

# Flexicurity

A Dutch perspective

Changing Employment

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# This presentation

- My take on flexicurity
- The Dutch situation
- Improving the balance between “flex” and “security”
  - New government policies
  - Existing possibilities: bringing more balance into the organization on a local level
- New entrepreneurship/different management?

# My take on flexicurity

- Change no longer is a moment of crisis but an instance of business as usual. Companies change shape and shed jobs as a matter of routine
- Individual workers have less control or influence over the changes in their organization and are more vulnerable for change – the strategic level of decision making is in many cases outside their reach and influence
- And the world is more and more shaped by systems that are so complex we can no longer control them, like the financial system and internet for instance
- In such a world flexicurity is in itself a logical concept because it stimulates and facilitates adaptability to change

# The Dutch situation: leading in flexicurity?

- Well yes, apparently we are one of the leading countries
- Although some statistics say it is not so bad: 12% has a flex job, 10% is self employed,
- But recent research says that in organizations the number of flexworkers is growing from 17% in industry upto 57% in hospitality
- And we see more "flex" than "security"! There is very little investment whatsoever in the employability of people at the organization level
- Employers and employees organizations are ambivalent in their positions
  - they close an agreement with the government but in actual practice take a different stance

# The Dutch situation: leading in flexicurity?

- The government is struggling
- The crisis makes life difficult for many
- And we are in the top 5 of globalized countries – although in practice we are economically firmly linked to Europe and our neighbours

# The players

# The unions

- The unions are desperately looking for a renewed perspective. Dutch society is more and more an **uncollectively organized** society.
- They basically do not support flexicurity, their membership is overall elderly and not prone to change and adaptation
- They fight for protection of workers where they can, but they are seen as old fashioned and irrelevant by many
- They are still of influence in "the polder" (Dutch consensus model) but their influence is suffering under internal fights and strife



# The employers

- They want the "flexibility" of the concept but do not invest in the "security" part of the deal
- Cost is king, short term focus is leading
- Dutch corporate culture is more and more anglosaxon: humans are a resource (and the HR-manager is no longer present in the boardroom). This favors the cost perspective and makes managers and entrepreneurs lazy (Kleinknecht)
- Because of this attitude there is an influx of low paid workers from other EU countries that threaten the position of Dutch workers
- There is an extensive flexibilization of work force e.g. in construction, and hospitality.

# The employers

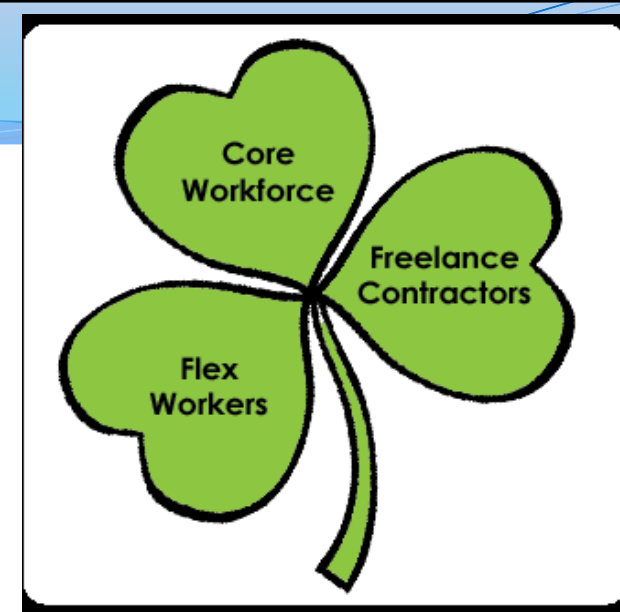
- Payrolling is more and more an accepted phenomenon, although judges do not accept payrollers as genuine employers

# The government

- The government has too long been denying excesses
- The lack of an adequate answer to these developments is part of the growing dissatisfaction with politics and politicians
- The government issues new policies that are criticized by their own advising bodies

# The results

- Shamrock
  - The shamrock organization of Charles Handy is becoming reality
- The invoice/burden of change is presented to those who can least afford it
  - A growing rift between the included (20-45 years, right education and experience) and the excluded, in many cases older workers (45+) and workers from ethnic minorities (women in the Netherlands take up a different position as many voluntarily work part time in many cases)
  - A fast growing group (+200K) of “self employed people without personel” (760K+) that quite often cannot cope due to the crisis, not only in the building industry (carpenters) but also in higher middle class professions (organisation advisers are the biggest group!)



# Flexibility and security

- We really need to restore the balance to make flexicurity work
- By laws that are already in place, such as “same work, same pay” and other protective measures that break through globalization effects
- By the promotion of CSR – discussion about pension funds where the unions are in the board
- By stimulating more responsible concepts of the enterprise/different entrepreneurs and managers (we need them anyhow)

# A fairly weak effort

- The new law on Work and Security with flexicurity at its core:
  - Instead of money for damages, workers that are being fired get a sum of money to facilitate their transition
  - That sum is lower than the present damages (max 75K) and can be lowered by the employer by investing in the training of his/her employees
  - Also flex workers should get a steady contract within two instead of three years, they cannot be rehired earlier than after six months (now three)
  - Nobody really understands how this will protect them – they will get fired sooner and stay without work longer
- PS: the law contains a number of other smaller measures

# Another solution to restore balance (suggested here)

- Bring flexicurity to the workplace and make it the workers discussion instead of rules and regulations on a national political level
  - Let the unions take up the challenge more than they do now and seek local results, based on real deals
  - Let the works councils support workers and curb employers through their existing legal rights e.g.
    - Article 23: the right for initiative
    - Article 25: on changes that transform the company
    - Article 27: on policies regarding training and learning (sic!)
    - Article 30: advice on newly appointed management
  - Expand the possibilities of representing flex workers

# Generation Y: saviours of the day?

- Given the other crises we still have (climate, food, water) and the advance of technology we need different concepts of the enterprise anyway!
- Will new generations make a difference?
- Aart Bontekoning, the Dutch researcher on generation theory says organizations will change with each generation that takes over
- Generation Y: creative, authentic multi-taskers, that are flexible and want to work on an equal basis with people they relate to in an open atmosphere.
- Will you change the world? 😊





Questions and remarks

# Thank you

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