

Triangular employment relationships: micro-perspectives on dealing with flexicurity

F.Pichault (LENTIC, University of Liège)

TAW ... and the flexicurity debate

- TAW, like other triangular employment relationships (interorganizational partnerships) \Leftrightarrow higher risk of dissociation between economic and social responsibility (users \neq employers)
- Many attempts to reduce the potentially negative effects of the dissociation by designing new compromises between the needs (F, S) of the different stakeholders \Rightarrow flexicurity debate
- Some of these initiatives are taken at a regulatory level (ex.: Flexwet + collective agreements in the Netherlands)
- Most of them are emergent devices, at the corporate level, based on self-regulation, more or less clandestine (wage portage, skill-pooling, etc.) \Rightarrow necessity to agree on new criteria likely to preserve the “general interest” when being outside the traditional employment relationship

Structure of the presentation

1. FS: a brief state of the art
2. The proposed approach
3. Which modalities for FS compromises?
4. Criteria for « desirable » FS compromises: a research agenda

1. FS: a brief state of the art

- The concept of flexicurity usually remains developed at a theoretical and macro level (labour market)
- It is very often presented in a one-way perspective (i.e. flexibility \Leftrightarrow employer's point of view; security \Leftrightarrow employee's requests)
- It offers an ideal and normative vision of the compromises which should be encouraged and thus becomes a political stake.

A one-way perspective

- *“Flexicurity is (1) a degree of job, employment, income and ‘combination’ security that facilitates the labour market careers and biographies of workers with a relatively weak position and allows for enduring and high quality labour market participation and social inclusion, while at the same time providing (2) a degree of numerical (both external and internal), functional and wage flexibility that allows for labour markets (and individual companies) timely and adequate adjustment to changing conditions in order to maintain and enhance competitiveness and productivity” (Wilthagen & Tros 2004).*

A normative vision

- *“A policy strategy that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organisation and labour relations on the one hand, and to enhance security – employment security and social security – notably for weaker groups in and outside of the labour market, on the other hand”*
(Wilthagen & Rogowski, 2002)

2. The proposed approach

- A more inductive approach, based on a detailed description of concrete initiatives launched at a micro level ([Belgian or French job pools, Dutch or German flexpools, skill-pooling](#), workforce sharing between companies located in the same area, etc.)
- Action-research, involving representatives of Belgian and French unions, employers, public vocational training offices, TAW, etc. in order to launch, support and assess local pilot projects of job pooling*
- Co-design of indicators that could be meaningful either from the employer or the employee point of view (two-way perspective)
- In-depth exploration of emerging compromises before starting the normative discussion about the “desirable” arrangements

* *ESF Project “Flexicurité”*

Towards a two-way perspective

- Re-defining flexibility: from « responses to external constraints » to « *a requirement for a dynamic adjustment between labour and business activities* »
- This adjustment might consist of adjusting
 - labour activity to business activity
 - business activity to labour activity
- Ex.: employers looking for income or time flexibility ... but also employees pleading for more flexible devices (WLB, cafeteria plans, telecommuting, etc.)

Towards a two-way perspective (#2)

- Re-defining security: from essentialist definitions (Maslow, Herzberg, etc.) to « *a need for minimising the risks linked to the the interactions between business and labour activities* »
- Ex.: employees requiring income or job security ... but also employers in search for securing their business (reducing turnover, retaining core resources, developing key competences, etc.)

Flexibility/security needs: a single analytical grid

Continuity	Is the need for adjustment/risk minimisation continuous, regular and long-term oriented, or is it discontinuous, ad hoc and short-term oriented?
Foreseeability	Is it possible to anticipate the emergence of this need ?
Scope	Does it concern the whole activity or only a part of it?
Degree of constraint	Is it constrained by parameters hard to modify or do the stakeholders have a room for manoeuvre to modulate the expression of theirs needs?
Nature	Is it mainly expressed in quantitative (volume of activity, time, income) or qualitative terms (loyalty, employability, etc.)?

3. Which modalities for FS compromises?

- An analytical definition of FS= *a dynamic compromise between adjustment needs of business/labour activities, and risk minimisation requirements linked to their interaction*
- The compromise is characterised by the temporary predominance of one particular requirement (adjustment or risk minimisation) expressed by one of the stakeholders
- This prevalence can be methodologically considered as the entry point of the compromise

Modalities of FS compromises: from content to procedural criteria

- Difficulty to agree on universal *substantive* characteristics of FS : the win-win criterion is still questionable from a political point of view and is largely dependent on specific social, economic, institutional and cultural contexts
- An agreement is easier to obtain on *procedural* characteristics (processual & formal) which may contribute to preserve the « general interest »
- Processual criteria= the process by which the compromise has been designed
- Formal criteria= the structural characteristics of the compromise

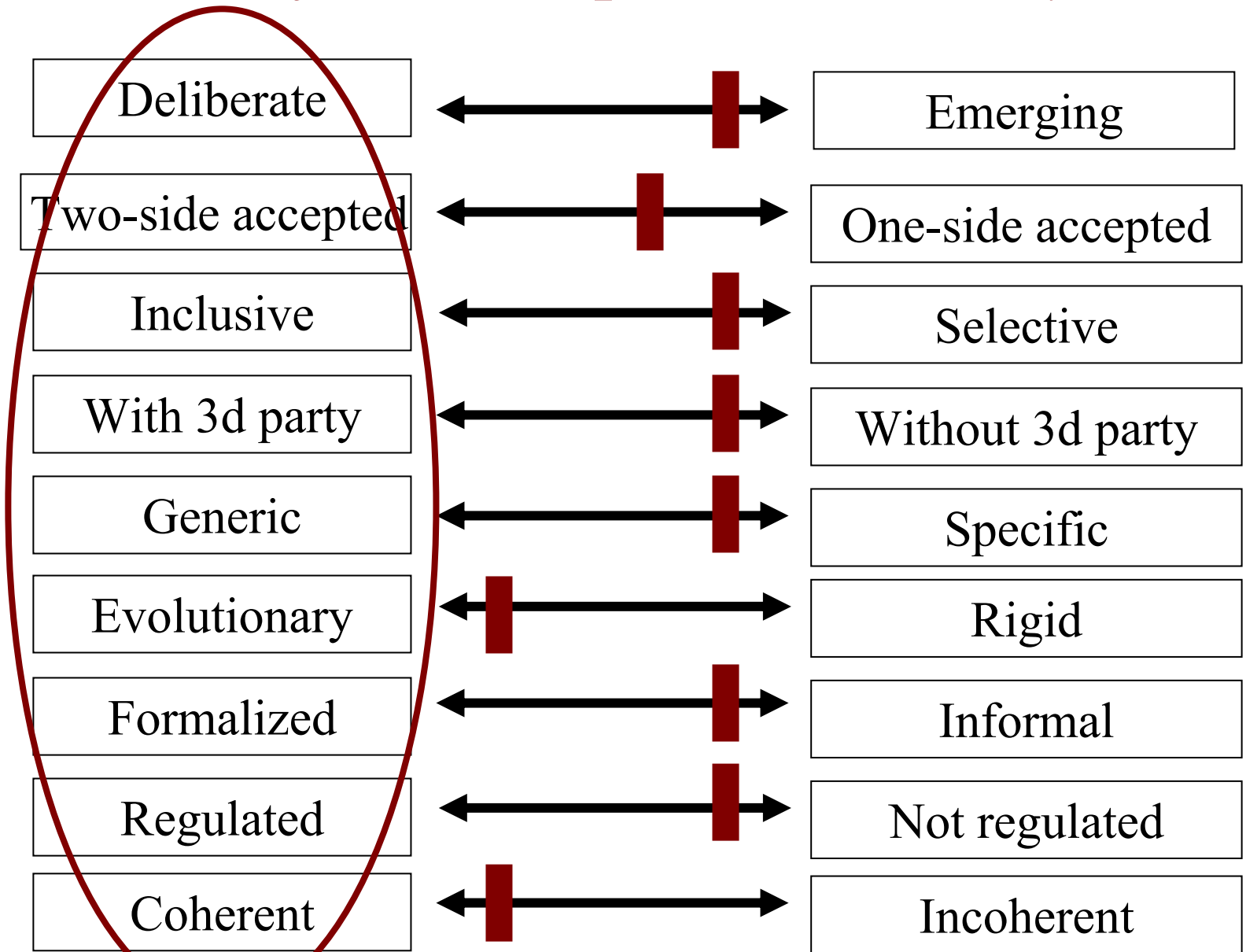
Modalities of FS compromises: processual criteria

VARIABLE	DESCRIPTION
Deliberate/ emerging	Intentional bargaining process, with an explicit reference to stakeholders' requirements
Two-side acceptance	Voluntary commitment of each stakeholder
Inclusive/ selective	Involvement of all the parties concerned at each step of the design process
With/without intervention of a third party	Level and modes of participation of a third party in the process and in the governance of the system

Modalities of FS compromises: formal criteria

VARIABLE	DESCRIPTION
Generic/ Specific	Uniform application to all members of the groups involved in the negotiation
Evolutionary/ static	Possibility to enrich the compromise as it is implemented
Formalized/ informal	Explicit and official agreement (documents) to which the different stakeholders can have access
Regulation mode	Explicit reference to a system of control and sanctions
Coherent/ incoherent	Consistency of the compromise with existing regulation at higher levels on the labour market

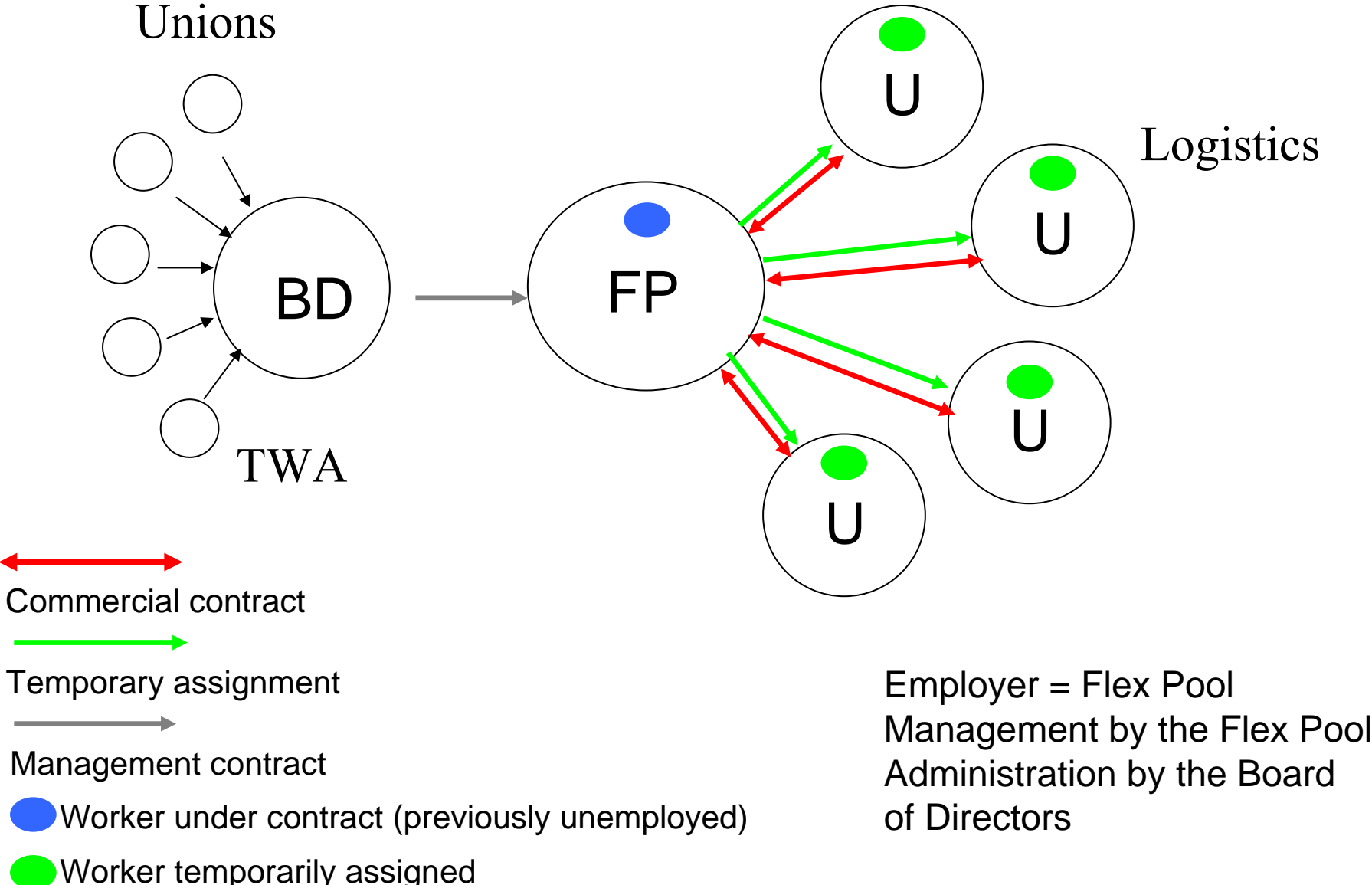
Modalities of FS compromises: a synthesis



4. Criteria for « desirable » FS compromises: a research agenda

- Need for empirical evidence in order to document the relations between adjustment/risk minimization needs and modalities of FS compromises (*contingent view*)
Ex.: continuous, long-term and foreseeable needs will probably favour more deliberate, formalized and coherent FS compromises
- Interest of an active involvement of key stakeholders on the labour market in order to co-design a critical assessment of existing compromises and to build new ones (*co-construction*)
- Primacy of *procedural* criteria for distinguishing « desirable » compromises in triangular employment relationships
- Crucial role likely to be played by third-party facilitators (regional/local authorities, chambers of commerce, consultancy firms, research centres, TWA, etc.) acting as *institutional entrepreneurs* of FS compromises by providing advice, cognitive reframing, mobilization, support, intermediation, coordination, regulation, etc.

Dutch Flex Pool

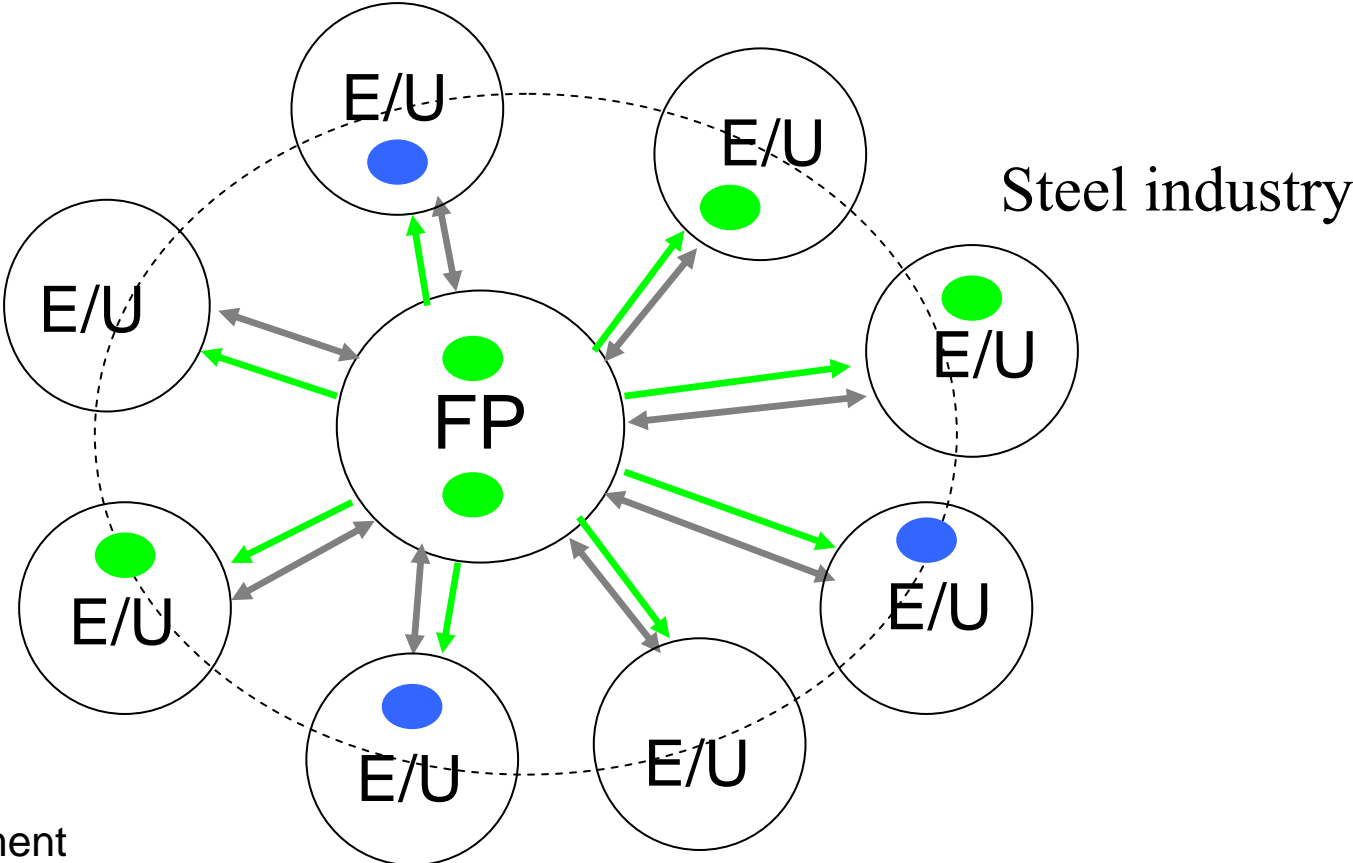


- Commercial contract
- Temporary assignment
- Management contract

Employer = Flex Pool
 Management by the Flex Pool
 Administration by the Board of Directors

- Worker under contract (previously unemployed)
- Worker temporarily assigned

German Flex Pool



→ Temporary assignment

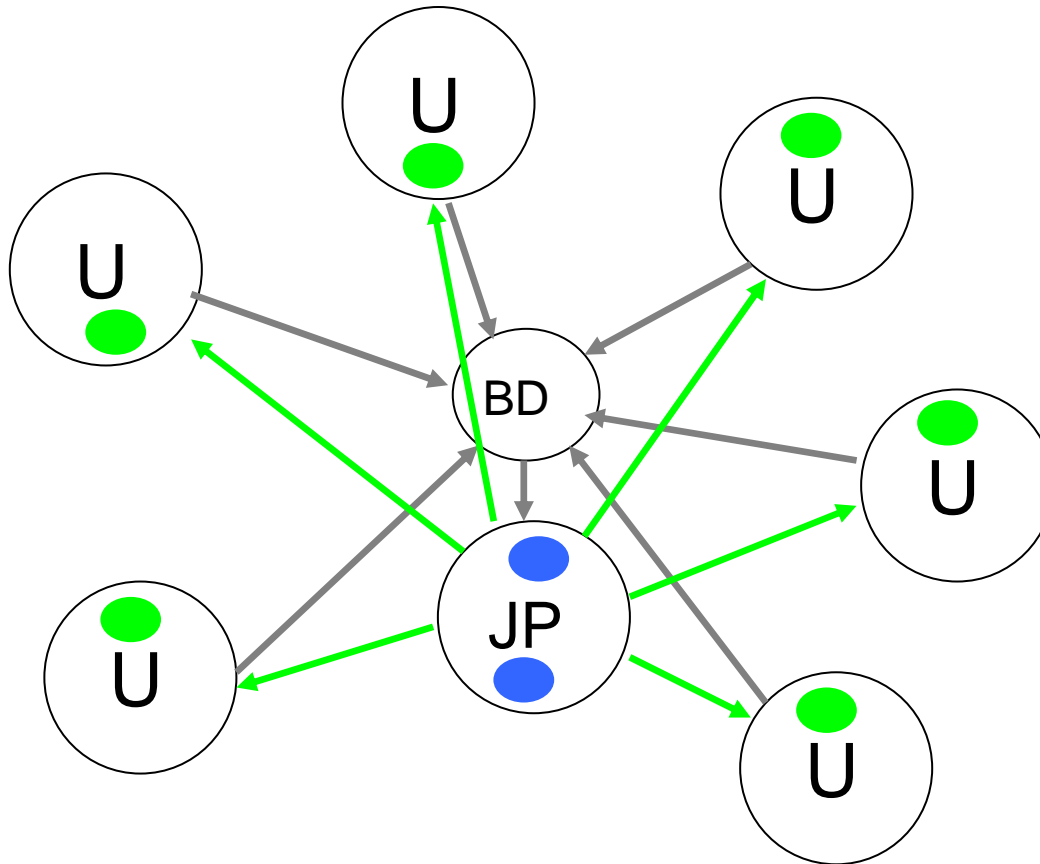
→ Managing contract


● Worker under contract


● Worker temporarily assigned (volunteers only)

Employer = initial company
Management by the Flex Pool coordinator

Belgian job pools



 Temporary assignment

 Managing contract

 Worker under contract

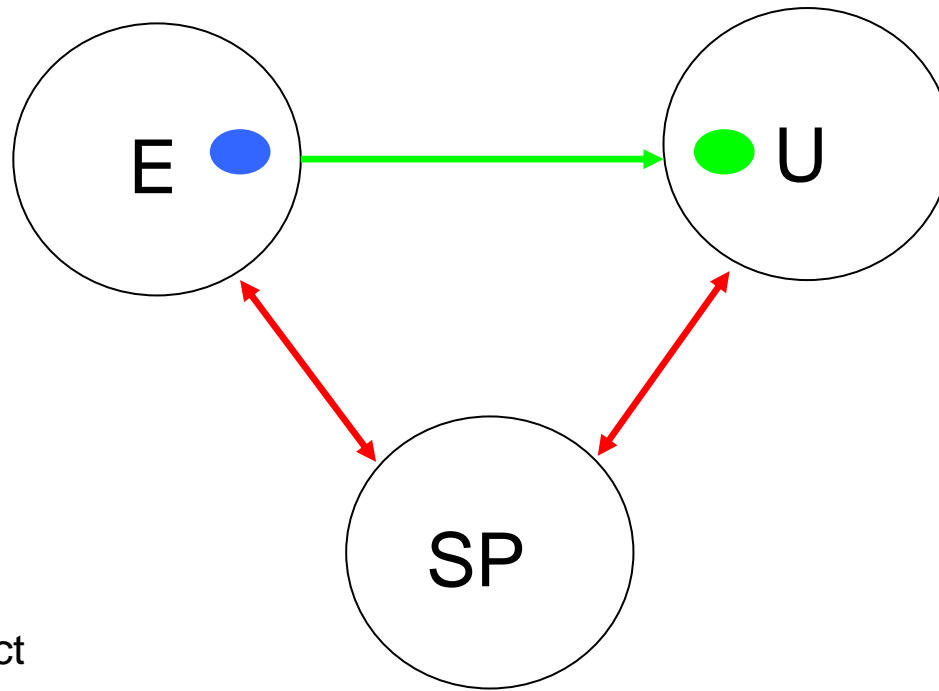
 Worker temporarily assigned

Employer = Job Pool

Management by the Job Pool

Administration by the Board of Directors

Skill Pooling



↔ Commercial Contract

→ Temporary assignment

● Worker under contract

● Worker temporarily assigned (part-time)

Employer = the initial company
No contract between employer and user
Management by the SP entity