

Decentralisation of collective bargaining in France : 3 cases studies

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Reminder: the institutional setting

- Three-tier bargaining system: multi-sectoral, sectoral (national, regional), company
- Dual system of worker representation with union presence at the workplace
- Principle of favourability assured coordination between levels
- Importance of state regulation
 - extension mechanism (coverage rate 98% (OECD))
 - statutory multi-sectoral minimum wage
- Introduction of compulsory company bargaining in the 1980s (no obligation to conclude)
- Successive reforms
 - extended possibilities for derogation
 - widening of the scope of company bargaining
 - majority principle governing validity of agreements
 - extension of the possibilities for non-union company bargaining



Decentralization of bargaining in research

- Empirical research underlines the complexity of the decentralization process.
- A major finding: State-led decentralization process is not unidirectional
 - Multi-sectoral bargaining regains importance
 - In large firms, there is tendency towards the centralization of collective bargaining (e.g., Hege *et al.* 2015; IRES 2016)
 - Sectoral pattern in the articulation between company and sectoral agreements (Castel *et al.* 2013; Delahaie & Fretel 2021):
 - continuing relevance of sectoral bargaining (cleaning, construction, retail, social services)
 - insignificance of sectoral *and* company-level bargaining (hotels, restaurants, cultural institutions)
 - relatively rich firm-level bargaining & marginally affected by sectoral agreements (food, metalworking, pharmaceutical, banking, assurances; firm size & union density above average)



The 3 cases

- Three company case studies in retail & metalworking
- Fourteen interviews in the 3 companies & with sectoral unions (retail & metalworking)

	Metalworking		Retail
	ELECTRIC	STEEL	SPORTS
Scale of operations	multinational	national (export-oriented); owned by a German steel producer	multinational
Number of staff in France	15,500	250	16,000
Union presence	4 unions (CFE-CGC, FO, CFDT, CGT)	1 union (CFDT)	3 unions (CFTC, UNSA, CFDT)



Sectoral bargaining in metalworking

- Background: pronounced decline of the industrial sector (2.5 million jobs remaining)
- Specific labour market problems
 - Overaged staff
 - Recruitment difficulties despite deindustrialisation
 - Agency work as a major track for recruitment
 - Maintaining skill-levels
- Social partners: UIMM (employers) + CGT, CFDT, CFE-CGC, FO
- Fragmented bargaining structure: 60 regional & 1 national agreement (professional managerial staff)
- Major sectoral negotiation on the overhaul of the job classification scheme



Case study metalworking 1: ELECTRIC

- Multinational company, French origin
- Electrical energy & automation solutions for private homes, buildings and industry
- Turnover 27.2 billion € in 2019
- 130,000 workers worldwide; 15,500 in France
- Group results of mergers & acquisitions (domestically & internationally)



Findings 1: centralization of company bargaining as an incomplete process

- Centralization of bargaining at group-level since 2006 to create a more homogenous social status (training, pensions schemes, disabled workers)
- BUT: wage bargaining persists at the intermediate levels (UES; subsidiaries), but central HRM has a firm hold on it (“integrated approach”)
- Specific agreements at establishment-level on working-time and work organization persist; management failed to conclude group-level agreement on these issues
- Professional recognition & professionalisation of central union negotiators by management



Findings 2: Weak articulation between sectoral and company bargaining

- Wages decoupled from sectoral level; part of the strategy to attract & retain “the best” (engineers)
- Wage setting decoupled from sectoral bargaining
- BUT: management engaged in sectoral negotiations over job classifications
- Central union negotiators have little contact with sectoral federation
- Bargaining process marked by trustworthy, peaceful & continuous relationship between management & unions; follows the public agenda, but little room for innovation
- Bargaining outcomes considered « rather satisfying », but loss of its autonomy *vis-à-vis* HRM



Case study metalworking 2: STEEL

- Company producing steel wire on two sites, situated in the rural East
- Acquired in 2006 by German steel producer
- Annual turnover of 60 million €; export-oriented
- 250 permanent workers, mostly low-skilled; 30 temporary agency workers
- Overaged workforce
- Overtime an issue due to labour shortages
- Single-union representation (CFDT)



Findings 1: Problem-centred bargaining

- Company industrial relations marked by past conflicts over restructuring
- Company has become profitable again; enjoys “total autonomy” in bargaining
- Management displays paternalistic attitude towards union, but deals with it pragmatically
- Mutual consensus over the necessity to tackle recruitment difficulties *via* collective bargaining
 - Dynamic evolution of wages
 - Voluntary agreements on training and pay (overtime, mentoring, multiple skills, strategic workforce planning)



Findings 2: straightforward articulation between company and sectoral bargaining

- Wages significantly above sectoral level; part of the strategy to position the company in the regional labour market
- General director and union delegate use regional sectoral bargaining to calibrate wage claims and rises (spill-over vs. regional coherence); union delegate also has a mandate at his national federation
- Use of the professional certification scheme CQPM set up by the sectoral agreement to recognize skills acquired through company training
- Outcomes and processes mutually described as satisfying; all agreements signed



Sectoral bargaining in sports retail

- As a sub-sector of retail, sports goods represent 51,700 workers in 8,400 companies
- Large share of temporary employment; atypical working-time; low wages
- Sectoral agreements bring few advantages in addition to those of the labour code
- Due to its size advantage, sectoral bargaining is dominated by one company: SPORTS



Case study retail 1: SPORTS

- Multinational company with 94,000 workers in 64 countries;
- 16,000 workers in France, market-leader in sports retail
- Very young workforce (57% below 30); part-time; temporary contracts; high turnover
- Three representative unions (CFTC, UNSA, CFDT)
- Company culture marked by paternalism



Findings 1: Centralized company bargaining

- Company bargaining is entirely centralized (company or group-level); there have never been negotiations at establishment or regional level
- Company bargaining developed in reaction to the extension of the public bargaining agenda
- Bargaining process marked by conflictual inter-union relationships; elevated rhythm of negotiations; follows the public agenda
- Outcomes can be innovative on certain agreements (working conditions; social diversity) without financial impact



Findings 2: company-dominated articulation

- Wages slightly above the sectoral level; profit sharing and incentives make a difference
- Resemblance between company and sectoral agreement due to the weight of SPORTS in sectoral bargaining
- Sectoral bargaining follows rhythm of company bargaining
- Despite the presence of SPORTS union delegates in sectoral bargaining, ties with their federations are rather loose



Case comparison

- In all 3 cases, company agreements tend to be more favourable than the sectoral ones. This is due to a similar strategy in the labour market of attracting & retaining workers.
- BUT: the scale at which the labour market is perceived, differs between the companies: regional (STEEL), national (SPORTS), international (ELECTRIC). This explains why for ELECTRIC, the sectoral agreement is the least relevant amongst the cases.
- Sectoral pattern in company bargaining
 - Metalworking: long history of locally-focussed bargaining in multi-union settings; idiosyncrasy of social norms; resistance to centralization
 - Retail: bargaining was reliant on public interventionism; establishment-level bargaining never took off
- Firm-size pattern in company bargaining
 - Business groups: HRM centralizes bargaining to deal with mandatory bargaining; tendency towards formalism; procedural efficiency of the bargaining “machinery” a major HRM concern
 - SME: bargaining as a problem solver; wealth of voluntary agreements



Conclusions

The three cases

- are not entirely representative of company bargaining in a decentralized setting in France. Yet, they point to more general mechanisms & tendencies of decentralised bargaining
- underline the complementarity between state-led decentralisation of bargaining and strategies of centralisation at company-level
- hint at the persistence of the sectoral agreement as a normative reference point
- underline the ambiguity of decentralization for unions in large companies: wealth of employer-dependent resources vs. danger of disconnection from the base and outside unions

