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Europe: Wage pressures growing



IG Metall, Germany's biggest union, is preparing to table a wage demand of 8.2% for 85,000 steelworkers, which will not only set a headline for wage negotiations elsewhere in Germany but will also influence union bargaining strategies across Europe.

Birgit Dietze, IG Metall's chief negotiator in the east German steel industry, told the *Financial Times* that “...when companies are making high profits, as they are at the moment, there can and must be compensation for the sharp rise in prices for employees”.

Esther Lynch, deputy general secretary of the European Trade Union Confederation, said: “Everybody who bargains on wages looks very closely at what these negotiations in German industry are doing ... I'm now hearing from almost every delegate examples of how low-paid workers can't even meet the basics of paying for food and electricity, and they want action now.”

FNV, the biggest Dutch union with almost 1mn members, wants the government to increase the minimum wage from €10 to €14 per hour and is pushing all companies to increase pay by €100 per month for all workers to offset the rising cost of living. France's minimum wage has risen three times in the past year for a total increase of 5.9%, but unions want it to go up by another 20% to €2,000 per month. Elsewhere, IndustriALL Europe reports:

- In **Austria**, trade unions are calling on the government to counter the effects of rising inflation (almost 7%). They demand a price commission composed of the social partners to monitor the situation; the increase of pensions in line with inflation; a social balancing compensation that consists of a 6% pay rise; and direct payments to households.
- **Belgium** is one of the last countries in Europe with automatic wage indexation. This protects the purchasing power of workers, but only partially, as indexation does not cover inflation in full. The

Belgian unions are mobilising their members and are organising several major demonstrations in 2022 to protest against the rising cost of living and to demand an automatic wage indexation.

- **Czechia** registered the highest inflation in the EU in March 2022 (12.7 %), as well as the highest energy prices. Trade unions have proposed temporary measures to tackle the price surges of basic commodities to ease the panic spreading in the general population. They are also calling for market regulations and activating short time working schemes.
- In **Italy**, productivity gains are mainly distributed through company-level agreements, but these agreements only cover 30% of the workforce. Company profits are thus not fairly redistributed. Buffers that affect the price of commodities, employment and wages have been put in place to limit the crisis.
- **Romania** is the best example of why strong collective bargaining is needed. FSLI Petrol Energie won a 10% wage increase in their company level negotiations. Unfortunately, this cannot be extended to other workers because the Social Dialogue Law limits negotiations.

Isabelle Barthès, industriAll Europe’s Deputy General Secretary, said:

“We are entering uncharted territories. As a society, we are facing a situation not seen in decades, marked by fears of stagflation, persistent supply disruptions, financial market volatility and war in Europe. Workers must not pay the bill while CEOs receive record pay. We call on governments to support households and on employers to compensate workers. Social dialogue and collective bargaining must be strengthened to ensure better redistribution in society.”

In the UK, Unite has failed to secure the right to represent workers at the Financial Conduct Authority just days after calling a pay strike. The Central Arbitration Committee, the government body responsible for granting recognition to trade unions, said Unite had not proved that a “majority” of FCA staff wanted it to represent them.



The union last week called two days of strike action at the regulator after securing the backing of fewer than 300 of the 4,000 staff for industrial action in a ballot in April. Unite has a total of 600 members at the regulator, according to its CAC submission, equivalent to just over 15% of the workforce.

A union must pass two tests to be granted formal recognition by CAC. First, it must have at least 10% of the workforce as members, then it must demonstrate that a majority of workers in the proposed bargaining unit are in favour of recognition. The CAC said in its ruling that 31.2% of workers had signed a petition in favour of union recognition.

Unite had sought recognition as part of its campaign against a restructuring plan tabled by chief executive Nikhil Rathi last year. The union claims the changes amount to pay cuts for many employees.

Future Work: Get off your Peloton and back to your desk



Tom Hayes writes: “It’s time for everyone to get off their lazy backsides - and their Pelotons - and get back to the office!” screams a headline in a [Daily Mail article](#) by Lord Alan Sugar, best known these days as the host of the UK version of Donald Trump’s *The Apprentice*, telling hopefuls: “you’re fired.” Sugar wants an immediate end to Working From Home (WFH), with everyone back in the office under the watchful eye of the boss.

He says that full time office presence is necessary to reboot businesses. It is also necessary that workers get back into city centres to support coffee shops, newsagents, hairdressers, and dry cleaners. To put it

another way. Sugar wants a return to the “commuter society” on which the “coffee shop economy” is dependent.

It is a point of view. It is not one I share because it seems to be built on the idea that only if the “boss” is watching you are you productive. Otherwise, you will “skive off”. It is also full of public-sector bashing. Ironically, with his Amstrad computers, Lord Sugar help start the digital revolution that has made WFH possible. The noble lord says that “your mum and dad” did not work from home, so neither should you.

But just because your “mum and dad” worked in an old-fashioned way does not mean that you should do so. Technology constantly allows the way we work to be organised differently, and better. The old ways were not always the best. Some of the “old ways” were downright inhuman. Is anyone still on for sending children up a chimney? Was coal-mining a healthy profession? Should we still use a quill pen? Would an Amstrad computer not be better? Do they still make Amstrads? Never mind. There are excellent computers available from Apple and HP.

Sugar further argues that office life is essential to spark ideas and creativity through casual interactions and accidental encounters.

I don't buy this idea that we all have to be in the office all the time to spark ideas and creativity. Did Picasso have to drop by the office? Or Le Carré? Or any of the multitude of writers, painters and sculptors who worked in solitude to produce great art? Did Da Vinci get the idea for the Mona Lisa from a workmate over an espresso in the Piazza Della Signoria in Florence? “Hey, Leonardo, see that woman over there. Make a great painting.” Didn't think so.

A lot of the case against WFH comes down to a claim that it's killing small businesses like coffee shops that depend on passing footfall. Maybe so. But new businesses are being created as those who work from home create new demands. And for every central city coffee shop that dies, a new one opens somewhere else as people move elsewhere.

We need to create the future. Not return to the past. Over the past two months, 51 companies participated in a **Massachusetts Business Roundtable** membership survey that looked at the challenges facing local employers when it comes to hiring and retaining office workers post-pandemic. The survey shows that managers know they need to be flexible, or they risk losing workers or struggling to hire. But they also want some in-office contact, in part to help foster the kind of teamwork and collaboration that helps employees feel connected to their companies. Read a report on the survey in the *Boston Globe* [here](#)

We will be deep diving into these questions at our BEERG June meeting in Sitges.

EU/UK Data Flows: UK government set to put data flows at risk?



Derek Mooney writes: On Tuesday the British government confirmed that it will shortly publish a Data Reform Bill which will replace EU rules on data protection. It was one of a number of items listed in the “Queens Speech” the centuries old ceremony where the monarch formally addresses parliament to set out the government of the day's legislative programme for the next few years.

The Data Reform Bill's contents were recently flagged by the Brexit Opportunities Minister, Mr Jacob Rees-Mogg who said the new law will be “superseding and repealing things that have been done under the EU”. He added that the British Government wants to reshape its approach to data regulation to “secure an even better data protection regime that will help to drive growth, innovation and competition across the UK”.

Others have been less obtuse, saying that the most likely effect of the new law will be to put UK/EU data flows at risk. The rhetoric coming from Rees-Mogg and others in government is adding to the growing concern amongst data privacy experts that the UK is considering a large-scale unilateral departure from EU law, most particularly the GDPR, and are putting the UK's data adequacy ruling from the EU at risk.

Rafi Azim-Khan, head of data privacy at Pillsbury law firm told the [Press Association](#) *"I think there will still be quite a bit of nervousness from businesses in the weeks ahead though... Any significant departure from the GDPR would not only mean renewed compliance efforts, but also potentially risk the UK's EU data adequacy ruling... I'd imagine we'd see more of a pruning than root and branch reform, but hopefully we're not left waiting too long to find out."*

His concerns as to the damage that could potentially be inflicted on EU/UK data flows are shared by the UK Labour opposition party, who [have questioned](#) whether reforming the UK's data protection regime could pose risks to the UK's future data adequacy status with the EU. This critical importance of this adequacy status was flagged in a number of UK parliamentary reports including this [March 2021 report](#) from the House of Lord's European Union Committee.

These moves to reform the UK's data privacy rules have to be seen in the context of the British government's [latest threat](#) to trigger an escalating trade war with the EU by unilaterally shredding the Northern Ireland Protocol it negotiated and agreed as part of its Brexit deal.

The German Chancellor, Olaf Scholz, and the Belgian Prime Minister, Alexander De Croo, [both warned](#) the UK against breaking the Northern Ireland protocol agreement unilaterally, saying that not abiding by the protocol would create a big problem in the European Union's internal market. (For more background see this [Twitter thread](#) from Irish TV's European editor Tony Connelly).

Unions: Orpea global agreement standoff continues



The standoff between the French unions CGT and CFDT and UNI Global over the framework agreement UNI signed with the French-based company, Orpea, continues, with the two unions calling on UNI to denounce the agreement.

In a letter sent on 4 May to Christy Hoffman, general secretary of UNI Global, the CGT and CFDT called on UNI to walk away from the agreement "as soon as possible". They say:

"It is clear that UNI Global Union has committed a serious political error by signing a 'global partnership agreement on ethical employment, social dialogue, collective bargaining, and trade union rights' with Orpea. This agreement contributes to undermining the truth that is currently being brought to light about the group's deceptions."

The CGT and CFDT have moved to have the last representative elections held in France set aside on the grounds that management discriminated in favour of an "in-house trade union". These accusations are supported by a joint report by France's general inspectorate of social affairs (IGAS) and its general inspectorate of finance (IGF), published in April, which also highlighted the mistreatment of residents at Orpea nursing homes.

UNI hit back:

"We maintain our position that this agreement secures the right to organize for thousands of workers in countries where those rights are not embedded in national law and practice. We promised during the pandemic to fight for a new and better reality for nursing home workers, and this agreement is an important step in that direction. At the moment, unions in several countries are already relying upon this agreement as they launch efforts to help workers improve their jobs ..."

Our many affiliates across the world have welcomed this agreement and would have preferred that it be signed in a spirit of cooperation with both CFTD and CGT, important UNI partners. However, disagreements between European trade union federations have prevented good communication in the care sector, something we must remedy in the future.”

Long-time observers of industrial relation know that there is nothing as vicious as an inter-union punch-up. This one is shaping up to go the distance

You can read UNI’s original statement on the matter [here](#).

UK: Office “banter” can end in court



A new [report](#) from the UK law firm, GQ Littler, says that the number of employment tribunal cases relating to the use of “banter” in the workplace rose 44% last year. The question of what constitutes banter is of increasing importance in tribunal cases. What one employee might claim is light-hearted teasing can be construed by a tribunal as bullying or harassment. This is particularly the case, says Littler, if comments relate to legally protected characteristics such as age, sex, and race.

GQ Littler said companies could be found vicariously liable for any discriminatory comments by staff made “in the course of employment”, even outside working hours. It found the number of cases in which workplace banter was cited rose from 67 in 2020 to 97 in 2021.

Last September, a female Barclays banker whose line manager had referred to women as “birds” won an employment lawsuit against the bank. Anca Lacatus, an analyst, sued Barclays in the East London Employment Tribunal, which upheld her claim of direct sex discrimination. The manager assumed Lacatus saw his actions as “light-hearted banter”, but the tribunal concluded that he had “in a rather puerile attempt to be ironic, used sexist language”. Barclays said after the ruling that the language used had been “inappropriate and not acceptable”.

In November plumber David Robson, then aged 71, won £25,000 for unfair dismissal and unlawful age discrimination after he sued his former employer, Isle of Wight-based Clarke’s Mechanical. The tribunal rejected claims that the nickname used by colleagues for Robson, “Half-Dead Dave”, was “building site banter” and said it was a “frankly derogatory reference to his age”.

EU: Parliament wants to up the ante on algorithm bargaining



The European Parliament’s rapporteur on the draft Directive on the employment status of platform workers, Elisabetta Gualmini, is proposing that human resource algorithm decisions must always be subject to human review and that employees’ representatives be given significant information, consultation, and bargaining rights when it comes to algorithm management.

While Gualmini’s report is mainly focused on the employment status of platform workers, what will concern the wider employee relations community is any suggestion that extensive details of algorithms be made available to union representatives. Such algorithms are often the

source of a company's competitive advantage and an obligation to share such data could be seen as a major commercial risk. This would be even more the case if union representatives were allowed to share the information with outside "experts", heightening the risk of leaks.

At the time of writing the Gualmini opinion is not yet available and we are working from Brussels press reports. We will come back to this when we have the report. In December, the European Commission published a Directive on the employment status of platform workers. The Commission estimates that 28 million people are currently working in the gig economy in Europe, a figure set to reach 43 million by 2025. The Commission's draft suggested the gig economy workers should be classified as employees unless the platform could prove otherwise.

Russia: Full business disclosures required



The Staff of the US Securities and Exchange Commission's Division of Corporation Finance released a [sample comment letter](#) that provides guidance regarding the types of disclosures that reporting companies should consider in connection with the direct or indirect impact that Russia's invasion of Ukraine, and the international response to it, it may have on their businesses.

Among other things, the letter identifies as possible areas of disclosure impacts suffered by companies on their business, operations, or prospects due to changes in their employee base, disruptions to their supply chain, changes in their business relationships, heightened cybersecurity risks or threats, increased volatility in the trading prices of commodities, etc

Matheson Webinar: New Whistleblower legislation: What you need to know



On Monday next, 16 May 2022 at 11:00 am (GMT +1) Matheson (Dublin) is holding a Webinar on "[The new proposed whistleblowing legislation: What you need to know](#)" to discuss the recent updates and developments with the new proposed whistleblowing legislation.

An expert panel will discuss a number of key points, including: *What is the current state of the new proposed whistleblowing legislation? Who will be covered? What internal reporting channels and procedures will need to be put in place by employers? Can grievances amount to a protected disclosure? Will injunctions remain a remedy?*

Matheson has extended an invitation to all BEERG and HR Policy Global members to participate. To register for the webinar: [CLICK HERE](#) For more information contact: events@matheson.com

THE BEERG AGENDA:

Perspectives on Diversity/ Inclusion in Asia Pacific Webinar: May 25 @ 10am Beijing Time

Join this informative discussion on how the perspectives of Asia Pacific can be integrated into an organization's D&I strategy, with a focus on Race and Culture in Asia Pacific. This will be an open Web session, with opportunity to ask questions.

[Book Webinar](#)

New Era of Mexico's Labor Reform Webinar: May 25 @ 11am EST

Join HR Policy Global guest speakers: Matthew Levin, Director, Office of Trade and Labor Affairs, U.S. Department of Labor, and Carlos H. Romero, Senior U.S. Trade Representative to Mexico, to discuss the impact of USMCA and recent developments of Mexican Labor Reform.

[Book Webinar](#)

BEERG/CMS Labor Relations Workshop CMS office in Frankfurt, May 25 @ 1000H

The CMS/BEERG Global Labor Relations Seminar is on Wed, May 25th from 10am to 4pm,
Cancelled – New meeting date Tuesday, January 17, 2023

BEERG Members' Annual Network Summit Hotel Estela, Sitges Spain: Jun 15 – 17

Our June Summit will have 4 working sessions:

- *EU Employment and Labour Law Legal Landscape,*
- *Disrupting the Disruptors: A Company Case Study,*
- *From the Fax to the Cloud - From Working 9-to-5 to Timeless Work,*
- *Political Perspectives: Europe: Ukraine/Russia; post-election France; A US view*

The full agenda, with the list of guest speakers, is available [online](#)

Please note that the Hotel Estela is almost booked out

[Book June meeting](#)

Executive Training: Fundamentals of Global LR Webinar June 28 – 30

This course of three sessions, over three days, explores the strategic mindset and thought process of a successful global labor relations executive. This course is not an introduction to LR principles, it examines the strategic awareness needed to lead global labor relations.

[Book June Webinar](#)

*BEERG/HR Policy Global Members can self-register online for these events via the links supplied. Members who get the "No Tickets Available for Purchase" message online should contact [Derek](#).

BEERG Dates for your Diary:

Date	Event	Booking Links	Venue
May 25	HR Policy Global Webinar: Perspectives on Diversity/ Inclusion in Asia Pacific	Book Webinar	Webinar on Zoom
May 25	HR Policy Global Webinar: New Era of Mexico's Labor Reform	Book Webinar	Webinar on Zoom
Jun 15 – 17	BEERG June Members' Network Summit Meeting	Book June Summit	Sitges/Barcelona, Spain
June 28 – 30	BEERG Training: Fundamentals of Global Labor Relations: A Training Program for HR Executives	Book June Webinar	Webinar on Zoom
Sept 29/30	BEERG Members' Network Meeting	Book Sept Meeting	Brussels, Belgium
Oct 18 - 21	BEERG Training: "Managing European Employee Relations in Post-Covid Times"	Book Oct Training	Sitges/Barcelona, Spain