

BroadVoice

Broadening the spectrum
of employee voice
in workplace
innovation

National report from The Netherlands

Company case study 1: Solvay

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1. Company characteristics and innovation

Solvay is a multinational company in the chemical industry with its headquarters in Brussels. 85 staff members are employed in the Netherlands, especially in production units in shift work (24/7). The average age is 43 years; there are 9 nationalities among the personnel; and there are few rarely working women (only in administration and in a laboratory). One third of the employees in the Netherlands are members of a trade union, especially FNV, which is far more than the national average in manufacturing. FNV is the only trade union that is party to the collective agreement. Officially, the white collar union 'de Unie' is part of it as well, but due to limited members they have delegated to FNV. Solvay in the Netherlands has a company agreement (in the chemical industry in the Netherlands, there is no sector agreement for the chemical industry). The Dutch site has also appointed a works council. According to the HR manager in the Dutch plant: 'employee participation has a central role within our organisation, both globally and locally in the Netherlands. The relationship is more than good and the transparency in our actions keeps it that way. Technological changes are discussed with the body at all times.'

Throughout Solvay, AI is used in some sites to manage technological maintenance and in administration. In the relatively small Dutch site, AI is not used that much ('we are not a forerunner in AI', int HR); AI is mostly introduced by employees who use ChatGPT for communication tasks. The HR manager in the Netherlands thinks that AI will have more impacts in the coming years. He is already seeing more and more data-driven applications in his field of HRM, such as in sickness absence analysis and strategic personnel planning.

Solvay in the Netherlands has experience in other technological innovations, such as robotisation around 6 years ago in production and recently, the installation of security cameras (int HR). Because this change did not lead to fewer jobs, it was not an important subject for the works council. Since this robotisation, production processes in the Dutch (and other) factories have been under ongoing change to make processes smarter and more sustainable. Also, HR departments are dealing with digital innovations, for example through the campaigns for recruitment and for employee satisfaction surveys. This is driven by the headquarters in Brussels. One issue more controversial for the works council was the installation of security cameras two years ago. The assurance of the management that camera images would not be used to track employees satisfied the works council (int HR).

2. Representative worker participation in digital innovation

2.1 Initiative and process of the Global Framework Agreement on Digital Transformation

The main initiator of social dialogue on technological change in this company is the European Works Council (EWC), although the main person behind this is the former chair of the Dutch Works Council, who later became the Secretary of the EWC. The secretary of the EWC tells us: ‘in 2016/2017 in the context of the council’s refresher sessions we got a number of digital innovations in front of us and it all started to gain momentum.... We started thinking about ‘how can we make sure that we don't fall behind and that we start to participate a bit proactively in the whole story?’ (int. EWC). The EWC and the works council in the Netherlands sought support from FNV. They all played an important role in the preparation of a framework for the specific company situation; ‘we wanted to go beyond a kind of copy-paste of existing frameworks’ (int FNV1). One of their ideas was to include the impacts on job quality in new technology assessments, for which they used the Eurofound skills and discretion index (see Eurofound, 2021). Another main wish was the involvement of the workers' representatives in an early phase, to have the opportunity to anticipate risks or problems as a result of the implementation of technology. ‘Generally speaking in the Dutch labour relations, works councils and unions are just informed in case of restructuring’ (int FNV1). ‘Solvay is one of the positive exceptions in the Netherlands because it also deals with the introduction of technology and not only with the effects of technology’ (int FNV1). It is also quite exceptional for the trade union FNV and works councils to be working so closely together. In general, ‘FNV has somewhat phased out the collaboration with works councils’ (int FNV).

After having picked up the issue in 2016/2017, it took time and internal discussions to come to an agreement with the management. ‘The first ideas met with quite some resistance from management, who feared that every time they wanted to do something with technology, they would have to go through the work council ... today there is still some resistance, internationally outside Europe and strangely enough also within the councils in some countries and in local sites (id). Works councils are not always willing to be involved because it costs a lot of time to be sufficiently informed (int EWC). They have less time to get information and to have enough time for self-study, which is different from the EWC, where the secretary has a full FTE for his work and the two other councillors have both 50% time to do this councillors’ work. Another issue that took a long time in dialogue was the enforceability of the regulations in such an agreement. ‘We also need to be able to check whether what we agree on is actually being done’ (int EWC). The EWC was initially not so convinced about being prudent/modest in what to write into the agreement, but later this became more clear for them. It had nothing to do with unwillingness of management, but with practical reasons of not being able to check everything (int EWC). Nice words are not enough on their own; they also have to be implemented (id). Finally in 2019, the European Works Council (EWC) together with Solvay Global Forum agreed the ‘Global Framework Agreement on Digital Transformation’ with Solvay’s management. Implementation was also perceived to be difficult from the management perspective. The Labour Relations Officer tells us that after signing the agreement it remained unimplemented for the first two years: “It is a good intent, and I will be transparent with you, it is not that easy to implement, completely” (int LRO).

It is explicitly named 'Global' and not 'European' because of its application throughout the whole world where Solvay operates. Solvay Global Forum is represented by 1 member of the European Works Council, 1 workers' representative from the USA, 1 from Brazil and 1 from China.

2.2 Content of the agreement in a nutshell

This agreement begins with the general statement that social dialogue is key to shaping the digital transformation: 'employees and their representatives have to be involved from the beginning of the implementation of new technologies and organizational change'. New technology assessments have to be an integral part of any project preparation and implementation will include any potential and significant impact on OH&S (especially the mental health of employees), employees with physical disabilities, workload, monitoring or surveillance functions, working time, work content, organisation, job quality and financial implications (agreement, p.6). Training, education and competence development are seen as key to managing the impact of digitisation in a social way, where Solvay provide the necessary resources (p. 7). In a section on employment/repositioning, Solvay declares that redundancies are only considered to be the very last resort in the context of (future) restructuring (p. 7). Further, the agreement re-emphasises good practice when it comes to using electronic communication (and to disconnecting), so as to contribute to greater effectiveness at work and respect for the work/life balance (p. 8-9). Another section is dedicated to the ethical aspects of privacy and data protection (p. 9) and the implementation and monitoring of the agreement in Solvay's locations in the countries (p. 10). IndustriAll Global Union is included in observing the correct implementation of this agreement during their annual on-site missions. During these site visits, IndustriALL has conversations with the unions or the representative bodies of employees, including without the presence the Global Forum delegates and management. Solvay's Labour Relations Officer (LRO) calls these visits 'the moment of truth' in checking how far the company has progressed in its social commitments (int LRO). In the interview, the Labour Relations Officers also confirmed that this year IndustriAll is even going to the sites in China and that IndustriAll can ask any question of the workers there (int LRO).

In practice, this agreement means that at every meeting of the European Works Council, the issue of technology is set on the agenda (int EWC). 'Unfortunately, we do not yet have this on the agenda in every country... it is actually the goal that it all starts at the local level of company sites'. The objective is that the works council should talk about new technology every month or every two months: 'what is it? what are the consequences? what does it cost? and that kind of things, to get a bit of a picture of it all' (int EWC). The HR manager at the Dutch site, already 9 years working there, tells us that this agreement has not led to changes in social dialogue in the Netherlands (int HR): 'it applies more to the non-European countries where the social dialogue is less well organized ... so this hasn't had a lot of impact in the Dutch context'.

The EWC makes no apologies for loss of jobs because of digital changes in the organisation. Some jobs will become redundant, but Solvay has committed to retraining these employees or looking for another job (see section 5, p.7 in the framework agreement). Massive collective dismissals are not expected at Solvay (int EWC). However, especially for workers outside Europe, such as in Latin

America, it is not that easy for redundant workers to find new jobs or to retrain for them because of their lower education level (int EWC).

One of the reasons why the agreement proved difficult to implement in practice, mentioned by the Labour Relations Officer, is that the digital transition has diverse effects on different segments of the company's workforce. In manufacturing, for example, the shift towards sensor technology for predictive maintenance – and therefore a reduction of maintenance costs – requires upskilling of employees in the control room. Regarding non-manufacturing jobs of administrative personnel or employees in research and innovation, one of the major technological changes at hand is the shift towards working from home. Yet in both cases, the interview highlighted that from the HR perspective, the main technological concerns had to do with technology changing the content of work or the way work is performed, rather than reducing jobs by replacing them with technology.

2.3 Developing an addendum about AI

The European Works Council recently initiated brainstorming sessions to develop an addendum about the application of AI at Solvay and possible problems that might occur in this field (July 2024). Again the EWC is supported by FNV, the Dutch trade union that cooperated during the preparation of the agreement in 2019. All topics in the 2019 Agreement will be reviewed in the context of AI and only those topics that need be adapted will be listed in a new draft text. After reviews by the full EWC, the EWC will send this draft text to the management of Solvay who will ask legal experts to look at it. The EWC hopes to set its signature at the end of 2025. The management has been already involved in earlier phases of this project on AI. Cooperative relationships and transparency between EWC and Solvay's management is at a high level. *We are involved quite a lot in things that we do not have to be involved in according to the letter of the law* (int EWC). *These mature employment relations have been built-up in the last 15/20 years* (id).

But why a new addendum about AI? Formally and strictly speaking, AI might be just covered by the agreement in 2019. This position was also expressed by the Labour Relations Officer, who also called *"AI a bit premature for the moment"* (int LRO) for which the foreseeable effects on the workforce are still uncertain. Yet, according to the EWC, an AI addendum is relevant *'because AI developments are moving so quickly and because it poses quite a few additional dangers, the EWC believes that we should say something extra about this*. Especially in regard to the topics of protection of personal data and protection of sensitive information of a company. *'Everybody should follow training in AI, not only regarding AI skills needed in the current jobs, but also for those who do not (yet) work directly with it'* (int EWC). The Labour Relations officer, talking about Generative AI specifically, also mentioned the importance of making employees aware of how to use this technology, and risks associated with it, including the development of protocols. Another, very simple reason to put this on the agenda is *'that AI is a modern topic that cannot be missed'* (int FNV1/EWC/HR). Further, the EWC wants to initiate dialogue and put things on paper now that the quality of the relationship and understanding between Solvay management and EWC is at a high level: *'once we will be gone or once there will be new management... We also want to record for the future that we will continue to do so'* (int EWC). As with other workplace innovations, the rise of AI might be perceived differently by employee and employer representatives. Solvay's

Labour Relations Officer also recognised that management, more than employee representation, might focus on competitiveness and productivity. According to the LRO, employee representation primarily wants to be informed about the company's intent on what it wants to do with AI.

3. Direct worker participation practices in digital innovation

The EWC works top-down in the process of making an addendum. The brainstorming sessions for a new addendum take place at the European level and without the involvement of individual employees from the sites. In general, the EWC informs the national ('central') workers' representative bodies about their activities and the idea is that these central bodies in the countries inform the local sites. *So we try to reach all employees, but it's really hard to get everything to land on the work floor*' (int EWC). The EWC is aware of the importance of having links with the local sites. *'In the past we had our meeting in Brussels, nowadays we go to local sites to have our meetings there and to talk with employees in the sites'* (int EWC). However, the dialogue seems to be more with local management than with workers. Also the Labour Relations Officer stressed that – at the moment there is little bottom-up direct employee participation regarding AI development and implementation. AI Technology implementation *"is more top-down"* and *"It is not really co-creation"* (int LRO). This is confirmed by the interview with the HR manager at the Dutch site: he was informed about a discussion at the European level, but without knowing details (int HR). One of the reasons he gives for this is that AI is too technological for co-creation. Employee perspectives and concerns would be most likely expressed via the works council.

Forms of direct worker participation are not mentioned in the Global Framework Agreement on Digital Transformation (2019). However in the regulation on the EWC itself, the option of inviting employees with special expertise or tasks is mentioned, and this is also used in case of AI (int EWC).

The HR manager at the company in the Netherlands tells us that there are several forms of direct worker participation, such as structural work consultations every morning in the context of shift transfers and the culture to make it possible for every worker to suggest improvement in e.g. safety, technology and social matters. Workers give these suggestions to their direct managers who will put them in on the agenda for the management team, to check their feasibility. *'We stand for ownership and involvement of our employees and that is what we try to do: we try to give employees the option to think along'* (int HR). The practice of other forms of direct participation, like job autonomy, *'depends greatly on the individual managers who have different leadership styles'* (int HR). Some managers want to keep control and are micromanaging, while others give their workers a lot of freedom. This factor is independent from the characteristics of the employee groups. Sometimes lower educated workers have higher job autonomy than higher educated ones: it depends on the style of the specific managers. In answering the question how Solvay related to other companies in the field of direct worker participation, the HR manager answers that *Solvay is quite unique in how human- and social responsible the company is in the chemical sector, although companies in the care sector are much further in this* (int HR). The HR manager relates the field of worker participation with good and modern terms and conditions of employment (like paternity

leave in a tough, masculine industry like chemical manufacturing) and also with a committed union leader who has already been walking around in the plant for many years (int HR).

4. Conclusion

The company being studied is Solvay, a multinational chemical company. In 2019, the company signed a Global Framework Agreement on Digital Transformation with the European Works Council (EWC) and the Global Forum, a representative body for the company's employees outside Europe. Regular technology assessments, in consultation with workers' representative at several levels, on work-related impacts are key in this approach. The initiator of this agreement was the EWC, with support from the trade union movement in Europe, especially from the Netherlands. In 2024, the same parties started to talk about a possible 'addendum' to the agreement about the risk and opportunities of Artificial Intelligence (AI). This case represents a top-down approach in the channel of representative worker participation, with little direct connection to practices in direct worker participation in the Netherlands. Nevertheless, both forms of worker participation (representative and direct) are developed to a relatively high level and profit from good labour relations in the company.

References

Quotes from 4 interviewees (checked and agreed):

- Labour Relations Officer (int LRO)
- Secretary of the European Works Council (int EWC)
- Human Resources Manager in the Netherlands (int HR)
- Advisor industrial policy, restructuring, workplace innovation union FNV (int FNV1)