

MANAGING EWC IN PRACTICE



What stage are you at?

About your EWC

- Pre-SNB
- SNB
- Post-SNB, pre EWC first meeting
- EWC
- Renegotiating EWC
- EWC has become problematic



What do
I do
now?

About you

- New responsibility
- In negotiations for an EWC
- Setting up your first meeting
- Dealing with your first transnational issue
- Clash on interpretation of agreement

Agenda



Managing EWC's in practice

1. Negotiating a EWC agreement
2. Building positive relationships
3. How to encourage involvement

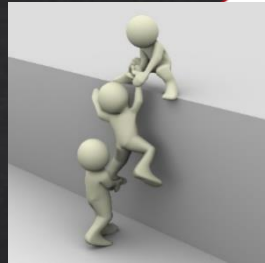


How to approach the EWC ...

Mutual Gains

- Create & claim value
- Parties better off
- Is strategic
- Value creation
- Fair distribution of value

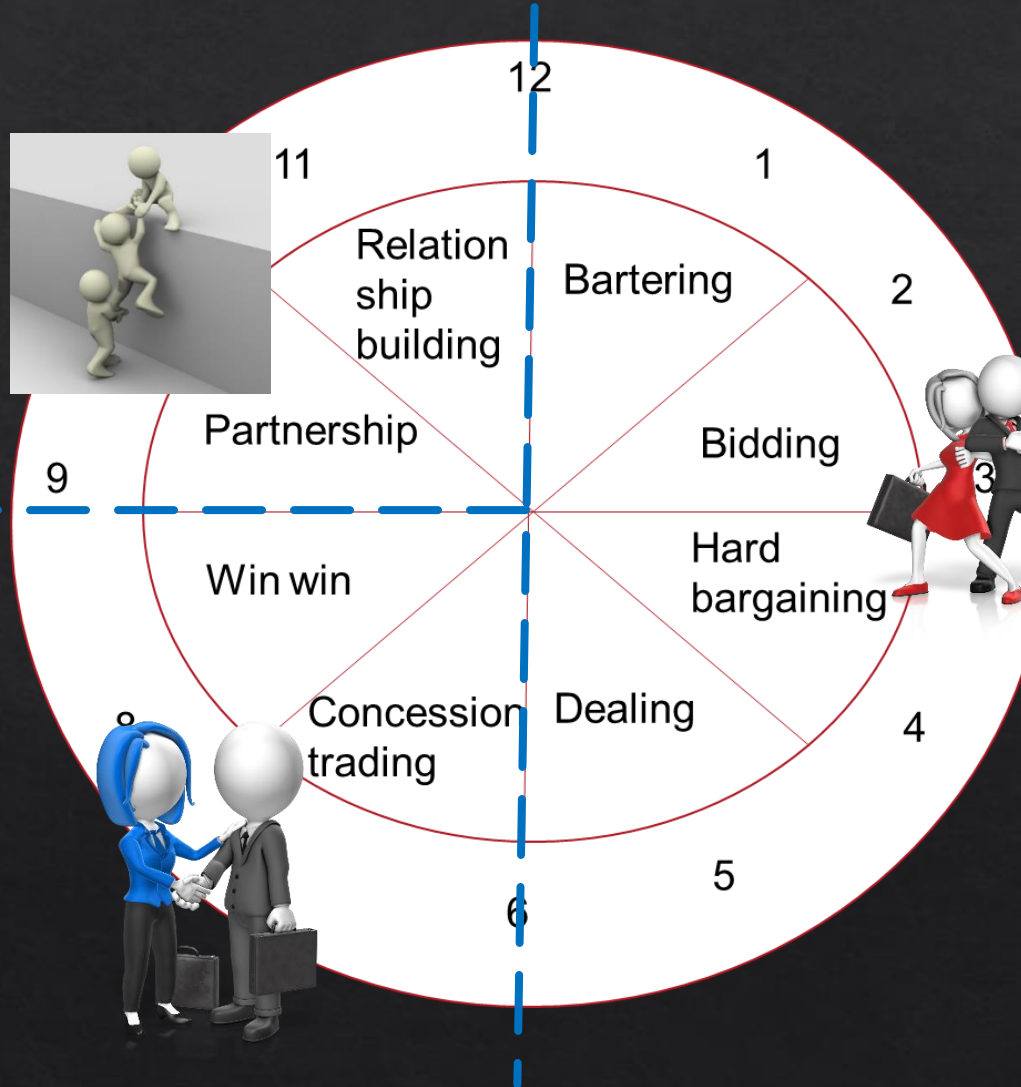
Emphasis on being trustworthy



Win-Win

- There is a common goal
- All trying to get as much of what they need
- Consensus based

Little concern for the relationship



Positional

- Parties are opponents
- Aim: win most
- Power based
- Focus on 'winning'

No concern for the relationship



The Clock Face model



The 1st dilemma: Decide on the approach

Co-operate?

- Take the first step
- Show one's cards
- Trust the other party
- Be respectfull



Compete?

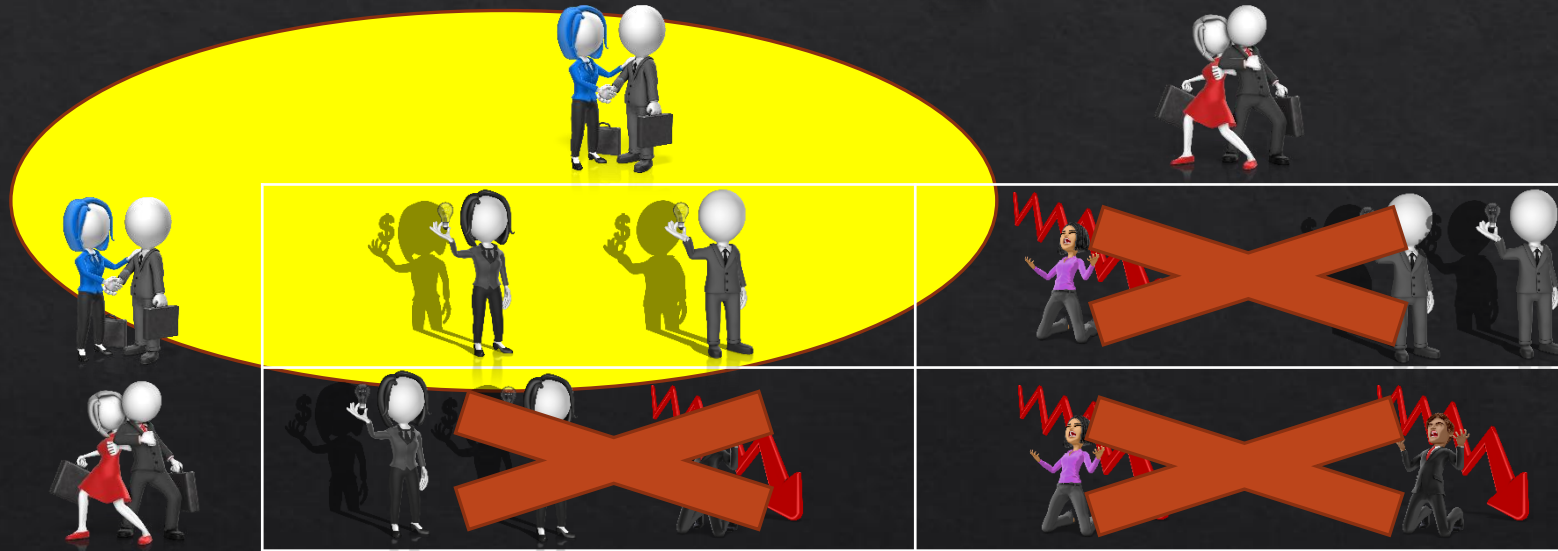
- Say nothing
- Offer few suggestions
- Take as much as possible from the other





The 1st dilemma

Party "A"



Party "B"



The 2nd dilemma: Focus on....



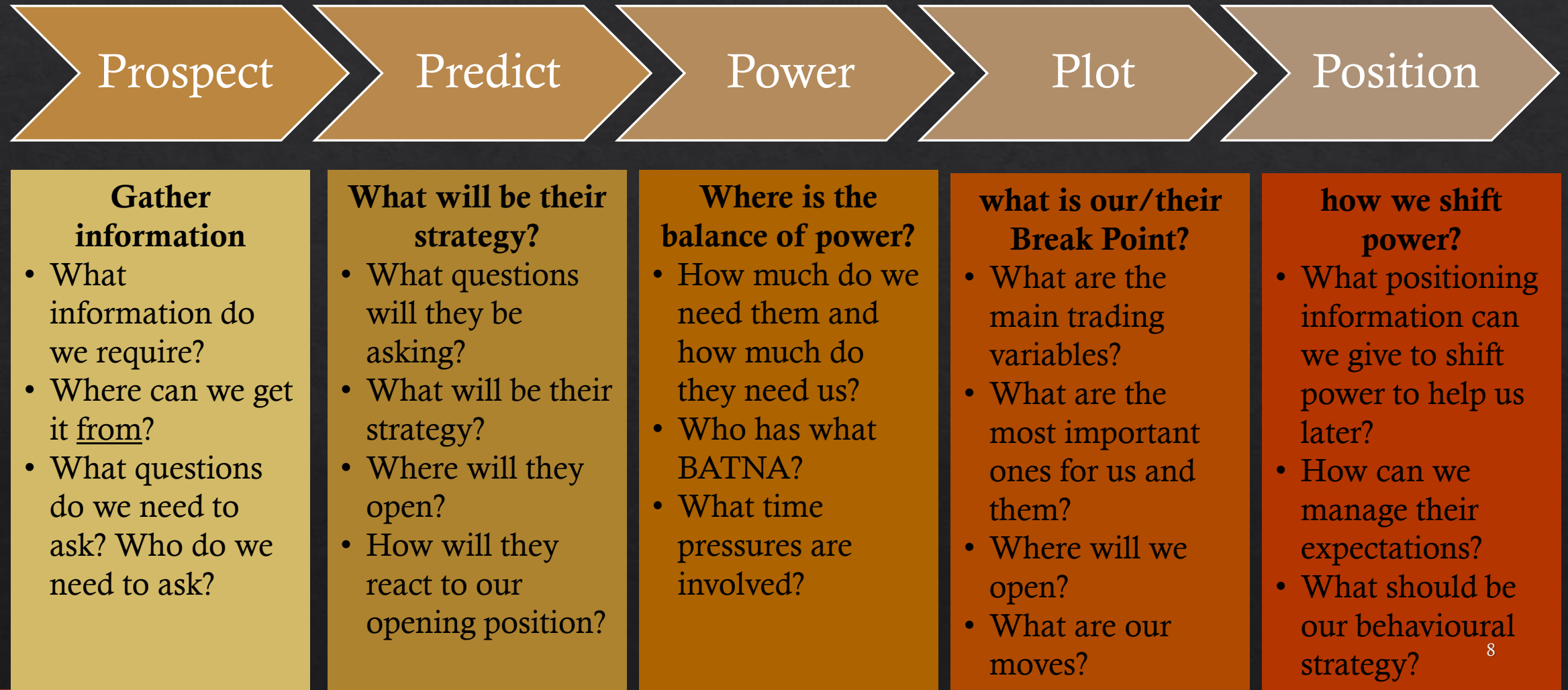
Substance



Relationship



5Ps of Planning





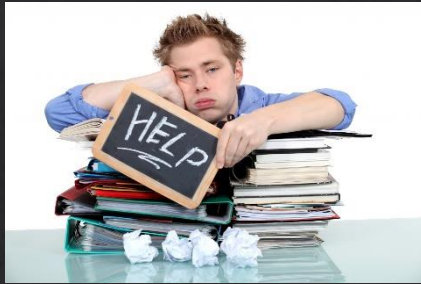
Define risks and probabilities

Think about what could cause you to change tactics

Tactics they may employ	Probability	Seriousness	Preventative Actions	Contingency Actions
Extreme positions with no movement	Med	Low	Re-affirm company position	Trigger; move to flex power to break deadlock
Strong reference to legal position	High	Low	Acknowledge	Repeat if Required; try to remain in win/win
Express anger and refusal to collaborate	Med	Med	Re-affirm the company position	Trigger; move to putting on the pressure
Threaten to and/or walk out of meeting in protest	Med	Low	Listen Re-affirm caution position	Trigger; consider move to flex power



Know who you are negotiating with



UNDER PREPARED

Not really sure why they are there. Not really sure what they are looking to gain



ANXIOUS

Concerned that they won't get the deal their local body has asked for. Worried about making decisions without taking it back



ONE SIDED

Only prepared to discuss certain subjects, on their own terms. No give on any subject but also not give any indication of what is most important to them



DOMINEERING

Like talking and taking over the discussions. May give away too much or not enough



UNDER REHEARSED

Unable to work with the rest of the team as haven't worked out in advance who is to be looking at what



Be clear about your objective

- What is the key trigger for change?
- What is our core business objective?
- What other options did we consider in coming to this decision?
- Why did these options not meet the business objectives?
- Have we identified and taken into account all the possible knock-on effects to our preferred model?
- What did our risk analysis reveal?
- Have we assessed the potential levels of staff disengagement?
- Who was involved in producing the business case/decision making?
- When did we first identify the core business objective?
- What is the timeline for the completion of the change process?
- How are we going to measure the success of the change process?
- Over what period of time will we measure that success?
- What is our plan B if this doesn't work?
- How are we going to communicate this consistently and factually?
- What is our strategy to engage with the most affected/upset/resentful staff?



Define your bargaining range for each variable



Use negotiation tools

Variables	GIVE	TAKE
Composition	X	X
Number of meetings	X	X
Select committee members	X	
Select committee meetings	X	
Duration of meetings	X	
New country integration	X	X
Exceptional circumstances	X	X
Training	X	
Scope	X	X
Translation	X	
Experts	X	
Information/consultation		X
transnational		X
GB Reps after BREXIT	X	
Link to local consultation		X
Time credit	X	
Legal jurisdiction	X	
Minutes and Communiqué	X	

TRADE SURVEYOR

ISSUES	TAKE		GIVE	
	Value to us	Cost to them	Cost to us	Value to them
Composition	High	High	High	High
Number of meetings	Medium	High	Medium	High
Select committee members	Low	Medium	Low/Med	High
Select committee meetings	Low	Low	Low	Medium
Duration of meetings	Medium	Medium	Medium	Medium
New country integration	Medium	Low	Low	Medium
Exceptional circumstances	High	High	High	High
Training	Low	Medium	Low	Medium
Scope	High	High	High	High
Translation	Low	Medium	Low	Medium
Experts	Low	Medium	low	Medium
Information/consultation	High	High	High	High
Transnational	High	High	High	High
GB reps after BREXIT	Medium	Medium	Medium	Medium
Link to local consultation	Medium	Medium	Medium	Medium
Time credit	High	Medium	High	Medium
Legal jurisdiction	High	Low/Med	High	High
Minutes and Communiqué	Low	Low	Low	Low

TRADE STORMING

list of all variables, not linked to one another



Use negotiation tools

Move planner : defines initial specific conditional details : IF YOU (takes) THEN WE (gives). The links can change during the negs.
Plan the moves in ever decreasing size: from opening position to BP.

MOVE PLANNER

IF YOU.... (TAKES)	THEN WE.... (GIVES)
EXCEPTIONAL CIRCUMSTANCES	
Agree to our proposal of a threshold of 3% of impacted employees in more than one country and a consultation process of 6 weeks	will agree to 2 meetings per year, with translations and 2 experts (one to be paid) (first step) AND we will remove the total cap for composition (second step)
	Step 1: will agree to 2 full EWC meetings in the first year of the agreement and then meetings every 9 months lasting. Step 2 AND 2 full days. Step 3 AND We would also provide 2 training days per annum for all EWC reps. Step 4 (FINAL) – 2 full plenary meetings per year AND 2 full days duration AND 2 training days per annum for all EWC reps Step 5: Remove above. Remove Threshold and use 'considerable extent', 6 weeks duration and transnational issue. (step 1-4) moves to consultation/transnational
	1st step – offer 2 plenary meetings per year 2nd step – AND 4 SC meetings per year 3rd step – AND 2 experts
	will agree to another expert to review exceptional circumstances OR we will give you a preliminary meeting with reps only and the expert
	will give 2 plenary meetings per year
	could agree to 37 reps for the EWC
COMPOSITION	
Agree to our proposal of one rep per 5% tranche of total headcount (total cap of 30 and country cap of 5)	will increase the number of SC reps to 7 (1 per BU, except NEBU with 2 and 1 Chair)
	would agree if new countries join, members would be in addition to the current number of reps for a period of 2 years with no review of current numbers
	1st Step – ok to split NEBU in SC, 1 member for Nordics/1 for Benelux



Use negotiation tools

Record of offers:

Record and tracts proposals throughout the negotiation process - in XLS file – restate where we are ‘here is our proposal’. Be careful not to agree anything, ‘we seem to be aligned’

RECORD OF OFFERS				
Issue	Mgmt	SNB	Mgmt	
Exceptional Circumstances	3% and are a transnational matter. 7 week period. SC and impacted countries only to	No threshold. not required if agree to 4 + meetings per year		
Consultation (definition)	Directive + only in case of exceptional circumstances	Consult on all topics. Minor topics to be managed during EWC meetings. Process mentioned. EWC opinion	OK to have consultation outside of exceptional circumstance	
Information (definition)	Directive	Directive including the word 'transmit'	including the word 'transmit'	
Transnational (definition)	Directive	at least 2 undertakings/est in 2 different countries. Included are decisions taken by the Company in a country other than the one in which effects are produced, and matters affecting the employees of only one country, may potentially concern employees of another		
Scope	Directive	Directive + H&S, working conditions of temps/agency/seasonal workers social related matters		
Plenary Meetings	1 per year. 2 day meeting, incl pre and post EWC rep mtgs	4 + meetings per year. CEO at each meeting	1 meeting every 9 months	
Select Committee	5 members, 2 meetings per year	4 meetings per year. 1 rep per country, chair and vice chair (14)	6 members (1 for each BU + Chair)	
Composition	1 rep per each 5% + 1 for SC (30) Total cap 30, country cap 5	1 rep per 3% or fraction of. 1 additional rep per SC operation (49)		
Training	Training for new reps. All other training to be agreed with Mgmt and to be relevant	training post agreement signature, training for new reps + 2 days training per year		
	CCEP EWC Agreement applies if no	SLMgmt to decide appropriate		



Use negotiation tools

RAG Proposals:

Record all clauses where you are aligned:

Red – Discussed and far apart,
Amber – Discussions ongoing
Green – Aligned

Section	Description	Comments	Action	Aligned
1.1	Introduction	Concern about the impact of Brexit	Inclusion of Switzerland and UK employee reps at the EWC level	Yes
1.2	Introduction	Will the agreement work under UK law if the UK leaves the European Union	None - we will not consider alternatives at this stage	
2.1	Aim and scope of agreement	Remove the word permanent from employee	Done	Yes
2.2	Aim and scope of agreement	N/A	N/A	Yes
2.3	Aim and scope of agreement	EWC will work concurrently with national consultation	N/A	Yes
2.4	Aim and scope of agreement	change article 6.1 and 8.1 to 6 and 8	to change	
3.1	Definition of Information	First contact will be verbal, with written information to follow. Flexibility needed on the topic and time given to be notified depending on sensitivity	N/A	Yes
3.2	Definition of Consultation	SNB believed last sentence to be contentious	SNB have asked for 21 calendar days, however, management will not be able to give more than 10 working days (BH exc)	
3.3	Definition of Transnational	N/A	N/A	Yes
3.4	Definition of Employee Representative	Inclusion of SNB term for first reps term	Agreed	Yes
3.5	Definition of Employee	SNB happy with changes, would like confirmation from Edward	FTC to include those who will have contract extended	Yes
3.6	Definition of Central Management	N/A	wording changed as agreed to and/or other appropriate managers	Yes



Managing deadlocks

- Summarise progress and common areas of agreement to date
- Take time out
- Ask for an off-the-record meeting
- Introduce new options which offer mutual gain
- Trade conditional concessions
- Change the shape of the package
- Change negotiator, location, 1/3 party facilitator
- Point out the consequences of no deal
- Use time pressure
- Restate your offer, shut up and wait
- Consider walking away



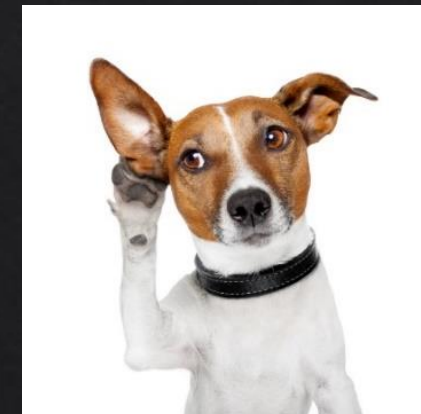
COMMUNICATION: Listen *before* speaking

Lousy Listener behaviour

- ✓ Works out their position while the other person is talking
 - ✓ Can't wait for the other stop talking before butting in
- ✓ Agrees too easily with everything the other person says
- ✓ Has wandering eyes and inconsistent body language
- ✓ Turns everything the other is saying to their point of view
 - ✓ Not interested in gathering further information from the other person

Effective Listener

- ✓ Determines what is being said
- ✓ Determines what is not being said
- ✓ Listens for the meaning behind the words
- ✓ Watches for inconsistencies in body language
- ✓ Formulates what they are going to say, once the other person has finished





HUMAN BIASES IN COMMUNICATION

- Clichés attributed to an individual belonging to a group (Stereotypes)
- 1 feature is basis for a judgement of other's personality (Halo effect)
- Attribute intention or abilities to the other (The attribution phenomenon)
- Imposing own interest, feelings....upon another (Projection)
- It wasn't me, it was him (Accuser's bias and excuser's bias)
- Value of an idea depends on the person who presents it (Reactive devaluation)
- What we have seen/believed once, we see/believe again & again (Memory enhancement)





Basic behaviour styles to encounter negative/dominant participant



Think clearly when faced with conflict



Do not allow sense of fairness to influence behaviour



Maintain self-control, use silence and manage discomfort



Open extreme but realistically, shifting their expectations



Read their break point



Listen and interpret the meaning behind the words



Plan and prepare using all information



Question effectively to understand the priorities of the other party



Trade concessions effectively and always conditionally



Apply analytical skills to manage the value of the deal as the negotiation unfolds



Create and maintain the appropriate climate for trust



Think creatively to develop proposals which help move the deal forward




Explore options which help gain agreement and remain open minded towards new proposals

Helpful Tips!




TAKE CHARGE




Know your alternatives



Make the offer and SHUT UP



Never give something away unless you get something in return




Keep the talk in your ball park




Decide on your objectives and stick with them




IF YOU accept this, THEN WE will give you that



Ask questions, read their head




Avoid soft language



Build an adequate timeline



Nothing is agreed until everything is agreed




Open up on extreme



Drop an anchor early on



Nothing personal, just business




Keep notes



Flinch



There are no problems, only solutions



Protect your information



Communicating to large groups

- Allowing people to understand
 - the reasons for the change,
 - the change required itself
 - what they can then do to support the change.
- Delivering a consistent message to all employees
- Creating a common language about the key issues
- Building ongoing momentum to be kept up through different forms of communication throughout the organization





Logistics of the EWC meetings

Agenda:

Content of the (Annual) EWC meeting:

- ◇ Topics as per the EWC agreement
- ◇ Follow-up outstanding issues
- ◇ Potential Additional topics
 - ◇ Deep dives on specific field
 - ◇ Extra topics by Management
 - ◇ Extra topics by EWC members
 - ◇ Ad hoc projects
- ◇ Q&A
- ◇ When to finalize/send out the agenda
- ◇ Level of flexibility to adjust short term
- ◇ Brief management representatives

What about:

- Translation services
- Travel arrangements
- Travel time
- Timing of the meeting: start-middle-end of the week
- Joint statement after the meeting
- Keeping national issues out of the EWC

Agenda



Managing EWC's in practice

1. Negotiating a EWC agreement
2. Building positive relationships
 1. Power of an EWC
 2. Importance of "Framing"
 3. How to approach the EWC
 4. Information & Consultation in different cultures
3. How to encourage involvement

HARD



SOFT



Soft power

7	SOFT POWER	Visionary, Aspirational.	Most effective.
6		Passion, Creativity, Influence.	
5		Persuade, Encourage, Empower.	
4	HARD POWER	Authoritarianism, Threat of Force, Autocracy, Coercion, Punishment & Reward.	Last Resort. To be used only when all else fails.
3	POWERLESS	When people are afraid, they seek Authoritarian Leaders who wield HARD POWER.	Least effective.
2		Threats to security or from social change make people fearful.	
1		These people are in denial and are apathetic to change and threats.	

Power of an EWC



absolutism

information

consultation

EWC

consultation
plus opinion

collective
bargaining
(negotiation)

codetermination

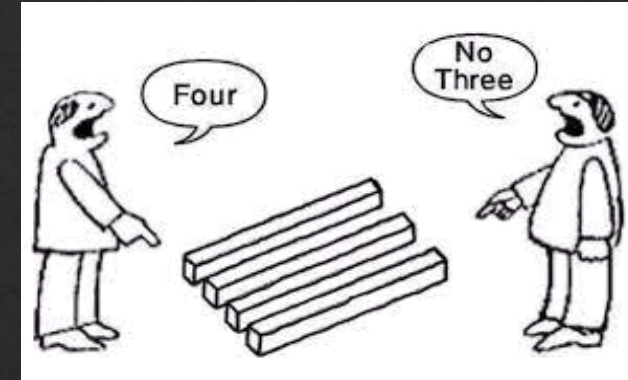
abdication

Where does your EWC fit?

- ◆ Where does the EWC fit in your corporate approach to labour relations? (incl select committee and the expert) e.g.
 - ◆ With other works councils?
 - ◆ With other internal communications
 - ◆ Top management town halls?
 - ◆ 'cascade' reporting?
 - ◆ other 'employee voice' arrangements?
 - ◆ With trade unions?



The importance of Framing



1. The starting point of a journey, determines how the journey and the end result look like
2. Understanding the other parties' "frame", helps to understand their behaviour

FRAMING your EWC...

3 Key principles to our EWC agreement

Honeywell

- Legal compliance, being a good European citizen
- Create an opportunity to enhance Business driven communication with our Employees
- No bureaucracy and no slow down to Business Agenda

Company XXX's HR & Labor Relations focus are on Employee Engagement and on country processes, rather than on Information and consultation on European level.

- Employee key relationship is with his line manager
- Next level of relationship is with country HR, country management and national WC
- Company will ensure legal compliance on EWC level and manage risks in the grey zones

Hill-Rom's EWC priority aim is to help everyone in the company to understand the need for change.

In order to reach this goal, the EWC prefers to have meaningful discussions and to work in an open and transparent manner to better understand HillRom's European business and its culture. The outcome and the learnings of these discussions should be communicated to all European Hill-Rom staff.

The output of this on-going process should be an increased level of trust between EWC and management, thus ensuring a mature exchange of ideas, also in times when difficult discussions need to take place.

Country Culture The Hofstede model

High score	Low score
Power distance (How society handles inequality among people)	
Individualism ("I" or "we")	
Femininity- Masculinity (Tender vs Tough)	
Uncertainty Avoidance (Dealing with uncertainty)	
Long term planning	
Indulgence	

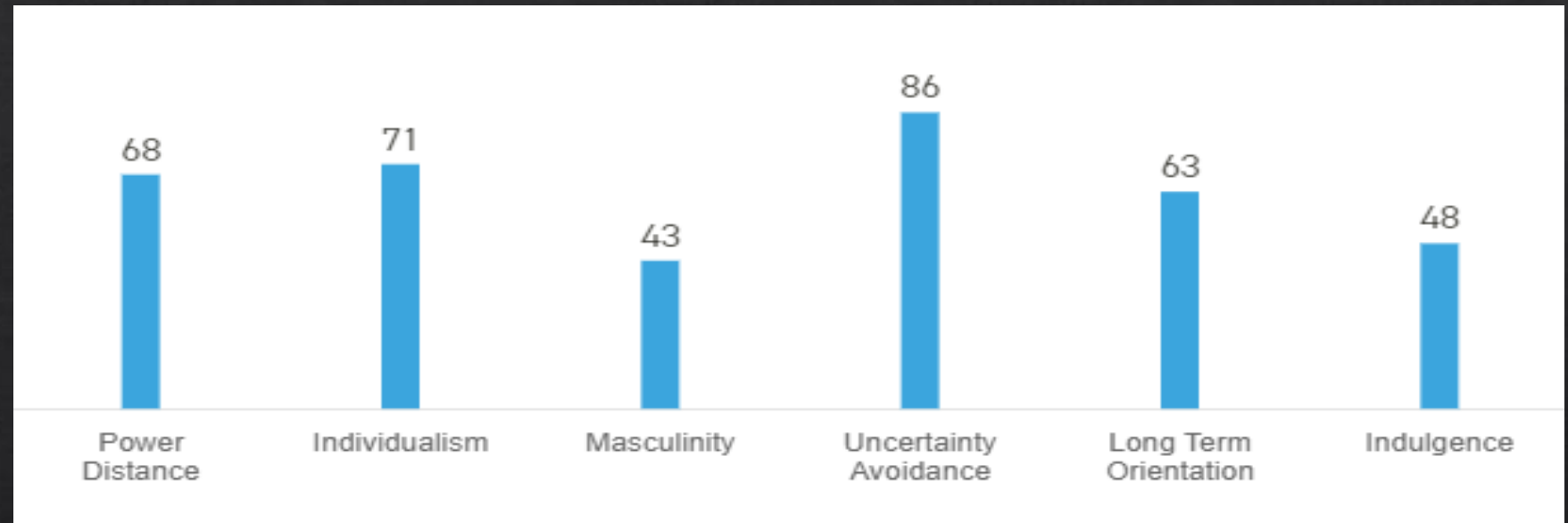
<https://hi.hofstede-insights.com/national-culture>

German Country Culture & EWC I&C process



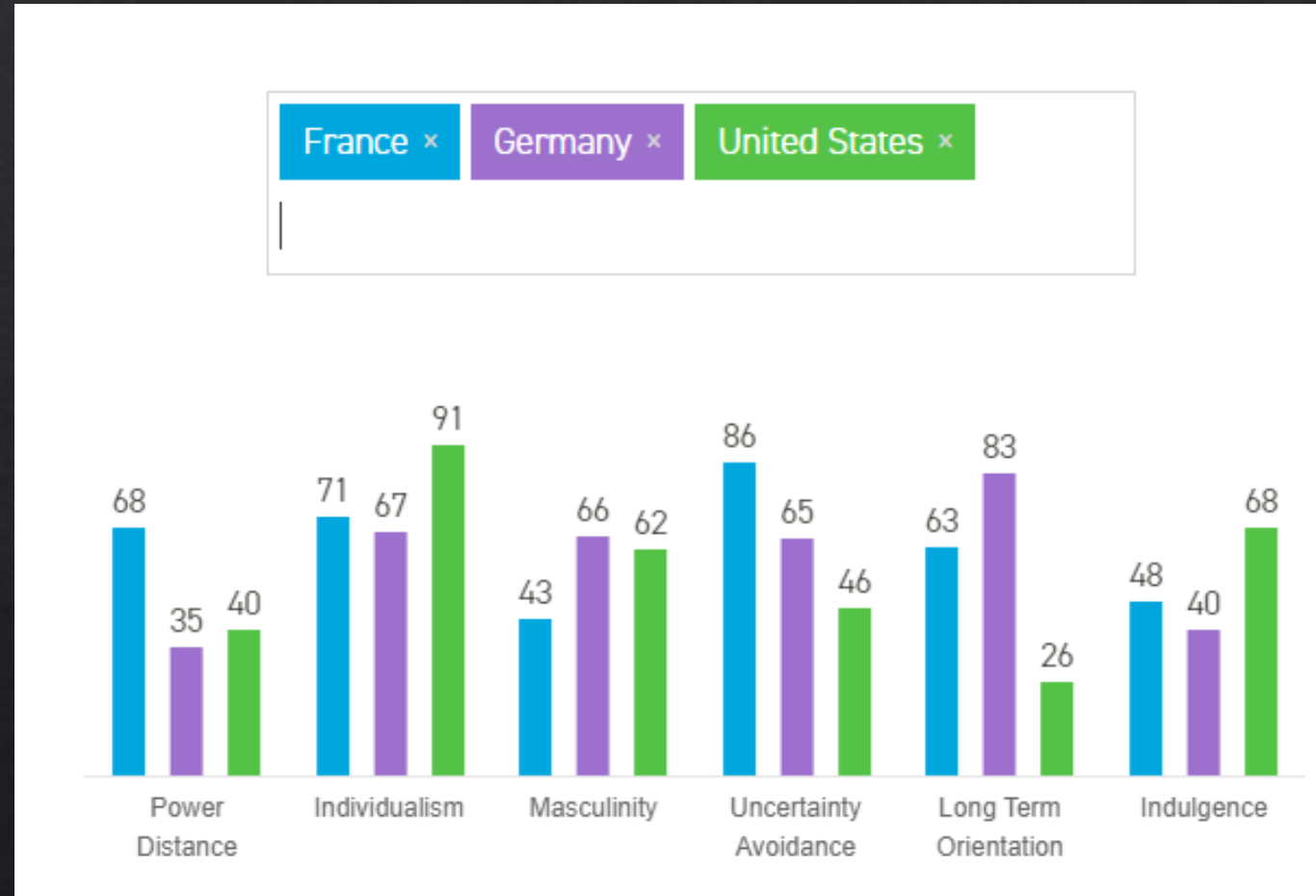
	Power	Individualism	Femininity vs Masculinity	Uncertainty avoidance
Consequences for EWC I&C process	-I&C process must correspond to legitimate criteria. -Employees should be treated in some way as equals	- People think for themselves. -Relationship easy to establish	-Succes & Status symbols prevail (f.e being the EWC chair).	-Preference for permanence, harmony & stable rules. - Change is a threat

French Country Culture & EWC I&C process



	Power	Individualism	Femininity vs Masculinity	Uncertainty avoidance
Consequences for EWC I&C process	<ul style="list-style-type: none"> -Unbalanced agreements are generally accepted. -The negotiator has no authority and deals within his mandate 	<ul style="list-style-type: none"> -Direct confrontation is accepted. -Little attention to the long term -Focus on individual, not on the group 	<ul style="list-style-type: none"> -Preference for cooperation and harmony. - Societal aspirations on relationships & quality of social dialogue 	<ul style="list-style-type: none"> -Preference for permanence, harmony & stable rules. - Change is a threat

Country Culture Comparison



Monochronic vs Polychronic Cultures



Time is perceived as linear

Impact on I&C:

- Punctuality is mark of respect.
- Optimise time to discuss
- Concentrate on 1 thing at the time.

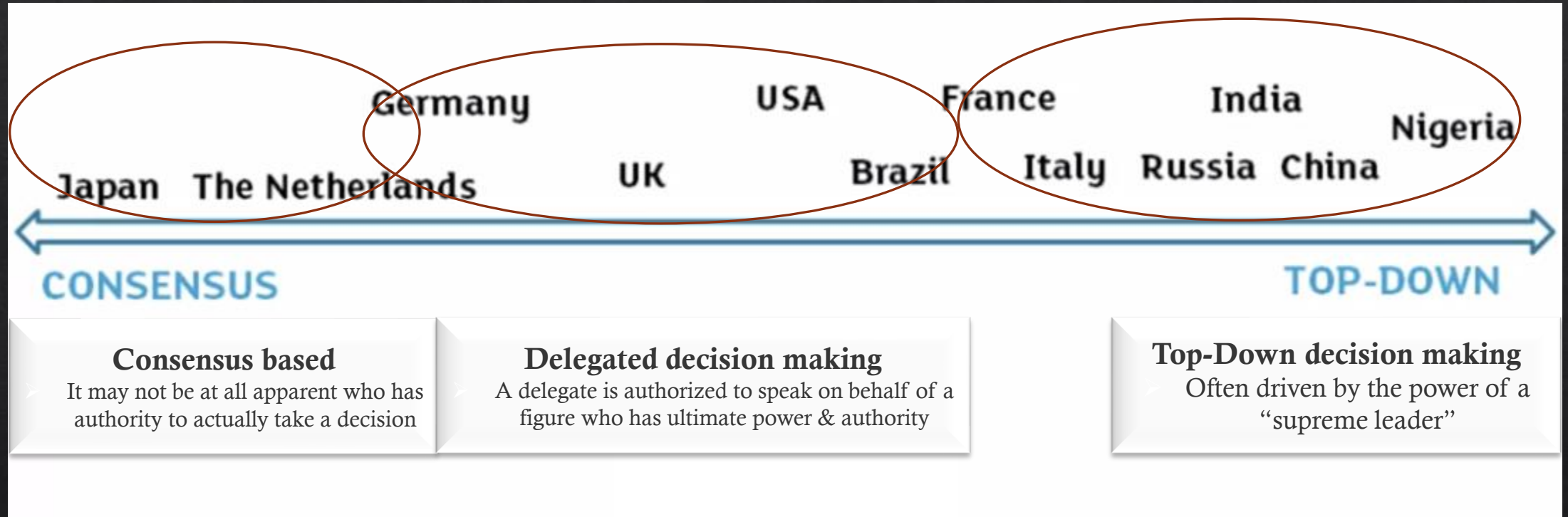
Time is perceived as elastic

Impact on I&C:

- OK to be late or to postpone
- Relationship building is key
 - Take time to discuss
- Deal with many issues at a time
 - Open for many forms of disruptions
 - Agenda is not key at all
 - A wholistic process

Source:
Edward T. Hall

Decision making mechanisms



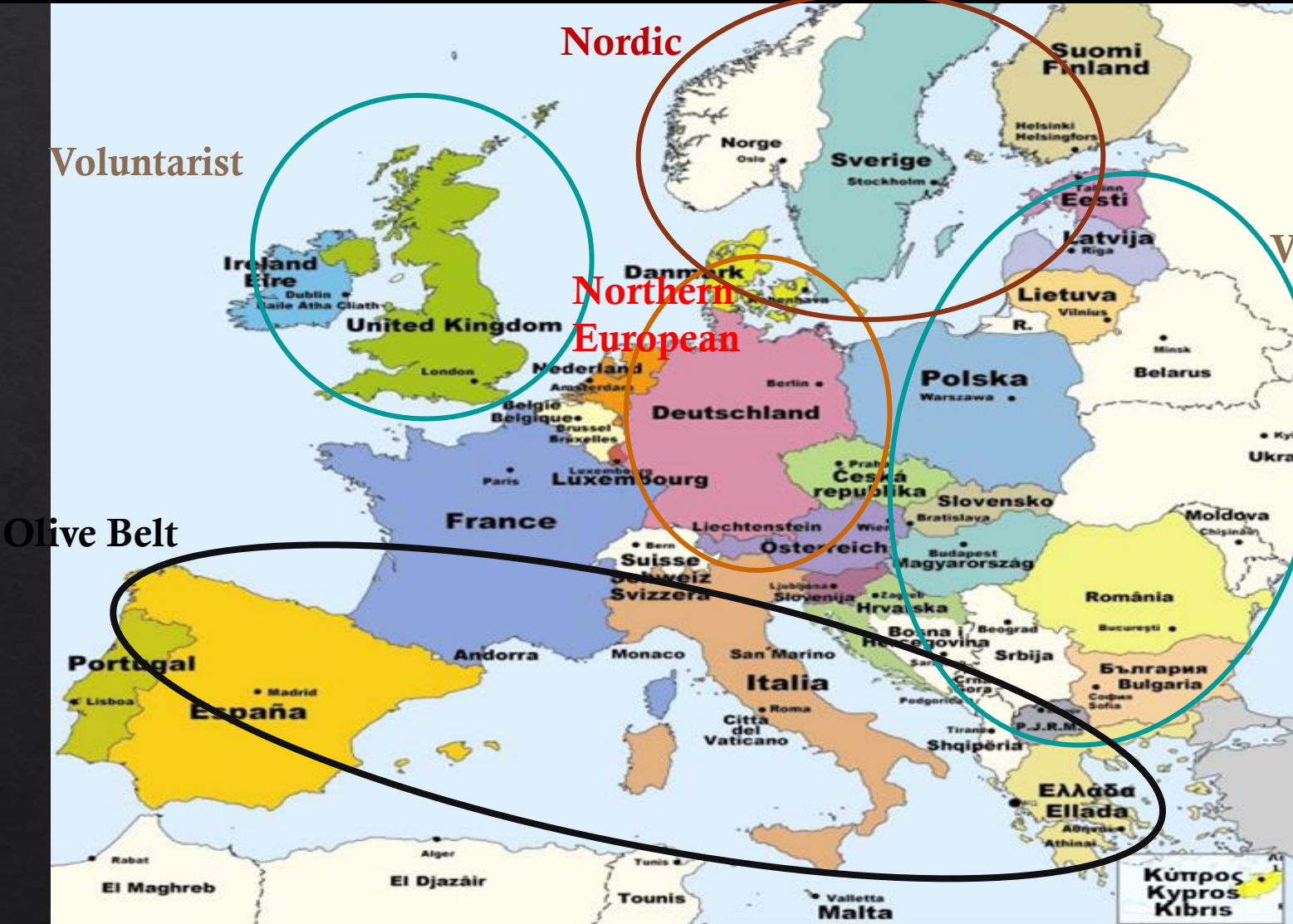
Caveat

- Many countries have webs of influence that are more important than the actual parties making the agreement

Source: Erin Meyer
professor INSEAD

Different perspectives....

<http://www.worker-participation.eu/National-Industrial-Relations/Map-of-European-Industrial-Relations>



Voluntarist

....SIMPLIFIED

FACTFILE

Uncertainty
Avoidance

EUR

Uncertainty acceptance

Countries	France, Greece, Italy, Portugal, Spain ◀ Belgium ▶ ◀ Romania ▶	Austria, Germany, Liechtenstein, Netherlands, Slovenia, Luxembourg ◀ Czech Republic ▶ ◀ Slovakia ▶	◀ Hungary ▶ Estonia, Latvia, Lithuania, Malta, Poland, Ireland, United Kingdom	Finland, Iceland, Norway, Sweden
Trade union density	LOW (<20%) except Belgium (c50%) and Italy (35%)	MEDIUM (20% - 40%)	MEDIUM (20% - 40%) LOW (<20%) Estonia, Latvia, Lithuania HIGH (50%) Malta and Cyprus	HIGH (>60%)
Union profile	Ideological/religious	Industry based	General "catch-all"	Blue/white collar
Collective Bargaining level	Mixed sectoral and enterprise	Sectoral	Enterprise	Sectoral
Collective Bargaining coverage	HIGH (>80%) Through state extensions of bargained outcomes	HIGH (>80%)	LOW (<30%) Malta and Cyprus c50%	HIGH (.80%)
Incidence of works councils or enterprise union bodies	MIXED (France very high – Greece very low)	HIGH	LOW	HIGH
Nature of employee relations	ADVERSARIAL	CONSENSUAL	POWER BASED Membership and support	MATURE
Role of the state in labor relations	INTERVENTIONIST	"MEDIATOR OF LAST RESORT"	NON INTERVENTION (manager of transition in Eastern Europe)	LOW INVOLVEMENT
Incidence of strike action	HIGH	LOW	LOW but can be volatile	LOW
Employee relations "power balance"	ALTERNATING	BALANCED	EMPLOYER	WORKERS
Strength of works council	VARIES – can be high based union influence and militancy	HIGH	LOW – unless combined with high union membership and support	HIGH
Ease of introducing change	DIFFICULT	DIFFICULT	EASY	EASY
Employment flexibility – internal and external change (EUROPEAN COMMISSION)	HIGH UK HU PO SE DK IE FI CZ	AT SK NL BE	IT DE FR ES EL PT	LOW

Agenda



Managing EWC's in practice

1. Negotiating a EWC agreement
2. Building positive relationships
3. How to encourage involvement
 1. The people
 2. The process
 3. The Problem

PEOPLE before...



PROCESS before...



PROBLEM

Start with understanding people issues first

- ⇒ EWC representatives are people first
- ⇒ Emotions
- ⇒ Perception & Trust
- ⇒ How the mind plays tricks with us
- ⇒ Encountering dominant behaviour

People issues:

Be aware, EWC representatives are People first

- They have ego's that might feel threatened
- They have “a” point of view
- They interpret what you say
 - you have no idea how that looks like
- Misunderstanding can reinforce prejudice
- A situation has more influence on one's behaviour than personality does
 - Know what drives him/her, in order to predict behaviour
 - Knowing his/her alternatives is a strong predictor
 - What are his/her's targets?



people issues:

Emotions that influence the social dialogue



Anxiety

- A negative, self-focussed emotion
- Anxious counterpart is difficult to deal with:
 - Respons quicker to any move made
 - More likely to consult others
 - Less able to assess good & bad advice

Remedy

- For oneself:
 - Train, practice, rehearse
 - Bring in external party
- For the other party:
 - ◆ Explain more
 - ◆ Take time



Anger

- A negative emotion, focussed on others
- Harms constructive process & long term relationship
 - Escalating conflicts & biasing perception
 - Intensifies competitive behavior

Remedy

- Build a rapport before, during and after
- Build & frame the information cooperatively
- If needed, apologize. Seek to sooth
- Reframe anger as sadness

People issues:

Emotions that influence the social dialogue



Disappointment

- Feeling wronged
- Usually on speed of process
 - Feeling not maximized the outcome

Remedy:

- process slow & deliberately



Regret

- Mostly on actions not taken

Remedy:

- Ask questions
- Ensure everything was explored

People issues

- Understand the emotions: theirs and yours.
- Ask your selve:
 - What is causing this emotion?
 - Which core concern is involved?
 - Autonomy, apprecitation, affiliation, role and status
- Acknowledge emotions as legitimate
- Allow others to let off steam
- Don't react to emotional outbursts
- Use symbolic gestures



Feelings are FACTS

People issues:
Perception

Recommendations:

- Do not deduce other peoples intentions based on your own fear
- Don't blame the other for your problem
- Discuss each other's perceptions, try to put yourselves in their shoes
- Try to be inconsistent with their perception (in a positive manner)



People issues:

Trust

Expectation my interest will not be damaged by intentions and decisions of others

$$T = C * I * IO$$



Competent

- Rational element

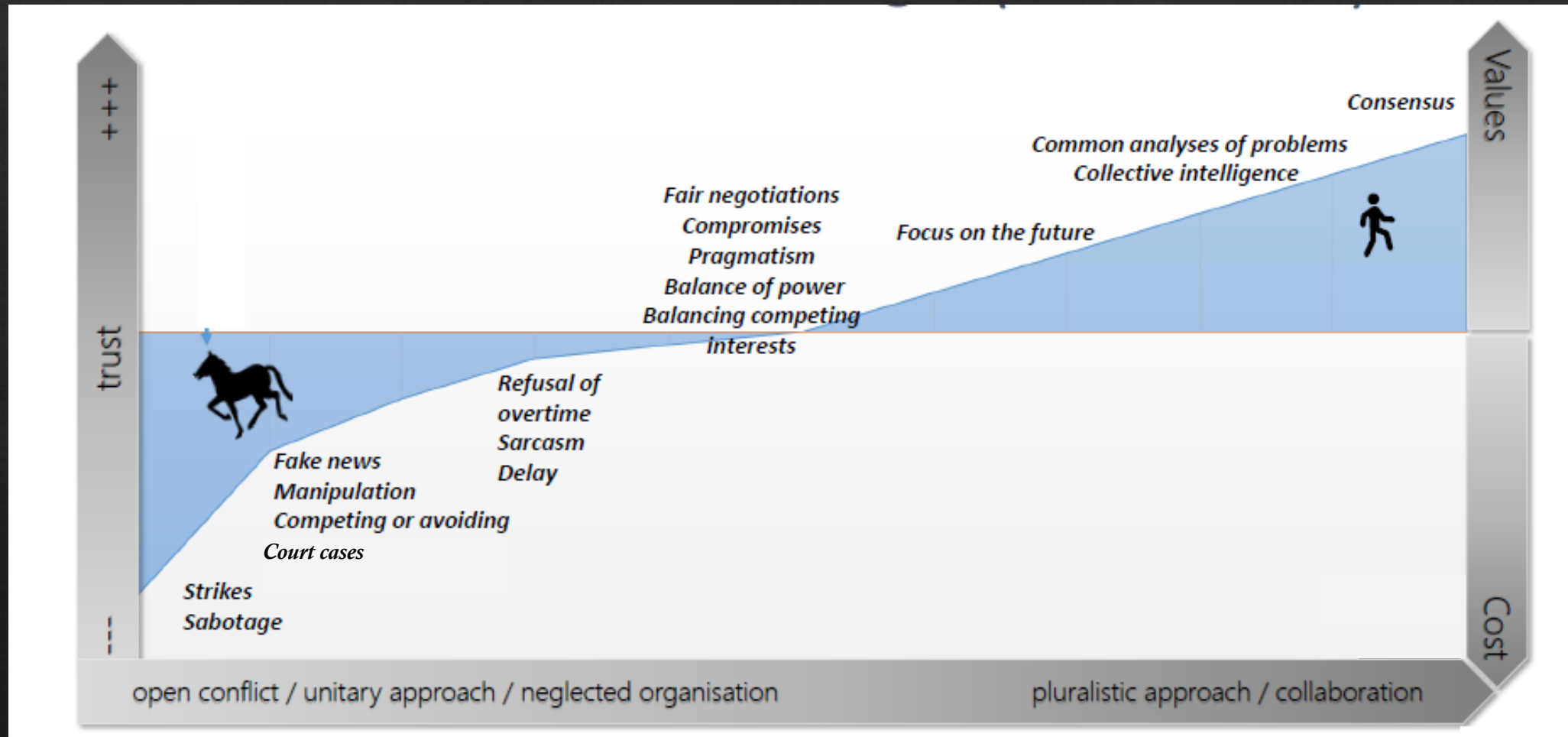
Integrity

- Emotional aspect

Interest in Other

- Emotional aspect

People issues:
Trust in Social relations



Trust comes on foot, but may leave on horseback

Classified - Confidential

Basic behaviour styles to encounter negative/dominant participant

Action:

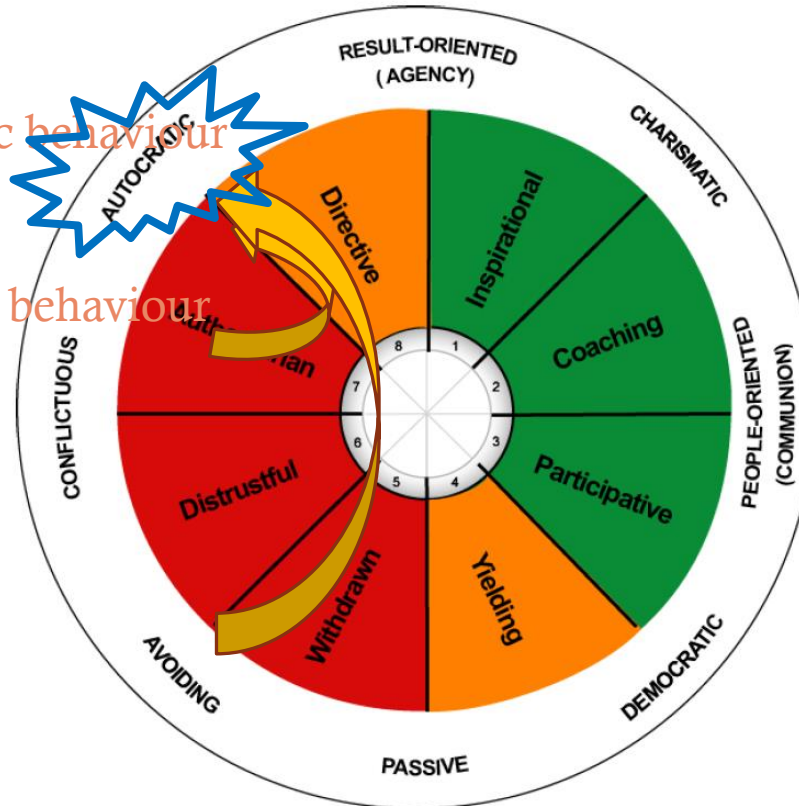
Authrocratic behaviour

Reaction:

Authoritarian behaviour

OR

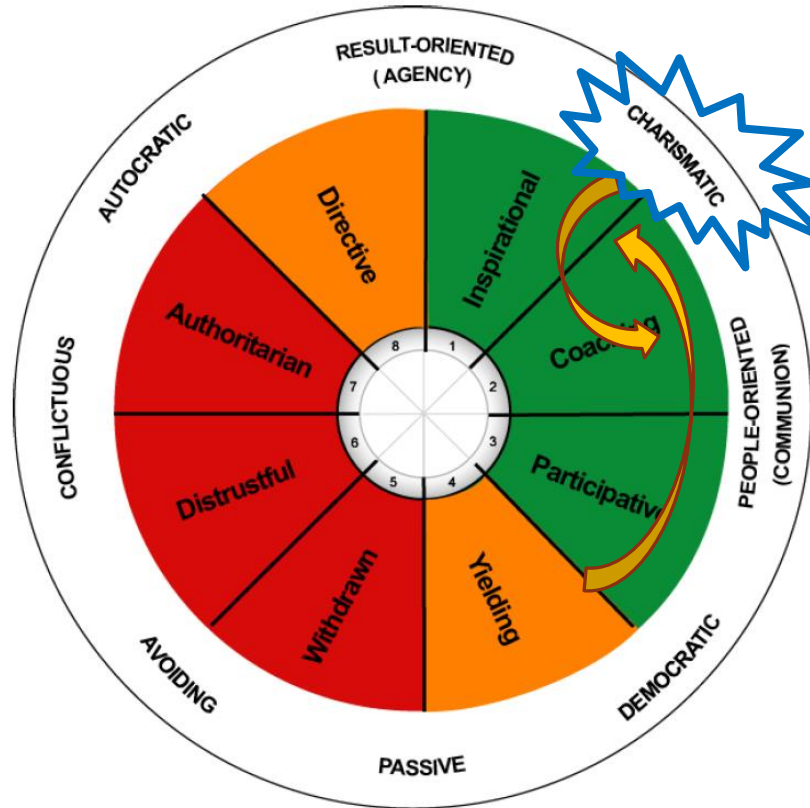
Avoiding



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People issues:

Basic behaviour styles to encounter negative/dominant participant



Action:
Charismatic

Reaction:
Charismatic

OR

Democratic

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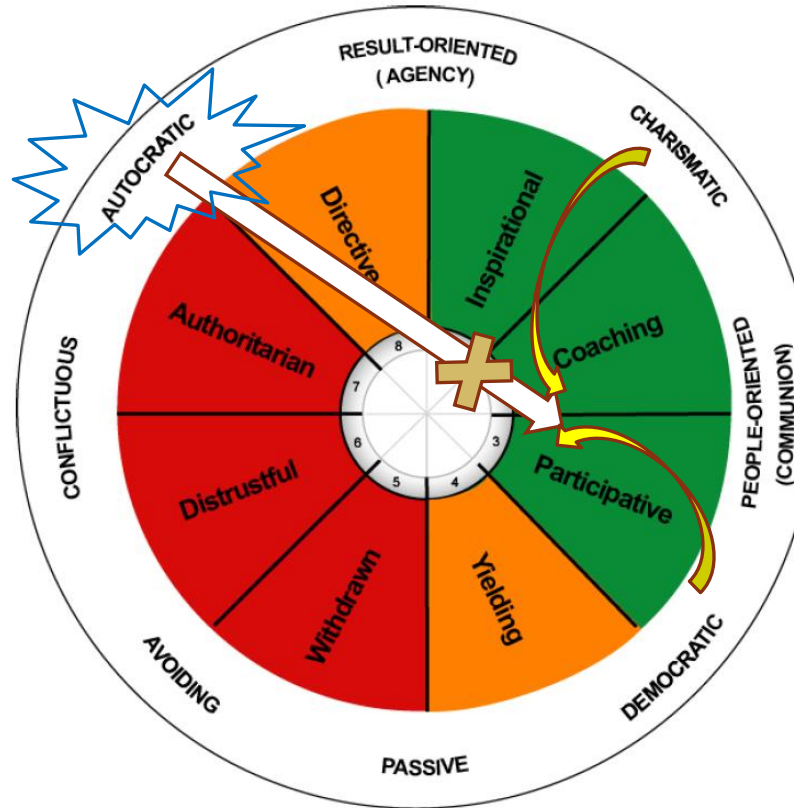
People issues:

Basic behaviour styles to encounter negative/dominant participant

Autocratic / avoiding
behaviour will never result in
a intuitive positive reaction

Handling an autocratic/
avoiding counterpart:

- Behave in the green fields
- Over & over again



Your Reaction:

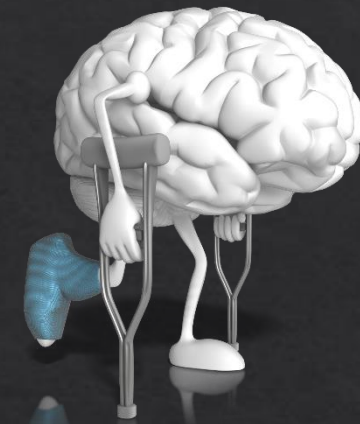
Charismatic

OR

Democratic

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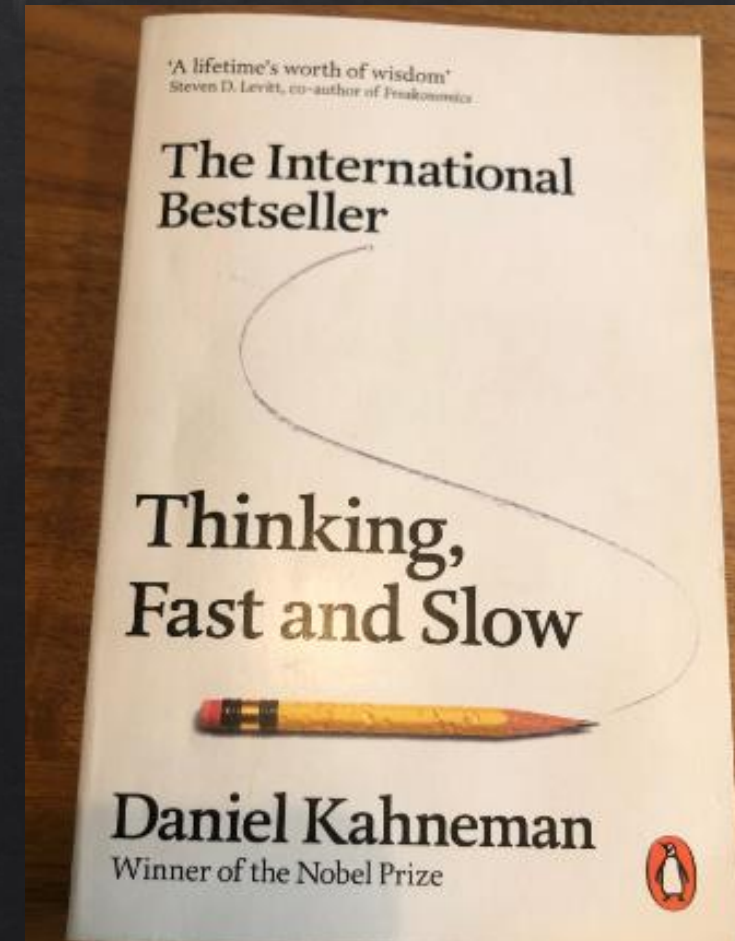
How the mind operates



- Most people do not think through the problem:
 - Rely (too much) on intuition
 - Overconfident
 - It takes (too) much trouble/energy
- A conclusion comes first and arguments will follow

In a discussion situation:

- Be aware that people rely on intuition
 - You do
 - So does the other party
- Take time to think through the issue BEFORE replying
 - Take a break to discuss before replying to the other party
 - Issue in virtual negotiations



PEOPLE before...



PROCESS before...



PROBLEM

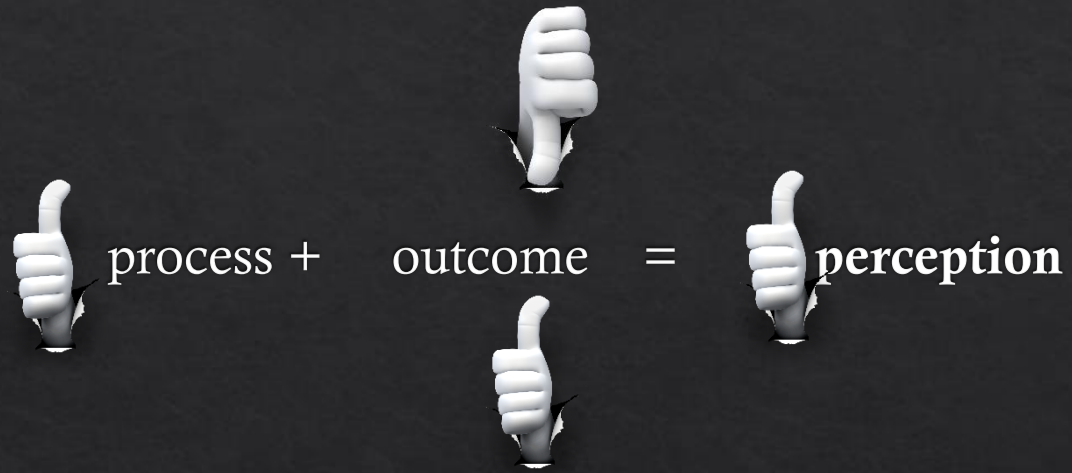
Process *before* problem solving

⇒ Importance of process

⇒ Logistical aspects



Process matters more than outcome



- ◇ Process creates relationship => helps to become trustworthy

However:

- ◇ It takes time
- ◇ Involves listening & empathy



LOGISTICS OF THE EWC MEETINGS

- ◇ How interactive?
- ◇ When to do the Q&A
 - ◇ During / after presentation
- ◇ The meeting room
 - ◇ U shape, classroom
 - ◇ Opposite or mixed
- ◇ Informal activities before/after
- ◇ Breaks, lunch, dinner, drinks...





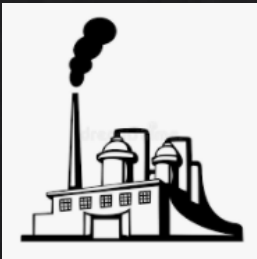
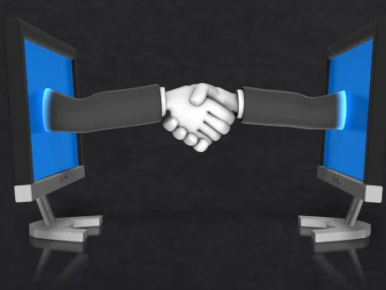
LOGISTICS OF THE EWC MEETINGS

Information to be provided



Budget and Forecast	😊
pts improvement v Q1, below	😊
ABR) at \$216m, 96% of budget 2m, -18% YoY	😊
by 5-days YoY, still below	😊

Location of the EWC meeting



PEOPLE before...



PROCESS before...



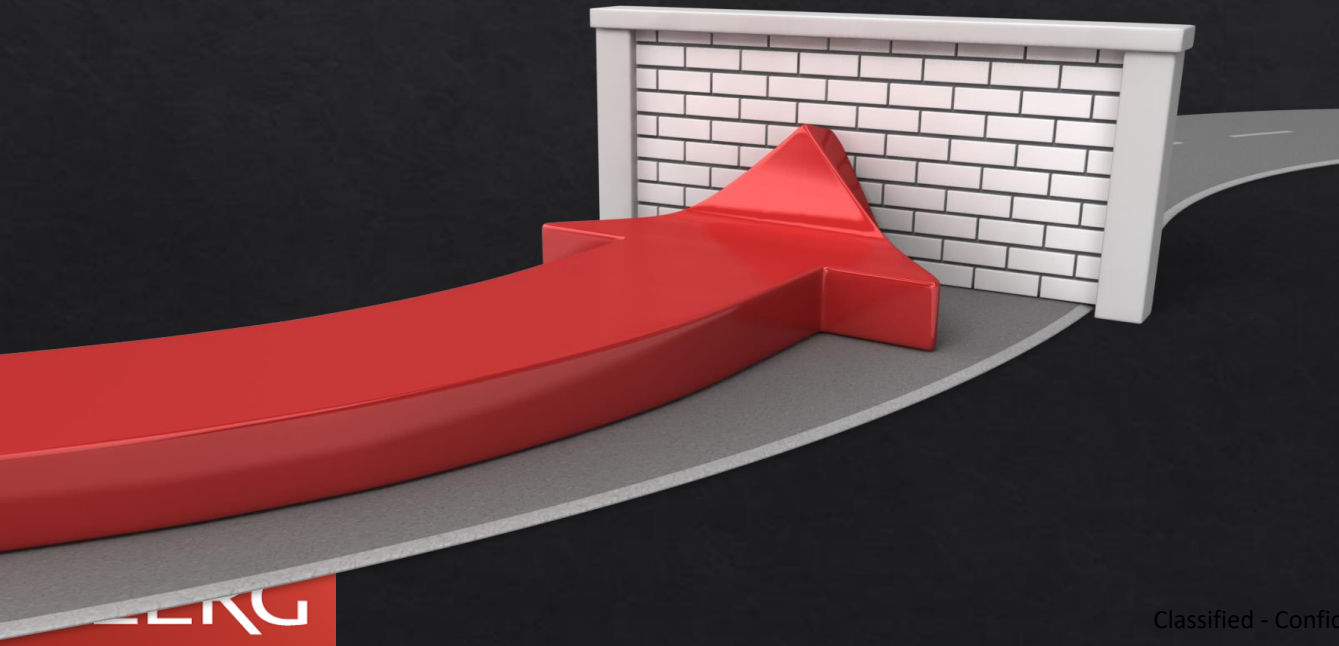
PROBLEM

Finding alternatives before presenting an issue

- ⇒ The issue with management proposals
- ⇒ Look for mutual gains
- ⇒ The power of justifications

The issue with (most?) management proposals

- Biased / Premature judgement
 - ✓ hinders imagination
- Presented as the single answer
 - ✓ cutting off other options
- The assumption of a fixed pie
 - ✓ the “either/or” attitude



Look for mutual gains

- Identify shared interests
 - ✓ Shared interests can be made a shared goal
 - ✓ Can make the discussion smoother and more amicable
- Try to dovetail differing interest
 - ✓ different beliefs, priorities, risk aversions....
- Ask for their insights, rationale, preferences
 - ✓ Not necessarily what is acceptable



The power of Justifications

Helps to anchor an acceptable position / opinion

Provides legitimacy beyond parties' control

Examples are:

- Principles, reasoning and calculations that are accepted unanimously
- Benchmarks, measurements and evidence
- Law
- Professional standards
- Standard contracts
- Precendents, past examples, customs



Anything we have not discussed (yet)?



Key HR principles and tools

Key HR principles agreed in the project:

- ◊ All the changes will be handled in full compliance with local legal information and consultation requirements.
- ◊ We continue to be committed to a transparent and constructive social dialogue, taking into account feedback.
- ◊ Our ambition is to give clarity to individuals potentially impacted as soon as possible (regarding jobs potentially affected, vacancies available, selection process, ...)
- ◊ Communication flow will be determined by the level one is affected: Affected staff and their local employee representatives first, other employees/employee representatives in a second phase.
- ◊ Our priority is to secure suitable alternative roles for as many individuals as possible within their entity or within the Company. To favor such internal redeployment opportunities, a hiring freeze has been implemented from October 25th 2017.
- ◊ We will ensure that we offer competitive redundancy package in line with local legislation and practices, and treat every one with the upmost respect.

Key tools for downsizing as agreed with EWC:

- Stop replacing employees who are leaving
- Where new recruits are required, train and develop internal candidates to grow into the position
- Insource relevant work where applicable
- Release employees who wish to leave where possible
- Use pre-retirement where applicable
- Search for alternative position in the Company – locally or elsewhere
- Further education or development to qualify for another position inside or outside of the Company
- Offer outplacement and look for alternative position outside the Company
- Sign mutual release agreements including severance and flexibility during notice period where appropriate
- If nothing else works, termination is final option