employability in their company but also on the labour market, depending on future developments of digitalisation¹⁵?
- If digitalisation is to foster more and more job shifts in the form of increasing outsourcing to self-employed workers all over the world, what should be the necessary measures to protect workers within but also outside established companies?

Understanding the impact of digitisation on employment thus presupposes continuous analysis and research.

2.3 Does social dialogue play a role in shaping the restructuring processes analysed?

2.3.1. Variety of situations between countries and sectors

Digitalisation is an emerging and evolving process that has become increasingly important on the agenda and policy priorities of social partners. Diresoc results show however that the debates in Northern and Continental Europe are much more substantive, while in Southern Europe and Eastern Europe digitalisation is basically not seen either as an immediate threat or as an opportunity, with a few exceptions such as Italy.

When paying attention to the stakeholders' positions over the role social dialogue should have to manage the impact of digitalisation on employment, work content and working conditions, it is worth mentioning once again the diversity of national situations. In some countries, a consensus exists among the social partners over the legitimate role of collective bargaining to deal with digitalisation – for instance in Sweden and in Belgium. In most countries, however, the Diresoc analysis reveals that an opposition exists between the unions and the employers' sides. The former largely consider that digitalisation should

¹⁴ See Bergstrom, Monitoring Learning and Innovation in European Restructuring, synthesis report, 2014, p. 41

¹⁵ Artificial intelligence, for instance, has in recent years led to numerous publications and research studies fuelled by substitution fears

be the subject of social dialogue; while the latter claim that it should remain the sole prerogative of company management (e.g. in Spain), or that social dialogue should be renewed in order to be more agile (Germany, Italy, etc.).

Table 1 below provides with details about the state of social dialogue and topics discussed in the different sectors and countries covered by the Diresoc project

Table 1. State of social dialogue and importance of the topic of digitalisation (source: Transnational analysis – Diresoc work package 1- March 2019)

Country	Financial sector	Postal services	Manufacturing	Tourism
Belgium	Social dialogue topics dealt under the heading “digitalisation” are work organization (Saturday and Sunday work), vocational retraining, flexibility, and private/professional life conflict	In the postal sector: no direct negotiation on digitalisation (only when it comes to classic topics); influence of “external digitalisation” (e-commerce) on work conditions	Social dialogue is well developed in the chemical sector. Most actions related to digitalisation fall within the awareness area. Digitalisation is seen as a way to improve the functioning of European work councils.	Low union coverage due to the structure of the sector. SMEs are often under the legal threshold for union representatives. Digitalisation is not a priority, due to the pre-eminence of other classical topics (for example: ageing of the workforce).
Bulgaria	Very weak social actors and social dialogue which does not allow the development of social dialogue initiatives related to digitalisation.	Well-developed social dialogue within the historical operator, (Balgraski poshti EAD). However collective bargaining and social dialogue do not focus especially on digitalisation related restructuring.	Main social dialogue topics are professional skills and training	Collective bargaining coverage is almost marginal, both at sectoral level and within the companies operating in it. Digitalisation is not a topic of social dialogue.
Germany	Digitalisation is a subject among many others and therefore demanding codetermination. Job cuts and employment security are the central problem areas of this sector specific digitalisation. At company level, this process creates	No explicit discussion on digitalisation and its impact on participation and social dialogue	Growing importance of collective agreements on company level over collective bargaining agreements. Digitalisation is exacerbating the overload of workers councils. Lack of digital expert knowledge among company social partners on the hand, on the other hand	Main topics: skills, strategic competences development, regulation of working hours and mobile work, work organization.

	permanent conflicts between employers and works councils, and attempts by employers to undermine employee participation.		digitalisation is a broad field for effective company related trade union policy.	
France	Well-developed social dialogue with specific structures for the anticipation of change (including the Observatory for occupations, qualification, and professional equality between women and men in banking). Digitalisation and its impact on employment and skills are not really a topic for a strategic / early social dialogue.	Well-developed social dialogue for La Poste	Very active “rich and complex” social dialogue. Digitalisation is seen as a major vector of change	Traditional social partners are classically dispersed into sub-sectors but there has been a recent employer initiative to create a new confederation covering the entire sector. New digital player outside sectoral social dialogue. Digitalisation is not a priority, due to the pre-eminence of other classical topics
Italy	Well-developed social dialogue and high unionization rates in the banking sector.	Multi-level bargaining and several consultative bilateral bodies, high unionization rate. The social partners have managed in a consensual way the profound restructuring that has taken place over recent years.	Social dialogue is well developed. Recent focus on local agreements, despite the wish of Union reps. to consider Industry 4.0 at confederal level. Digitalisation leads to the renewal of old social dialogue topics. Main topics of social dialogue are training and wages (redistribution of profit)	Tourism labour relations are mostly ruled by two main national collective agreements (CCNL). Main topics of social dialogue are seasonal work, part time work, apprenticeships and flexibility in work shifts.

Portugal	Rare cases of collective bargaining, e.g. in large banks.	Important contrast between the historical operator CTT, with a developed social dialogue, and new companies, where few workers are unionised	Digitalisation is far from being a topic of social dialogue. Mineral resources industry: very low social dialogue (last full collective agreement dates from 2006). Plan is to resume bargaining.	Collective bargaining resumed in 2016, after ceasing in 2012. Digitalisation does not seem to be a priority.
Spain	Digitalisation is still not a disruptive factor and it has been addressed so far by collective bargaining only in a reduced number of large companies, particularly in the insurance sector	No specific social dialogue on digitalisation related issues in the postal / Courier, Express and Parcel delivery (CEP) sector.	Digitalisation leads to the renewal of old social dialogue topics: training, working time, anticipation of change, restructuring process, workers reps voice. Former government promoted public consultation at the expense of social dialogue.	Digitalisation has not yet entered the bargaining agenda of the social partners. Tripartite social dialogue in the face of digitalisation is considered irrelevant. Social dialogue focuses in the demand of new professionals and the necessary reskilling of the workforce as well as the structural labour precariousness of the industry.
Sweden	No specific sectoral social dialogue over digitalisation.	There is no specific collective agreement on digitalisation, but in many companies there are specific collective agreements specifying the local conditions in cases of collective redundancies.	Important role of the industrial agreement for the entire Swedish economy. Digitalisation is a subject undergoing intense study. Coexistence of social dialogue agreements and "industrial dialogues" steered by employer association.	Digitalisation is not a priority, due to the pre-eminence of other classical topics (managing growth of activity, employee turnover, job shortages, need for an open and flexible educational structure)

2.3.2. Digitalisation and restructuring as a topic for social dialogue and its actors at different levels

European level social dialogue

European social dialogue has been addressing digitalisation and its impacts on work and employment at both cross industry and sectoral levels.

At cross industry level, the examination of the European social partners' opinions¹⁶ allows the conclusion that there are shared concerns about the future of work and employment, but also major differences concerning the perception of opportunities (for employers) and threats (trade unions) and the need of social dialogue to address the digitalisation related restructuring. As a result, a European Autonomous Framework Agreement on digitalisation was concluded in June 2020. This new autonomous agreement aims to *"to optimise the benefits and deal with the challenges of digitalisation in the world of work."*¹⁷ The project has four main chapters: 1° Digital skills and job security. 2° Connection and disconnection modalities. 3° Artificial intelligence and guaranteeing the principle of human control. 4° Respect for human dignity and surveillance.

At sectoral level, several initiatives might be noticed:

- **Financial sector:** the sectoral social dialogue development included digitalisation among the priorities of social dialogue. On November 30th 2018, the European social partners in the banking sector signed a "Joint Declaration on the impact of digitalisation on employment". The declaration addresses the effects on employment of digitalisation and automation processes in the banking sector. The social partners engage to jointly *"address the opportunities and challenges of digitalisation in a positive manner, aiming to shape the digital transformation in a social way and create value for all stakeholders including shareholders, sector, employees, consumers and society in general"*¹⁸.
- **Postal services sector:** digitalisation is starting to be an important topic of the EU level social dialogue, namely through different declarations, projects and initiatives of the social partners. This includes: a joint declaration (01.12.16), highlighting notably the importance of social dialogue in managing digitalisation and restructuring; the UNI project "The postal services in 2030"; the European sectoral project "Trend research for the postal sector in 2030"; the project "Promoting Social Dialogue in the Postal Sector in an enlarged Europe", implemented by the European Social Dialogue Committee for postal services. Recently, as a result of different initiatives, the European Social Dialogue Committee for the postal sector adopted a joint declaration on training in the digital era (December 2019).
- **Manufacturing sector:** several initiatives regarding digitalisation and social dialogue in the manufacturing sector were identified. First, "Factories of the Future" covers all sectors and is the European Union's private-public partnership for materialising Factories 4.0. Second and third, two joint positions on the topic of digitalisation have been written by social partners. The first one covers the Metal, Engineering and Technology [MET] based industries and was signed in December 2016. The second joint position covers the chemical industry (signed in November 2016 by the ECEG and IndustriAll) and sets out three main priorities regarding the social and employment related aspects of digitalisation in Europe. Based on this joint position, the social partners agreed to take a series of actions,

¹⁶ See Diresoc WP1 transnational analysis

¹⁷ European Social Partners Autonomous Framework Agreement on Digitalisation, p. 3

¹⁸ Joint Declaration on the Impact of Digitalisation on Employment by the European Social Partners in the Banking sector, p. 2

including the launch of research projects¹⁹. The project “Smart Industrial Relations – Smart Production in the manufacturing industry and work organization: new scenarios for Industrial Relations (2016-2018)” aims to assess the impact of smart production on work organization, on the quantity and quality of occupation as well as the way social partners can improve industrial relations for a better management of these processes.

- **Tourism:** an initiative “For a level playing field and fair competition in hospitality and tourism” emerged in 2015. The joint EFFAT-HOTREC Statement on the “Sharing Economy” was signed in 2015 by the social partners in the European hotel and restaurant sector. The social partners are concerned about the emergence and rapid spread of the “sharing economy” in hospitality and tourism, which is often developing in an uncontrolled and unregulated way.

European Works Councils?

Some European Works Councils have also developed digitalisation related initiatives; a recent European project²⁰ pointed out different initiatives taken by EWCs as well as their strengths

Initiatives	Strengths
Surveys, working parties	Identifying changes and their impacts, in concrete terms.
Training	Building up a shared appreciation of the issues and impacts of transformation within the European Works Council.
Information and consultation	Familiarity with the digital strategy Accompanying its implementation and minimising its negative impacts.
Monitoring and sustaining social dialogue at local level	Coordinating an approach that is both global and local. Affirming the added value represented by the European Works Council. Fostering concrete initiatives.
Negotiating a transnational “agreement”	Forging a common framework to facilitate the group’s cohesion. Helping to harmonise the situation of the group’s European employees.

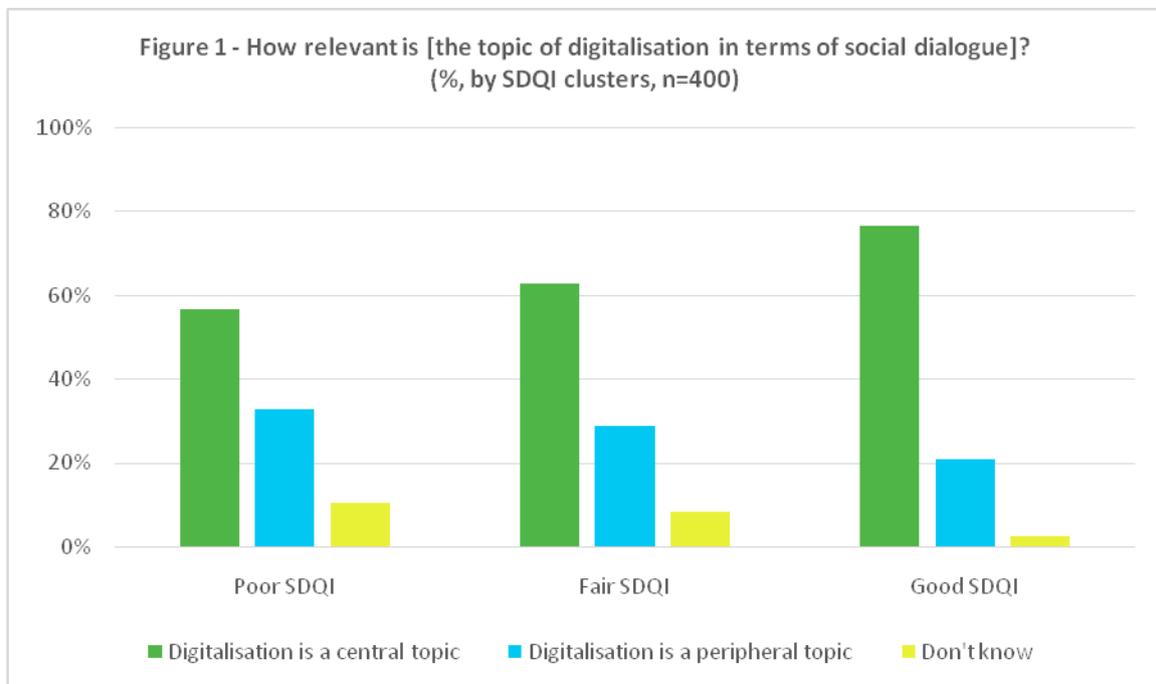
¹⁹ “The impact of innovation and digital transformation in the workplace: a sector-specific study of the European chemical, pharmaceutical, rubber and plastics industry” ; “Smart Industrial Relations – Smart Production in the manufacturing industry and work organisation: new scenarios for Industrial Relations” (2016-2018).

²⁰ ASTREES (2019), European Works Councils and the challenge of digital transformation within multinational companies, a handbook for actors engaged in European social dialogue at company level, <https://ewc4-0.eu/>

🇪🇺 National, sectoral and company level social dialogue

Within our survey²¹, we addressed the importance of digitalisation as a social dialogue topic through several questions. On average, around two thirds (63%) of trade union and employer representatives who answered the survey indicate that digitalisation is a concern in terms of social dialogue within their company or sector. These results are very similar to the ones gathered by Voss and Riede (2018) for the European Trade Union Confederation. Differences between industrial relation systems appear to exist, as 81% of participants working in Germany or Belgium indicate that digitalisation is a concern in terms of social dialogue within their company or sector compared with 55% in France, Italy, Portugal and Spain.

Furthermore, when digitalisation is a concern, our survey highlights the importance of the topic. In nearly seven cases out of ten (69 %), digitalisation is considered to be a central topic where social dialogue is good. Globally the Social Dialogue Quality Index developed in the project (see below) teaches us that the better social dialogue is, the more digitalisation is a central topic.



These results, positioning digitalisation as a very significant topic addressed by social dialogue, are surprising since they go against the other insights of our project, which suggested that digitalisation was more rarely a subject of social dialogue. **Table 2 below presents the initiatives identified in the first step of our project.**

Potential explanatory factors are twofold. First, the survey may have attracted respondents particularly interested by the issue of digitalisation. Second, since the survey did not give a definition of digitalisation, the respondents may have adopted a broader definition of the phenomenon than the one used in the other sections of our project.

The following table presents identified initiatives taken by social partners at national and sectoral levels.

²¹ Franssen, Naedenoen, Pichault, [DIRESOC – results of the transnational survey](#) (2020)

Table 2. Identified social partners' initiatives related to digitalisation (source: Transnational analysis – DIRESOC work package 1- March 2019)

Country	Financial sector	Postal services sector	Manufacturing	Tourism
Belgium	Parity action: "Study day on digitalisation".		Governmental plan "Industry 4.0 Made Different" (whole manufacturing, without union reps.). Sectoral training funds "Co-Valent" carries out a survey every two years on training needs. 2015: sectoral collective agreement related to innovation and challenges linked to structural transformation	Lobbying actions from the hotel industry to try to ban AirBnB from Brussels. Company level initiative: digital solutions for reception and concierge services.
Bulgaria		Involvement of the Bulgarian trade unions in the EU trade union project "Trend research for the postal sector in 2030" and other European initiatives as a way to raise awareness in the historical operator.		
Germany			Two trade unions initiatives launched about digitalisation and work councils : - Work and Innovation - Working 2020 in North Rhine Westphalia – NRW	

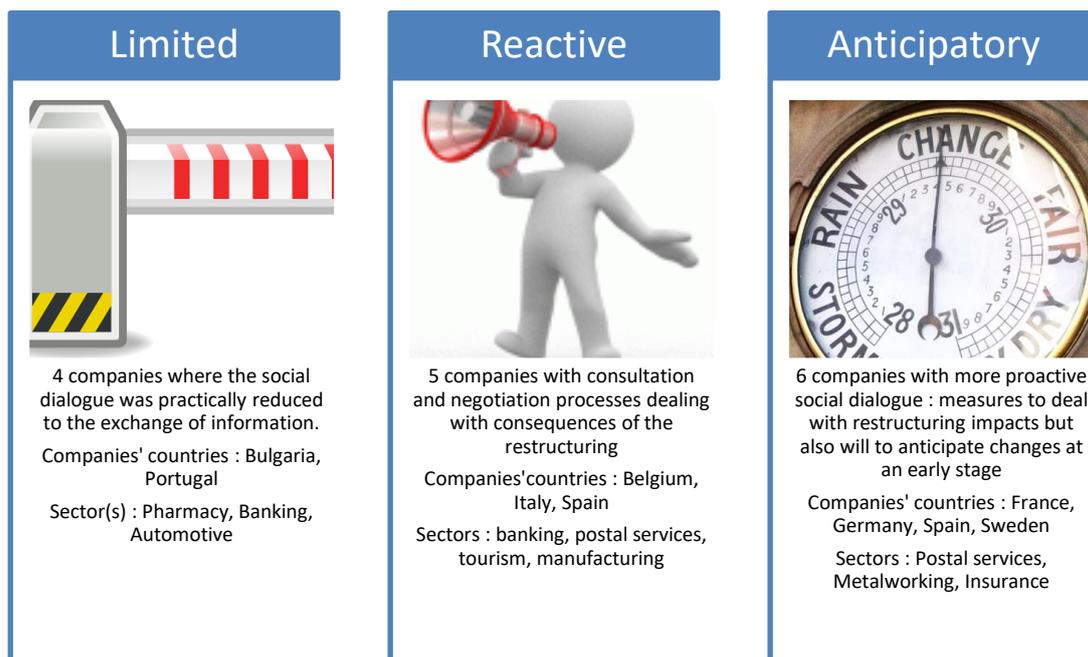
France	Few initiatives on skills development at sectoral level and impact of digitalisation on job level and skills at local level.	Involvement of social partners in the EU project “Trend research for the postal sector in 2030”. Negotiation policy regarding the transformation of La Poste Group. As a result, 3 major collective agreements were concluded in 2017 but signed only by the “reformist” unions.	Existence of an Occupation and Skills observatory in the metalworking sector. June 2018: new national project with European funding “The road to the future of work – managing changes with workers and their representatives” in the metalworking industry	
Italy	Sectoral fund providing funding and acting as shock absorber	The last CLA provides information and consultation rights on a wide range of subjects, including in relation to the employment effects of technological innovations.	Individual right to choose training related to innovation (24 hours each 3 years). National Industry 4.0 Plan	Workshop and information campaigns organized by a union. Union’s newsletter: Turismo 4.0
Spain	Some emerging topics like the right to disconnect have been addressed by social dialogue at a company level.		Governmental initiative: “connected industry 4.0” in 2015. Manifesto for the Leadership of Digital Transformation in the Spanish Economy through Talent Development and guidelines written. Some good examples of collective agreements addressing the effect of digitalisation.	National and integrated Tourism Plan 2012-2015 Observatory for the Digital Transformation of the Hospitality Industry (Spanish Federation of the Hotel Sector - 2017).
Sweden	Active role of the Swedish trade union in the financial sector to analyse and anticipate labour market	Social partners as well as other stakeholders related to the postal market were invited to respond to the	Tripartite social dialogue agreement over “smart industry policy” with a focus	2017: Government public investigation identifying the future government

	<p>changes brought about by digitalisation. Focus on the strategic reskilling of the sectoral workforce. Table</p>	<p>Government Public Investigation launched in 2015 concerning the consequences of digitalisation for the Swedish postal sector. Most actors were positive to the suggested changes. Table</p>	<p>on digitalisation and climate change.</p>	<p>policy for sustainable tourism. Study (about automation and digitalisation) commissioned by the Future Council of the social partners in the hospitality and restaurant sector</p>
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2.3.3 How to qualify the level of participation related to digitalisation driven restructuring? An approach at company level

The company level is especially significant to provide input to an assessment of how social dialogue processes can contribute to better shaping digitalisation driven restructuring. In this respect, our survey showed that the way in which social partners approach the subject(s) remains at the stage of information procedures in nearly one case out of two (47%). This also means that in nearly the same amount (42%) of social dialogue bodies, social partners go beyond simple information procedures and undertake exchange processes such as consultation (17%); negotiation (16%) or even co-determination (9%). The codetermination process is more frequent in the manufacturing sector (17%) whereas it is rarely used in the bank/insurance sector (4%). The specific features of national industrial relations systems have an influence on the level of participation. For instance, codetermination is more likely to be found in so called “social partnership systems” of industrial relations (such as Germany) than in “state-centred” industrial relations systems (such as France).

In respect to our case studies, the firms analysed can be classified into three broad groups related to the level of involvement of the workers’ representatives in the restructuring processes linked to digitalisation. Conventionally, these groups may be categorised as “limited”, “reactive” and “anticipatory”²².



This categorisation shows that the interplay of social partners may be very different, depending on a number of factors related to the specific situation of each company and the national system of industrial relations, rather than on the sector of activity.

Furthermore, our different cases allow the main barriers and enablers to social dialogue on digitalisation and restructuring, i.e. elements that can explain a rather poor or well-developed social dialogue, to be identified, as shown in table 3 below.

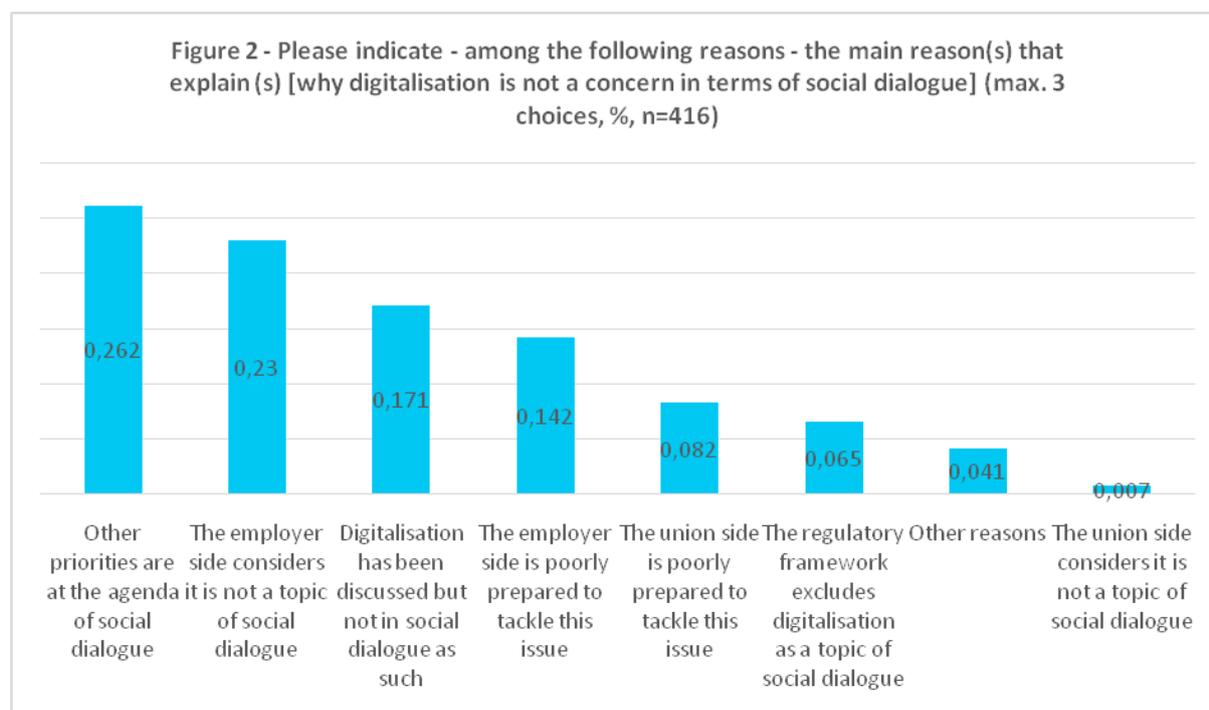
²² See WP3, Case studies – Synthesis report

Table 3. Main barriers and enablers to social dialogue on digitalisation

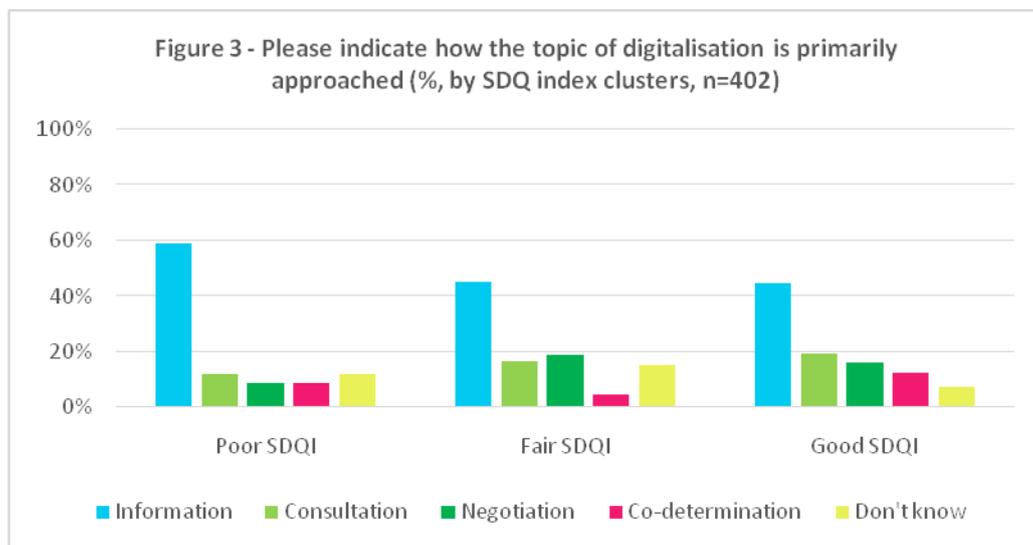
Barriers	Enablers
Design and implementation of technological innovations identified as a part of the prerogative of the employers on work organization, not submitted to collective bargaining	Collective bargaining system based on mutual trust
Lack of knowledge/expertise of the bargaining parties	Proactive approach of social partners, with an anticipatory and non-deterministic view on technological change and their impacts on jobs and working conditions
Focus of the bargaining agenda on traditional topics and priorities	Improvement of the competences of the bargaining actors on digitalisation / best practices knowledge/
Lack of information on the process of digital transformation	Involvement of workers at the early stages of digital transformation
Lack of coordination along the value chain	Establishment of bodies and mechanisms of information and collaboration between management and workers' representatives
Lack of awareness of how digitalisation can impact each company's daily life	Existing transnational agreement, to be developed at national level

Source: WP3 –Case studies – Synthesis report (June 2020)

One can complement such an approach by using our survey and regarding the reasons why digitalisation is not a concern in terms of social dialogue: according to our respondents, the fact that other priorities are on the agenda of social dialogue is the primary explanation of why digitalisation is not a topic of social dialogue.



Furthermore, a major outcome of our survey is the elaboration of a social dialogue quality index (SDQI) which confirms that the existing quality of social dialogue influences the way digitalisation is considered in social dialogue. Several quality indicators allow us to build such an index: the existence of written agreements resulting from social dialogue within the company, regular communication between employer and trade union, climate of mutual trust between employer reps and trade unions reps, overall perception of social dialogue. We then made a distinction between a poor SDQI, a fair SDQI and a good SDQI, which has an influence on the way digitalisation is considered. For instance, the higher the SDQI, the more digitalisation is considered in social dialogue (73% when the SDQI is considered to be “good”; whereas 47% when the SDQI is considered to be “poor”). This is the same regarding how the topic of digitalisation is approached in social dialogue: digitalisation remains at the information level for 59% of the respondents it is implemented in a context termed “poor”, and for 45% when it is termed “fair” or “good”.



3. Conclusions

Focused on a variety of countries, industrial relations systems and sectors, the Diresoc project casts light on the ways social dialogue addresses, at different levels, the impacts on work and employment resulting from a set of new technologies, classified by the term “digitalisation”.

Most of the debates and analysis carried out on restructuring linked to digitalisation have been driven so far on the macro level, with little empirical evidence regarding the implementation of these processes in practice and the related labour impacts. This diagnosis can be found for example in a report published in 2019 by the European Commission, which notes that “*despite the public controversy focused on the potential impacts of digitalisation on employment, there is little input into current debate about what actually happens to jobs and recognition of the socio-political processes that create options and choices about the introduction and implementation of digital technology*”²³. By collecting and analysing data and information at different levels, our work aimed to provide empirical elements showing that the actual outcome of transformations driven by digitalisation depends on the business models adopted by different actors, including companies, and on the responses provided by institutions. In other words, our project provides additional evidence that it is necessary to go beyond technological determinism and to evaluate the relationship between material and social practices in the development of innovations linked to digitalisation.

In this context, several general observations can be made about different aspects of our work.

About the pace and extent of digitalisation

- The differences between countries and sectors we reported can partly be explained by the technologies used, which might especially differ from one sector to another. However, more generally, there are clear differences in the way “digitalisation” is understood and thus perceived by social partners as a driver for restructuring, whether it refers to job destructions, job creations, job transformations or job shifts, in different contexts. This of course influences the possibility of clearly identifying to what extent digitalisation is a reason for restructuring and therefore the capacity of social partners to shape its impacts. **This supports the idea that, in the case of digitalisation driven restructuring, joint diagnosis between social partners, at both sectoral and company level, are probably key to both anticipating and managing restructuring.** The EU Commission Quality Framework for Restructuring²⁴ already highlighted such an idea which is probably more relevant than ever considering the pace of digital transformations and the fact that its impacts on work and employment cannot be deterministic and suppose a concerted approach by social partners.

About measures to manage restructuring

- Generally, we found no clear evidence that digitalisation driven restructuring generates new ways to anticipate or manage restructuring regarding the tools and measures used compared to usual practices. In this respect, quality restructuring as defined by the EU

²³ Warhust, C; Hunt, C. (2019), *The Digitalisation of Future Work and Employment. Possible impact and policy responses*, Seville: European Commission, JRC117404, p. 2

²⁴ See reference above

Commission through its framework remains valid to assess the companies and sectors' practices we analysed in our project. However, **our works show that digitalisation probably first stimulates job transformations, which should lead social partners to put special emphasis on career development measures to foster both internal and external workers' mobility.** Our case studies provide examples of such approaches, as did previous research analysing the evolution of national restructuring regimes.

About the evolution of social dialogue to deal with restructuring processes driven by an ever increasing digitalisation of our economies

- We cannot conclude that existing social dialogue processes and tools usually used to deal with restructuring were really impacted due to digitalisation, at least during the period when we carried out our work. This does not mean that things will remain the same in the near future. Indeed, one might assume that the company strategy to implement a technology may take at least three different forms:
 - (a) adopting the technology within the framework of the existing business and production structure;
 - (b) by setting up a side line organizational structure, developing the new technology and production structure, substituting the established structure or transferring new knowledge to the established production structure;
 - (c) the new technology may be adopted by new actors, using or developing the new technology substituting or competing with the established actors in the industry.

In most of our company cases, technology was adopted within the frame of existing business and structure. This result may certainly be partially explained by the bias brought about by the case selection process – putting the emphasis on cases where social dialogue was well developed. Nevertheless, one might certainly not rule out the two other situations potentially occurring. This raises questions about the traditional frame and tools for social dialogue: are the latter adapted to a case where an existing company has set up a side-line organisational structure? In Belgium for instance such a division of a production process may lead to an extension of the collective bargaining system, bringing together the two units that would be considered as belonging to the same technical operational unit. But how to manage the situation where such a framework doesn't exist? Moreover, when new actors adopt technologies competing with traditional ones or taking part in some specific value chains, how should they be included in the scope of traditional social dialogue? The growing importance of the platform economy, both BtoC and BtoB, certainly underlines how significant this issue is and how social dialogue should consider these changes, perhaps by including new actors and creating new boundaries for dialogue to be implemented. In light of this, European and national legislators probably have a role to play in tackling the challenges social dialogue, at different levels, faces due to the evolving productive and organisational structure.

- In respect to this concern, one might mention some of the results of the prospective part of the Diresoc survey²⁵. They suggest further thinking and research to follow up developments with respect to the Diresoc field.

²⁵ We only underline here the general and combined results from our survey to exemplify our point. Much more info can be found in our WP2 report

We submitted two contrasted scenarios to our respondents

SCENARIO I

Year 2030 – technological changes linked to digitalisation

- ◊ Economic landscape is now made up of a multitude of small enterprises – often digital platforms.
- ◊ Most “traditional” companies had to restructure in a hurry to face this new competition.
- ◊ Atypical jobs (freelancers, employees made available by a service provider, economically dependent self-employees, platform workers with no specific status) have become the norm.
- ◊ Traditional employee pattern is now the exception, reserved to occupations with labour shortages.
- ◊ In terms of social dialogue, the main challenge is to avoid a degradation of the quality of work and social protection of these workers with heterogeneous profiles.

SCENARIO II

Year 2030. Technological changes linked to artificial intelligence, automation and robotization

- ◊ A whole range of functions traditionally occupied by salaried workers has been fully automated.
- ◊ New functions have been created and provide skilled jobs.
- ◊ At the same time, there is a risk of unemployment for workers who do not possess the appropriate skills.
- ◊ In terms of social dialogue, the main challenge is to support both capacity building for the less skilled workers and retraining of more skilled workers, in an attempt to reduce a growing dualization of the labour market.

The analysis of the survey answers shows that both scenarios are considered to be highly probable, especially scenario II for which 20% of respondents find the probability to be extremely high. On the question of the desirability for social dialogue, a majority of respondents rejects scenario I whereas opinions are divided for scenario II, leaning towards the neutral position. Whether for themselves, or for their enterprise or sector, respondents in general feel better prepared to face the challenges posed by scenario II than to face the challenges posed by scenario I. The company, as a place of social dialogue, feels better prepared than the sector as a place of social dialogue to face the challenges posed by both scenarios. Depending on the scenario considered, the most influential actors of social dialogue may vary. In general, key actors in social dialogue remain the same across the situations: workers’ representatives (trade unions); employers’ representatives; and public authorities or the government are seen as the most influential. Nevertheless, in the case of scenario I, these actors lose influence and give way to the rise of managers or owners of for-profit digital platforms; workers’ cooperative or workers platforms; and grassroots associations (such as freelancers unions, professional associations, etc.). Last but not least : when asked at which level as a priority should actions and discussions take place between stakeholders in order to the address the topic of digitalisation and its foreseen developments within the scenarios presented, respondents believe that priority should be given respectively to sectoral, European and company levels for both the current situation and scenario II. In the case of scenario I, the sectoral and European levels remain significant but the importance of the company level is lessened and gives way to national and interorganisational levels.

Source: Franssen, Naedenoen, Pichault – Results of the transnational Diresoc survey (2020)

- Even considering only the existing frames for social dialogue, for instance at company level, another question is the capacity of social partners to initiate anticipative actions. Are we sure that social dialogue involves actors in charge of designing innovations quickly enough (to ensure a genuine anticipation of restructuring)?

About quality social dialogue to better deal with digitalisation driven restructuring

- Our survey and the elaboration of the **social dialogue quality index (SDQI)** clearly show that **pre-existing social dialogue processes and routines make things easier at the time digitalisation implies restructuring**. In this respect, national industrial relations systems clearly have an influence.

Swemantech Initiative – Sweden. “The Future of the Industrial Worker”

Swemantech is a Swedish global firm in the automotive industry. The Swedish model and the establishment of a close collaboration with workers representatives has always been one of the key elements in the way the company is managed. The company has a long history of workplace reforms, trying to avoid health problems and make manual work less repetitive and standardised.

In the face of several disruptive technologies, the new CEO of the company decided in 2015 to decentralize operations, leaving more room for local adaptation to technological and market developments.

A new dialogue between local social partners was initiated, and as a result a new local agreement was signed. The agreement led to a new initiative called “The Future of the Industrial Worker”.

The idea was to find a way to expand work content at the shop floor in order to be able to adopt new technologies. The key words were “learning to learn new things”. Basically, the goal of this initiative was to stimulate learning among workers in the factories to become more autonomous and be able to take on new technology

Source: Bergström (2019)

Finding ways to boost social dialogue at decentralised level: fostering capacity building at local level

As the impacts of digital technologies on work and employment are difficult to predict and to assess at a global level, one might promote a kind of capacity building based on an articulation of different levels of social dialogue and making it possible for a genuine social dialogue to occur at local level.

Our work provides details about different initiatives in this respect: articulation between the European social dialogue at company level and national level social dialogue (AXA case); involvement of a regional Trade union representative in negotiations at company level (Hotel Alban case), etc. These cases often exemplify proactive social dialogue and can perhaps be kept in mind as such. A very interesting one in this respect is the IG METALL project “Work and Innovation”.

IG Metall - Germany. Project Work and Innovation

The origin of the project “Work+Innovation” (W+I) is rooted in the public debate launched in Germany by The Ministry of Labour and Social Affairs with the “Green Paper Working 4.0”. The Green Paper was addressed as a basis for discussion to the relevant actors in charge of shaping future work in Germany. The results of the debate were published in November 2016 in the White Paper “Work 4.0”.

IG Metall took up the topic of "Working 4.0" at its trade union conference in the year in which the Green Paper was published and thus derived its claim to a safer, fairer and more self-determined world of work. To ensure this, trade union education-work has an outstanding role to play. It must be able to provide full-time trade unionists with the appropriate qualifications for their future tasks and to train employees involved at the company level.

This proposal paved the way for the project series "Work and Innovation - Strengthening Competences +> Shaping the Future". The aim of the ambitious programme was to further expand the labour policy focus in the design of digital work and to further develop the educational work and company policy of IG Metall. The question arose as to what concrete impetus trade union education work and company policy could provide in restructuring processes in the context of digitization, so that these could be shaped in the interests of employees. The conclusion of collective bargaining agreements and co-determination are an indispensable basis for this, as they are instruments for shaping future work in a way that is human-centred and effective.

The "Work and Innovation" project series started in February 2016 and ended in February 2019 with a final event at the IG Metall headquarters in Frankfurt (Main). During the three-year period, more than 250 participants were trained in 21 qualification series. Each qualification series consisted of 5 modules, whereby the participants of each module took part in a 3-day qualification seminar. Altogether 150 pilot enterprises, consisting of medium-size mechanical engineering enterprises up to numerous automobile final manufacturers represented in Germany, participated in the W+I project.

Source: Mühge and Harbecke (2019)

4. Policy pointers

Our conclusions allow a few general policy pointers to be highlighted so that digitalisation driven restructuring might be better addressed.

Developing digitalisation partnership approaches at decentralised level

Context

- This policy orientation is directly in line with the recent EU social partners’ agreement on digitalisation. This agreement advocates “*A shared commitment by employers, workers and their representatives for an agreed and jointly managed process*” to address the different and interrelated topics raised by digitalisation processes (employment and skills, working conditions, work organisation, etc.)
- Our Diresoc research shows the interest of developing capacity building at company level through the support of upper levels of social dialogue (national, European, sectoral)
- Our results also demonstrate that joint diagnosis between social partners, at both sectoral and company level, are probably key to both: anticipating and managing restructuring.

- The social dialogue quality index (SDQI) developed during the project confirms that the existing quality of social dialogue positively influences the way digitalisation is considered in social dialogue.

Benefits

- Fostering joint exploration (employer and workers' reps) of the uncertain impacts of digital innovations on employment and work at an early stage and therefore creating a climate of trust within the company
- Fostering mapping and follow up of both the positive and negative impacts of innovations introduced in the company on a continuous basis
- Designing a tailored process to implement digital innovations in a responsible way.

Possible tools

Tools providing guidelines to concretely implement such methodological approaches, such as:

- European level agreements: European social partners agreement on digitalisation, European sectoral agreements, transnational company agreements
- Sectoral level agreements at national level
- Trade Union and/or employer organisations' initiatives at national/ sectoral level
- Early development of collective bargaining processes at local level.

Fostering effective skills development able to secure workers' career paths

Context

- The Diresoc project shows that digitalisation places special emphasis on job transformations thus calling for developing workers' skills in a continuous way
- This general objective is widely shared by social partners at European level, including the recent EU level agreement on digitalisation.

Benefits

- Facilitating employment transition in the company but also in the labour market as a whole: fostering employability
- Improving flexibility at company and sectoral levels.

Possible Tools

- Concrete relevant measures might be found in a number of collective agreements, at both European level (cross sectoral agreement on digitalisation, sectoral agreements such as the one in the post sector, transnational company agreements, etc.) and national level (sectoral and company level collective agreements as shown in our project)
- Measures to be implemented are also dependent on national vocational learning systems and therefore on national regulations in the field
- In any case, a concrete support to workers, whatever their status, to access the different possible measures is key. This support can be provided on the basis of different and specific national schemes in the field but also on the commitment of both employers and workers representatives to upskill or reskill²⁶.

²⁶ In this respect see the European Social Partners Autonomous Framework Agreement on digitalisation, p.9

Adapting structures and promoting an enrichment of the contents of social dialogue to challenges raised by digitalisation

Context

- Digitalisation might impact not only individual companies but also the whole value chain
- Digitalisation can foster the development of new actors, for instance freelancers or digital platforms, competing with existing industries, and not covered by social dialogue structures.
This means that classical structures for social dialogue might prove to be inefficient to really address the employment impacts of digitalisation, for instance in case of job shifts to labour platforms
- The delimitation of the challenges raised by digitalisation may be a very sensitive issue due to its interrelation with other processes.

Benefit

- Encompassing the overall impacts of digitalisation on employment and work
- Developing an efficient social dialogue able to cover the overall impacts of digitalisation.

Possible Tools

- European and national regulations to put in place social dialogue processes in digital labour platforms
- Social partners initiatives at company level to develop practices and tools covering the whole company value chain: in this respect, transnational (European and global) company agreements can be a valuable tool to consider, as some existing international framework agreements also cover subcontracting companies.
- Enlargement of Social dialogue boundaries at territory or inter-organisational level.

Partnership

This research was conducted by a fruitful partnership composed of the following organisations



Coordinator of
the project



EUROPEAN
LABOUR
INSTITUTE



UNIVERSITY OF
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