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## Quality of Employee Relations Index (QERI)

Version of 01.06.2021

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- OBJECTIVES
- PROCESS AND METHOD
- THE KPI/ INDICATORS OF THE INDEX
- QUESTIONS/BASIS FOR DISCUSSION

## GOALS/TARGETS

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- Have a shared tool to assess the quality of industrial relations , in order to position itself in relation to other companies in the sector or of equivalent size and, therefore, progress in this area
- Incentive progress initiatives, because the experience of indexes is to move the consideration of issues at the level of General Management/Boards
- Notice of dissatisfaction with the weakness of measurement / visibility on industrial relations
- Promote the ability to involve the social partners (employees' representatives), to discuss and negotiate with them, through a dialogue built, constant and credible by a recognized and shared rating method.

To be useful, this index should meet the following conditions:

- the index should be **composite**, i.e. resulting from a combination of several indicators relevant to industrial relations, which can be weighted against each other;
- the index should result in a ranking figure, making it possible to position oneself and above all to measure the progress made;
- the index should be **easy to measure**, with a limited number of indicators (ten at most);
- the index will be **global**, allowing an assessment of industrial relations in all the countries where the company operates;
- the assessment should be able to be carried out either by the company itself (self-assessment) or by a trusted third party;
- To be **reliable**, the assessment should be carried out by asking the social partners/employees' representatives of the company (naturally the social partners of the company can supplement the index with **additional indicators**)

## The support: Ministry of Work & Pensions-OECD Expertise

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**Elisabeth Borne: French Ministry of Work, 10 december 2020:**

« The work of the Global Deal France on a future “industrial relations index” is promising.

The example of the "Professional Gender Equality Index" shows this clearly, because it has helped to mobilize the general management/the board of companies on this subject and has served as a spur of change. The approach is now well integrated by French companies, which have acquired the necessary maturity to assess themselves and measure their progress.

The companies engaged in the Global Deal indeed have a social performance that deserves to be highlighted more often at the international level, and which it would be important to better objectify.

Moreover, that is the whole purpose of the Global Deal, which sees industrial relations as a solution for:

- combine business performance and human rights development,
- create a more stable international working environment,
- and ultimately, contribute to a fairer and better regulated globalization ”.

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# KPI/INDICATORS



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## KPI/ INDICATORS

Domain/issues	KPI/Indicator	Weight
Employee relations policy	Existence of a written policy of employee relations decided at group level	10
Conflicts resolution	Ratio of the lost days for strike/ total of worked days in the year	5
Dispute resolution	Process of handling the individual & collective disputes	10
Direct Communication to employees (top/down)	Direct Communication by the management to the employees	5
Direct expression of the employees (bottom/up)	Impact of the expression of employees on the management decisions	5
Social relations bodies	Formal internal employee relations bodies	10
Freedom of association/ Means given to Employee representatives	Ways & means of employee relations	10
Negotiation of collective agreements	Impact of the collective agreements on employees	5
Management involvement in the employee relations	Training of the management on social relations issues	10
Participation of the employees to the group governance	Number of employees representatives at the board	5
Shared assessment of the index with the Employee Representatives	Participation of the Employee representatives on the assessment of the index	25
	<b>TOTAL</b>	<b>100</b>

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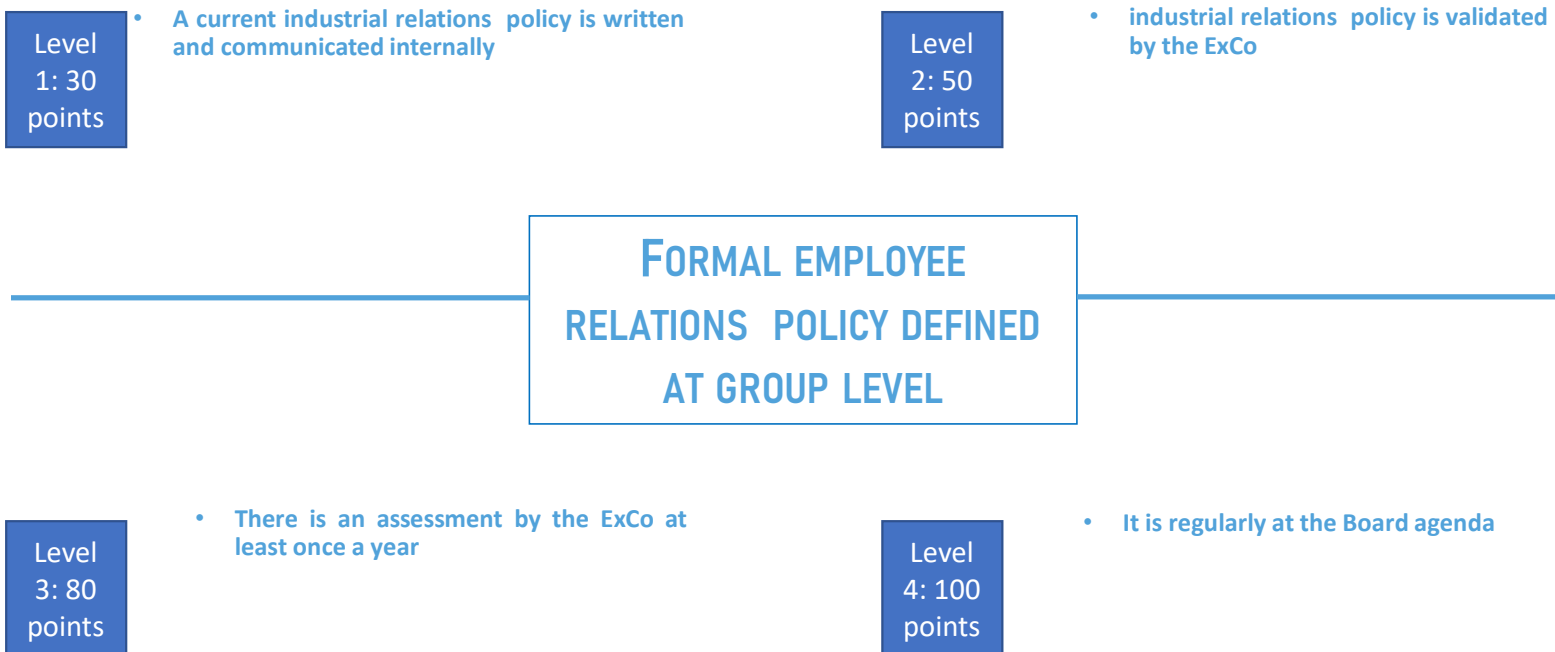
# APPENDIX



## 1) Employee relations policy

Weight  
: 10%

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Comment: Importance of the steering by the General Management/Board of the employee relations policy



## 2) Conflicts resolution

Weight  
: 5%

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Level  
1: 30  
points

• TBD

Level  
2: 50  
points

• TBD

RATIO OF THE LOST DAYS FOR  
STRIKE/ TOTAL OF WORKED  
DAYS IN THE YEAR

Level  
3: 80  
points

• TBD

Level  
4: 100  
points

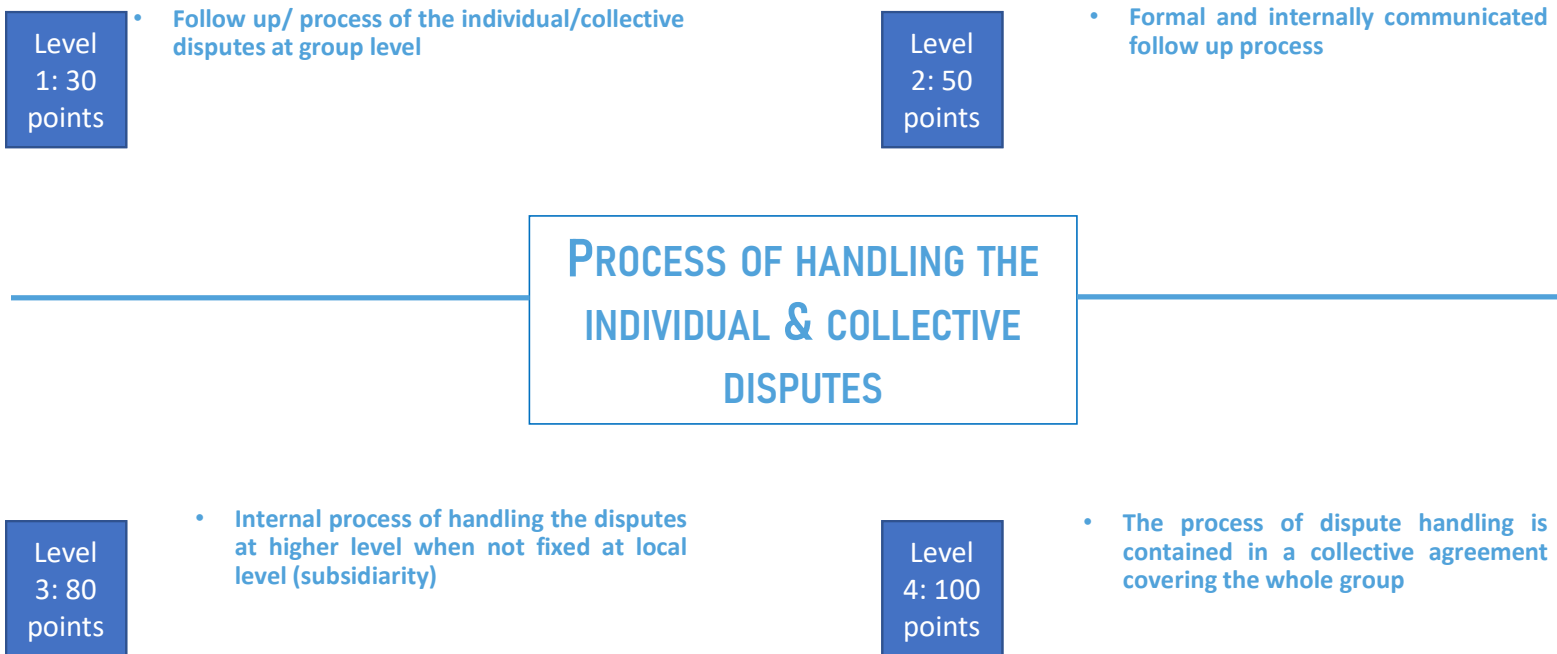
• TBD/ Weak ratio of collective conflicts

Comment: Declarative base (figure) on the whole perimeter with qualitative analysis on the diversity of the background

### 3) Dispute resolution

Weight  
: 5%

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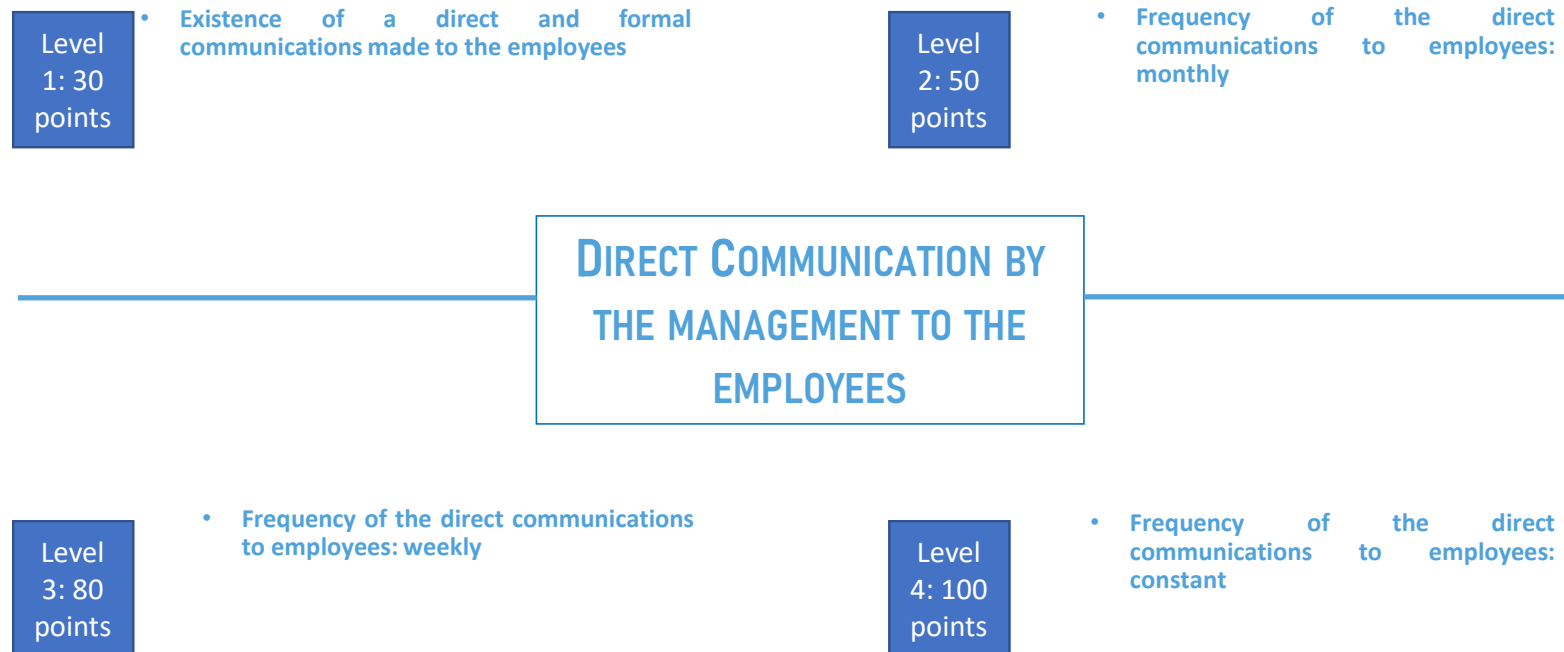


Comment: An internal disputes handling process, with possible escalating at group level

## 4) Direct Communication to employees (top/down)

Weight  
: 5%

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**Comment:** Density and quality of information brought to employees are essential so they can make their opinion on main workplace issues

## 5) Direct expression of the employees (bottom/up)

Weight  
: 10%

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Level  
1: 30  
points

- Existence of a process of direct expression of employees

Level  
2: 50  
points

- Existence of a direct tool of measure of the opinion of employees (surveys, employees barometer)

### IMPACT OF THE EXPRESSION OF EMPLOYEES ON THE MANAGEMENT DECISIONS

Level  
3: 80  
points

- Existence of forms of association of employees: expression/focus groups, design thinking groups for co-construction, formal action plan made after having collected the opinion of employees, communicated within the group/firm,

Level  
4: 100  
points

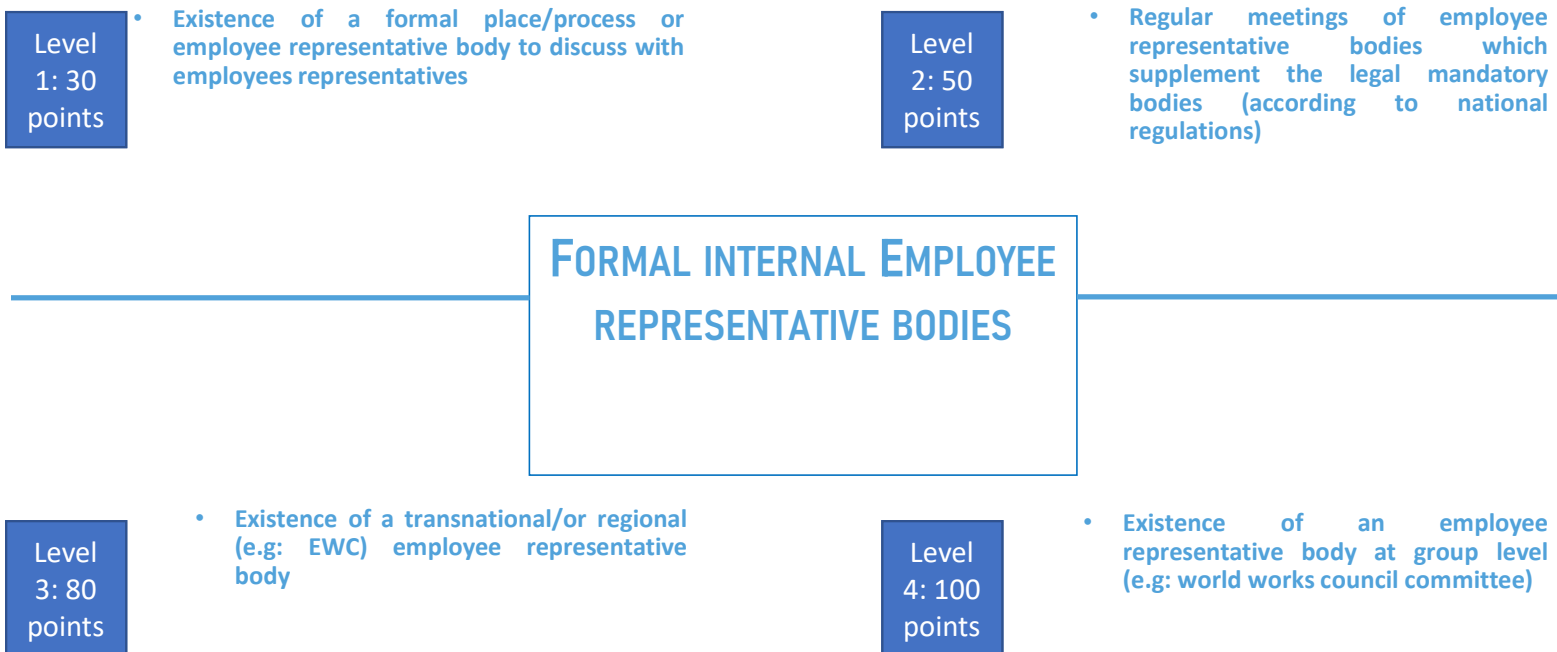
- Existence of a capacity of employees to expression outside the firm (excepted confidential issues), collection of the opinion of employees on workplace issues, articulated with a process with the employees representatives or before a collective bargaining process

**Comment:** Expression except confidential subjects, and without sanctions in accordance with the freedom of expression,

## 6) Employee representative bodies

Weight  
: 10%

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**Comment:** Employee representatives bodies, at each level are a condition for efficient employee relations

## 7) Freedom of association/ Means given to Employee representatives

Weight  
: 10%

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Level  
1: 30  
points

- Existence of a formal and communicated document describing the ways and means of industrial relations within the group, including the non-discrimination principle on the employees representatives

Level  
2: 50  
points

- Existence of a formal policy of the management ensuring neutrality of the management on creation of employees representation or union/freedom of association

### WAYS & MEANS OF EMPLOYEE RELATIONS

Level  
3: 80  
points

- Formal and specific follow up by the management on the career of the employees representatives

Level  
4: 100  
points

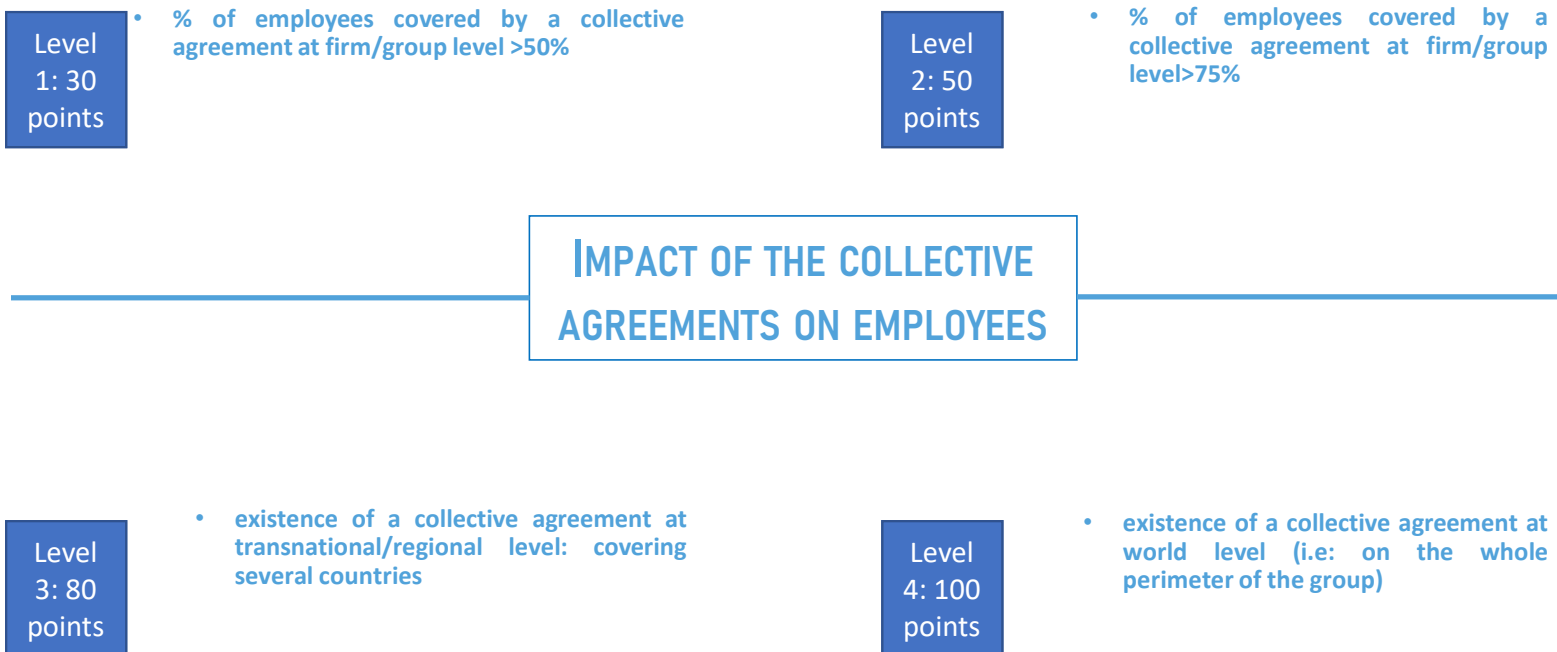
- Process of valorizing the skills acquired by the employees representatives taken into account by the management and for their career evolution

**Comment:** Industrial relations financing/means given to industrial relations/ commitment to the respect of the fundamental rights of the freedom of association

## 8) Negotiation of collective agreements

Weight  
: 5%

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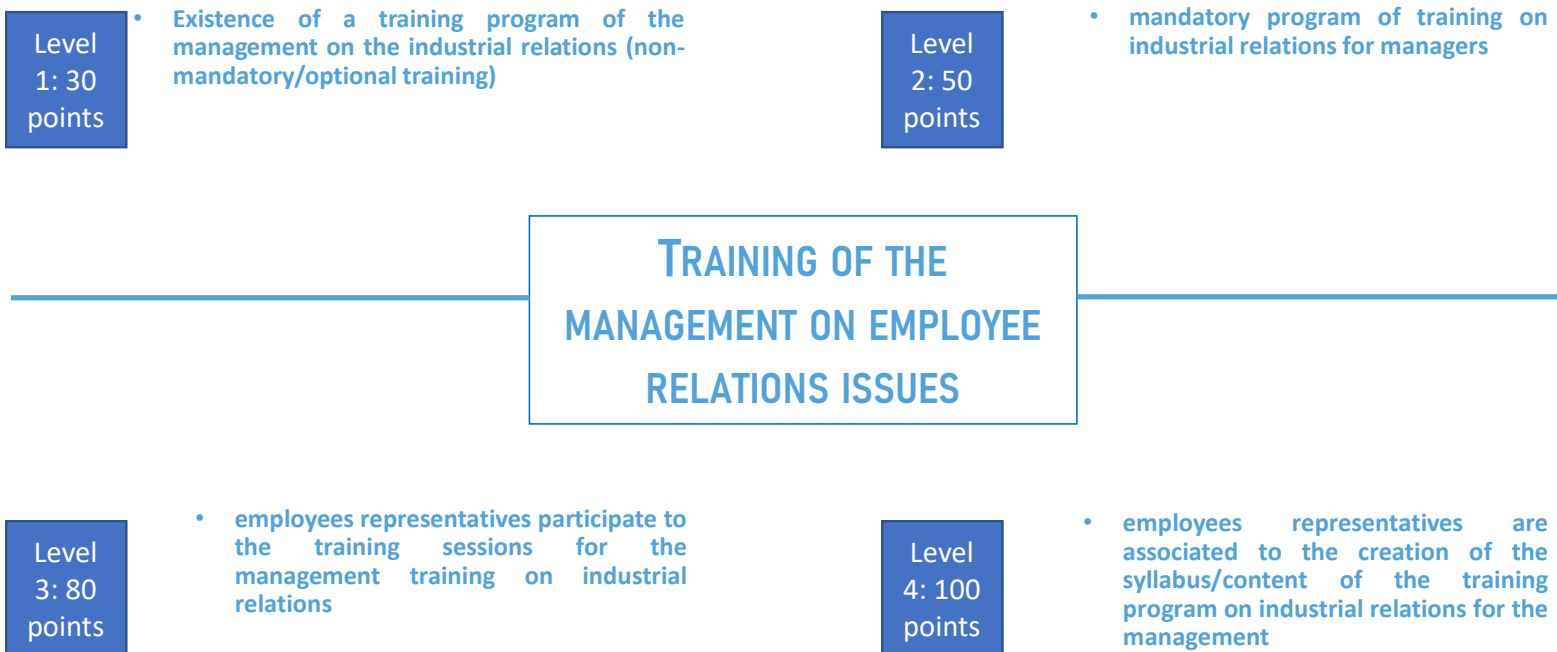


**Comment:** regulation through collective bargaining measured by the coverage rate of the employees by collective agreements at firm/group level

## 9) Management involvement in the employee relations

Weight  
: 10%

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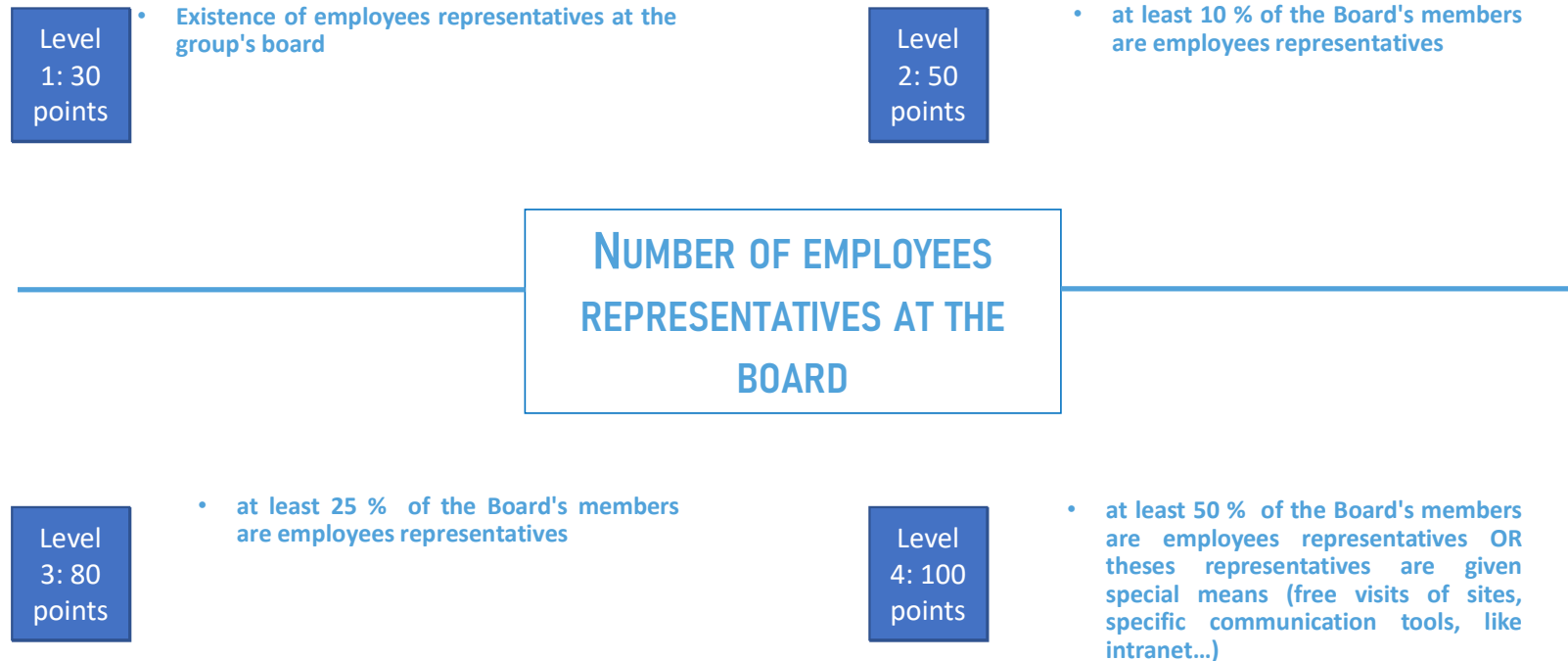
**Comment:** a proximity management trained on workplace issues is decisive for the efficiency of it



## 10) Participation of the employees to the group governance

Weight  
: 5%

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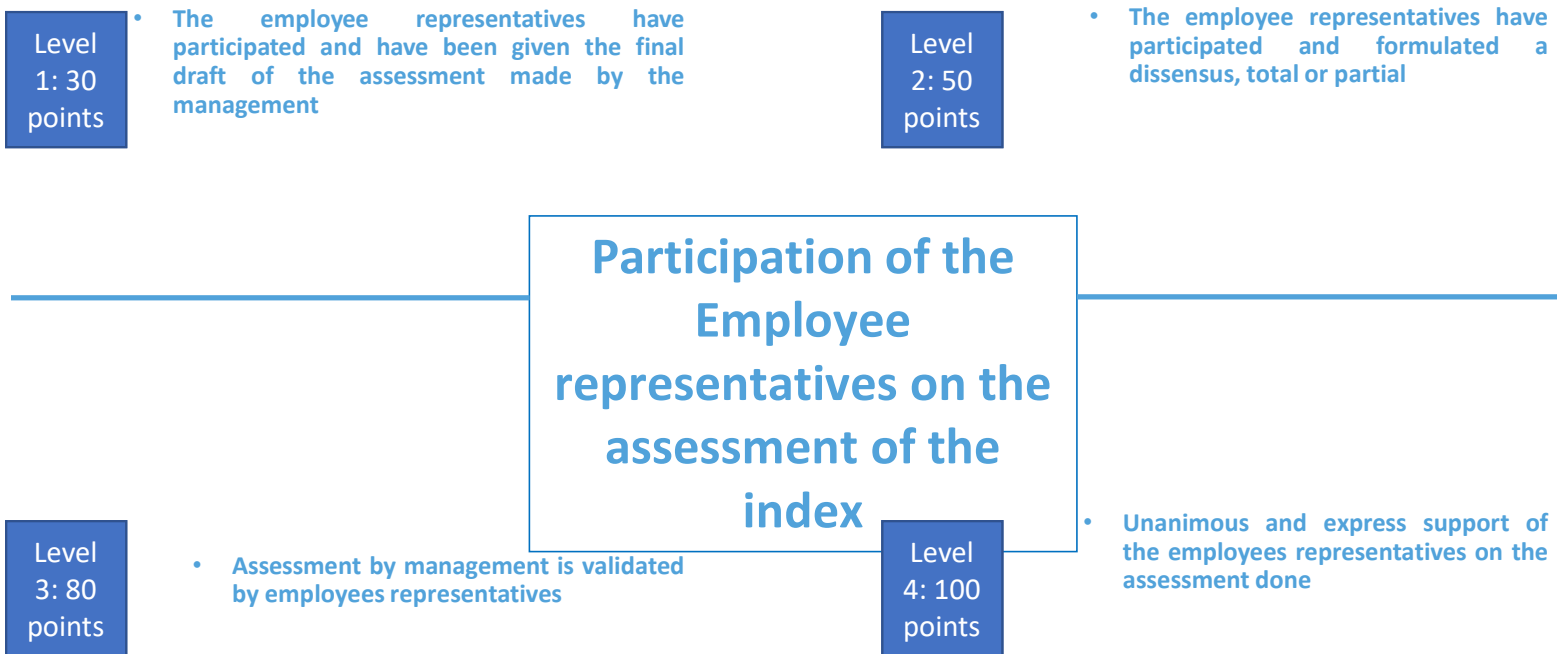


**Comment:** The number of representative of employees measured within the Board includes the employees shareholders

## 11) Shared assessment of the index with the Employee Representatives

Weight  
: 25%

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**Comment:** The quality of assessment made by the firm is better done with the sound implication of the representative of employees in the assessment

## Basis for discussion

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### **Possible fields of discussion:**

- *-What is the relevance of the indicators for your company or your vision of industrial relations*
- *-Are there significant aspects of the quality of industrial relations that are measurable and that escape this index?*
- *-What is discriminating and which is forgotten in this index? Which indicator to add / remove?*
- *-Feasibility of the measure for your company, once a 1st cost of ownership / learning has passed?*
- *-How to simplify more without losing analytical accuracy?*
- *-Feasibility of a global index, and country indexes?*
- *-How to improve in particular the following indicators:*
- *on governance: on the composition of the board, weighting of employee directors / employee shareholders with weight <*
- *on the quality of the content of the industrial relations , in particular the information given on the company's strategy,*
- *within the scope of assessment of the consolidated results of the group in the Index (completeness or representativeness of the predominant parts of the group?),*
- *on indicator 11 / IRP opinion and the admissibility procedure for the self-assessment report*
- *on the hierarchy of places of industrial relations : not to overweight the international industrial relations at the expense of the local ?*
- *Communication / disputes*

## PROCESS AND METHOD

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### Process / timeline

- Summer work 2020 with VIGEO, social rating agency
- Autumn: the SteerCo of the Global Deal France of 28.09 and 10.12.2020 presented the objectives
- on 10.12, Minister E. Borne encouraged the work of the Global Deal on the industrial relations Index project
- February 2, 2021: SteerCo of IQDS / Global Deal on indicators
- 16.03: Presentation to the Presidents of the Work ordinances evaluation committee
- 18.03: Presentation to the OECD /S.Scarpetta+S.Cazès+V.Nilsson
- 24-25.03: discussions with a panel of companies from the Global Deal
- 31.03: SteerCo of IQDS / Expanded Global Deal France (with the invitation of FO / CFTC),
- 8.04: Presentation at AFEP
- 19.04: Meeting with ILO experts (K.Papadakis, Chris Land-Kazlauskas , Catarina Braga, Paris BIT Bureau)
- 27.04: Informal discussion on a proposition of a Task Force with the OECD Team to be validated
- 05.05: Presentation at the Bureau of the SteerCo /Global Deal World
- 19.05: SteerCo of the Global Deal World
- June: Launch of the Global Deal France / OECD Task Force on the index/experimentation with FR / Sweden companies

### Method

- Ensure the relevance of the index to a large panel of national and international actors
- at a given term, test / simulate the results of the indicators on voluntary actors of the Global Deal France and abroad