



SOCIAL ACTION, INNOVATION, REFLECTION AND EXCHANGE LABORATORY

## 12<sup>TH</sup> LASAIRE BIENNIAL

*“Anticipation and Participatory Change Management in Companies during a Period of Crisis and Technological Change”*

### THE BOSCH GROUP

#### ANTICIPATION AND MANAGEMENT OF CHANGE: THE BOSCH GROUP

(by Jacques Freyssinet - July 2017)

Unlike other groups studied for our project, the Bosch group has not undergone major capital restructuring operations. On the contrary, it is an example of great stability. It is of particular interest from the perspective of the anticipation and management of change and restructuring for other reasons as well.

First of all, the Bosch Group is a harbinger of a powerful momentum of change, to begin with because its strategy is to be always at the forefront of technological innovation in a range of activities that is constantly revamped. Then because it is highly sensitive to the fluctuations of economic activity in its sector of components for the automobile industry, which accounts for nearly 60% of its turnover. These are the main factors that explain the nature and method of change management (point 1).

Second, the specific culture of the group, inherited from its long history, leads to attach particular importance to social responsibility. For even when they express criticism, the workers' representatives acknowledge that, by comparison with other multinationals, they have information at various levels that most often enables them to anticipate changes, and institutions that give them a voice. Conflicts are negotiated and in general lead to agreements. Changes are managed through perennial institutions and standards (point 2).

Third, today the group has production units in some sixty countries, particularly in the six EU countries covered by the project. It is therefore possible to observe how a policy designed on a world scale is deployed in different countries according to the specific features of labour relations systems, labour legislation, and the power and strategy of trade unions.<sup>1</sup>

---

<sup>1</sup> For reasons of scope, this aspect cannot be presented here. It will be broached in greater detail in the final report.

## **1. NATURE AND METHODS OF CHANGE MANAGEMENT: EXPLANATORY FACTORS**

Bosch is a diversified industrial group in constant search for new markets in high-tech mechanical industries. The nature of its activities consequently generates an intensive, permanent movement for the reorganisation of its products and locations (1.1.) The group's history and culture as well as the specific structure of its capital explain why it has, in large measure, adopted negotiated change management procedures, particularly for its social consequences (1.2). Nevertheless, the vertical organisation of the group reduces the possibility of using the internal mobility as a buffer for the impact of restructuring operations on employment (1.3).

### **1.1. NATURE OF THE ACTIVITIES**

Created in 1886 in Stuttgart as a precision mechanics and electrical engineering workshop, Bosch developed in the production of components for the automobile industry (first magnetos, then lighting systems, followed by injection pumps, etc.). Bosch has relied on what continues to be its core activity to diversify, in successive steps, into different sectors with advanced technologies in the mechanical industry, then in electronics and information technology. Today, the group wants to become one of the world leaders in the "internet of objects," and take its rightful place in the electrification of automobiles. In parallel, whilst retaining its main production base in Germany, the group has gradually gained a foothold in every continent.

Between 2010 and 2016, the turnover has gone from €47.3 to 73.1 billion, and the workforce from 283,500 to 389,000 employees. Today the group has 120 sites throughout the world and controls 440 subsidiaries in nearly 60 countries. In 2016, it posted a result of €3.3 billion, i.e. 4.6% of turnover.

#### ***Sectors of activity***

The group is organised on the basis of 4 sectors of activity of unequal importance :

- *Mobility solutions.* This sector accounts for nearly 60% of the group's turnover. It comprises a line of components made almost exclusively for the automobile industry: injection pumps, starters and alternators, driver assistance systems, calculators, etc... ;
- *Consumer goods.* The sector generates nearly a quarter of the turnover. It makes mainly hand-held power tools for professionals and DIY and electrical appliances ;
- *Industrial technologies.* The sector accounts for nearly 10% of the turnover. It makes drive and control systems and packaging systems for all branches of industry ;
- *Energy and building technologies.* This sector accounts for 7% of the turnover. It provides primarily security systems (video surveillance, alarm, access control) and communication systems (conferences, etc.), and also engages in heat technology (boilers, water heaters, etc.).

#### ***Constant reorganisation of the production structure***

The foregoing description gives a fixed image of the group, although it is constantly changing. This movement is controlled by the action of various factors linked to the group's

strategy and its economic environment. To simplify matters, we distinguish four factors which act in an interdependent manner :

1. The weight of the activities as supplier of components for the automobile industry makes the group sensitive to fluctuations in that sector. The group is seeking to reduce the share of this activity, but it still accounts for 60% of its turnover. The flexibility objective, particularly the different forms of adjusting working time, constitutes a major issue for negotiations.
2. The group gives priority to the development of new technologies. In 2016, it spent €7 billion on research and development (9.5% of the turnover) with 59,000 people assigned to that activity. The attraction of a highly qualified workforce and continuing training for employees constitute an essential component of change management. The group's determination to be at the forefront of technological progress at all times can be seen from two angles. :
  - First, lines of products are frequently considered as obsolete and replaced by others in each of its lines of business. Insofar as there are often several units located in several countries that ensure this production, a choice must be made on the location of new lines. It is often a crucial stake for the negotiations conducted with the workers' representatives at the level of production units.
  - Second, the group must carry out strategic choices to embark on radically new technologies. These choices have caused many successes (automation, injection, sensors, connectivity, assistance systems, etc.), but sometimes major failures as in the case of solar energy. Heavy investments have been undermined by price competition from Chinese manufacturers. It was therefore necessary to manage the financial cost and social consequences of abandoning the sector.
3. The group is endeavouring to occupy a dominant position, and in any event to avoid being in a dominated position on the markets in which it is present. This objective entails fine-tuning the scope through extension or retraction, examples of which are available in the recent period :
  - The group acquires companies to enlarge its market share and access new technologies. For instance, in 2001, it acquired Mannesmann Rexroth which was merged with its "Automation Technology" division to create Bosch Rexroth. In 2003, it acquired Buderus which was brought under its "Thermotechnology" division. In 2015, it acquired the American start-up Seo Inc, which provides new technologies in batteries.
  - In January 2015, the group gained full (100%) control of two joint ventures in which it had a 50% stake up to that point. The first, which is henceforth known as *Robert Bosch Automotive Steering GmbH*, was until then shared with ZF Friedrichshafen. It makes steering systems for automobiles. The second, now known as *BSH Hausgeräte GmbH*, was until then shared with Siemens. It makes household appliances.
  - Conversely, in June 2015, the group announced a plan to dispose of the SG division (starters and alternators) which has 6,500 employees in 13 sites throughout the world. After several years of a recovery plan, the balance was restored, but the outlook for development is poor given the growing share of electric motor cars in the future. Furthermore, the group is losing market shares because of keen price competition, and with it the large production volumes

which accounted for the profitability. The group therefore decided to withdraw from this line of business which was at the origin of the company's creation.

4. The group has a strategy to redeploy its production on a world scale according to various objectives: to penetrate new markets, be present near its major industrial customers (in particular the automobile industry), and capitalise on lower labour costs. Two movements have taken centre stage recently. First, a massive settlement in Asia, mainly in China (57,000 employees) and India (31,000 employees).<sup>2</sup> Secondly, a relocation of production lines from Western Europe to Eastern and Central Europe.

### ***Restructuring operations in Europe***

An overall view of the number, date, nature and location of the structuring operations carried out by the group in EU countries can be obtained thanks to information collected by the European Restructuring Monitor (ERM): 71 operations have been recorded since the creation of the ERM, between 7 January 2003 and 2 December 2016. Despite its shortcomings, the ERM is the only source that provides a nearly exhaustive inventory of restructuring operations when they have a significant impact on employment.<sup>3</sup> It can be used to highlight certain major trends :

- Of the 71 operations recorded, 26 create jobs, 5 transfer jobs between group's sites, and 39 cut jobs in the sites concerned ;
- The breakdown per country is obviously dependent on the number of group's sites. It is therefore normal that Germany accounts for more than one third of all types of operations, followed by France (10 operations, including 9 internal restructurings), then the Czech Republic and Romania (6 operations each, including 11 expanding activities) ;
- The geographic breakdown highlights a sharp contrast. Western European countries (excluding Germany) have not seen any expansion of activities, except for two exceptions on a small scale.<sup>4</sup> Central and Eastern European countries register only expansions of activities, except in two cases.<sup>5</sup> A redeployment strategy for the group to countries with a low cost of manpower is becoming clear ;
- The chronology reveals two points. The first concerns 2008 with a domination of business expansion operations at first glance (five out of eight). These are operations carried out in the first months of the year before the economic situation deteriorated in Europe. The second point is in 2016, with eleven operations (four positive, one neutral and six negative in terms of the workforce). Does it perhaps reflect a more active restructuring policy after the change of management in order to improve the profitability (*infra* 1.2)?

---

<sup>2</sup> The Asia-Pacific region accounted for 17.1% of the group's workforce on 31 December 2007 and 28% on 31 December 2016.

<sup>3</sup> The restructuring operations are recorded in ERM only if the announcement pertains to at least 100 jobs created or cut, or if it concerns at least 25% of the workforce in a site that employs at least 250 workers.

<sup>4</sup> The first concerns Austria, i.e. the announced recruitment of 20 highly skilled employees in 2008. This could be considered as not falling under restructuring operations. The second exception concerns a joint venture with a university in Portugal for research and development in 2016, where Bosch would provide 70 jobs.

<sup>5</sup> These exceptions concern factories in Hungary and the Czech Republic that make components for the automobile industry. Workers were made redundant at the end of 2008 because of the drop in demand.

## 1.2. CAPITAL STRUCTURE AND CORPORATE CULTURE

The group has been very marked by its history. It has inherited a very specific corporate culture and capital structure.

The company's founder, Robert Bosch, occupied a very particular place among German employers thanks to the affirmation of his social responsibility. He was one of the first to adopt the eight-hour working day and to pursue a policy of safe working conditions, which he considered to be important factors for the performance of workers. He was called "Red Robert" by German employers as a result. He gave a prominent place to training and contributed massively to charitable and social works.

This tradition was continued by his family, which kept control of the capital. Today, the group has the particular distinction of being managed by a limited liability company (*Gesellschaft mit beschränkter Haftung*) which is not listed on the stock exchange. Nearly all the shares (92%) belong to a public utility foundation (*Robert Bosch Stiftung GmbH*) created by the Bosch family. The foundation gets the net profits of the group to finance projects in the general interest. It delegates its voting rights to a private company limited by shares administered by an independent trust (*Robert Bosch Industrietreuhand KG*). Such a structure enables the group to give preference to a long-term development strategy and relieves the pressure exerted by the market on short-term profitability and maximisation of shareholding value. This independence from short-term profitability pressure in no way entails that profitability objectives are ignored. They constitute a condition for financing the group's growth. They may have even become more significant since Volkmar Denner replaced Franz Fehrenbach as chairman of the board on 1 July 2012. The latter, who was considered by all as the perpetuator of the historical corporate culture, became chairman of the supervisory board. The trade unions underscored Volkmar Denner's stated double quantitative objective for results: 2x8, i.e. 8% annual growth in turnover and 8% EBIT.<sup>6</sup>

In spite of this recent dip, the context remains favourable for a planned restructuring management that had already emerged during the period of economic recession. Such behaviour is moreover preferred by the German co-determination institutions. The composition of the group's supervisory board respects the parity principle that the law imposes on large companies. Its twenty members include ten workers' representatives, either for IG Metall, or for the works council of the group or the works councils of certain German companies. This is a favourable factor for the participation of workers' representatives in the negotiated management of restructuring operations.

## 1.3. VERTICAL ORGANISATION OF THE GROUP AS AN OBSTACLE TO INTERNAL MOBILITY

The group is known, especially in Europe, for the care it takes in managing the social consequences of restructuring operations. The decisions are in general announced in advance to the local workers' representatives who receive quality information and can discuss it. When certain sites are hit with job cuts, a wide range of measures is deployed: financing of early retirements, assistance for voluntary departures, internal or external reconversions, etc. Nevertheless the industrial structure of the group entails a strong limitation of the margins of manoeuvrability in this area. In fact, all the product lines are multi-site and multi-country. There is a lead factory (*Leitfabrik*) for each, where new products are introduced, and is

---

<sup>6</sup> The EBIT objective has been reduced to 7% given the impact that absorbing two joint ventures in 2015 has had on the accounts (*supra* 1.1).

situated, barring some exceptions, in Germany. The group puts in competition its subsidiaries that are present on the same lines of products in several countries. The internal competitiveness in the group, particularly when it concerns establishing new production lines, is an argument cited by local management boards when negotiating site agreements. The local workers' representatives are then faced with tensions between saving local jobs and the requirements of international solidarity among workers in the group.

The group's organisation worldwide is nonetheless based on divisions that enjoy full autonomy on industrial policy. They distribute the workload plan between the different product sites for which they are responsible. Thus, the national management boards of the group, where they exist and, a fortiori, the management of the sites initially have no influence on the choices that concern the allocation of the types and levels of production. When such decisions have a major impact on the level of employment in a site, there is no decision-making centre capable of taking into account the possibilities of managing the problem by reassigning workers whose jobs are threatened to activities located in the same site or in nearby sites, but which fall under other decisions. Progress has been initiated on this point by a few experiments on what is still a modest scale in Germany and France.

\* \* \* \* \*

We have examined how the nature of the group's activities, the structure of its capital and its internal production organisation determine the conditions under which change anticipation and management problems arise. In this respect, the management of the group and the representatives of the employees have gradually defined standards that must be complied with, and the institutions that have a responsibility to implement them.

## **2. CHANGE MANAGEMENT INSTITUTIONS AND STANDARDS AT GROUP LEVEL**

A document on "the principles of social responsibility" was signed with representatives of employees. It defines the general standards that the group undertakes to comply with in its relations with workers and therefore establishes the framework in which changes are to be managed, irrespective of their nature (2.1). Still at group scale, the European Works council, supplemented by a World Committee, is the competent body for discussing changes as soon as they exceed a national framework (2.2). The effective treatment of these issues ultimately poses complex coordination problems for the trade unions (2.3).

### **2.1. "PRINCIPLES OF SOCIAL RESPONSIBILITY"**

In 2002, the group adopted unilaterally "The Bosch Code of Values," with a very wide scope and a very general tenor. After negotiations in 2002 and 2003, a document on the "principles of social responsibility" was signed on 2 March 2004 by the management of the group on the one hand, and by representatives of the European works Council (EWC) and IG Metall in the name of the International Metalworkers' Federation on the other.<sup>7</sup> The text reiterates the "ILO core labour standards" grouped by theme:<sup>8</sup> human rights, equal opportunity, integration of persons with disabilities, free choice of employment (rejection of forced labour), children's

---

<sup>7</sup> The limited geographic competence of the EWC required, even though it was the central negotiator, that the text be signed by a stakeholder with world competence.

<sup>8</sup> The text cited (in the original) was based on the French translation distributed by the group. Cf. Eurofound, *Codes of Conduct and International Framework Agreements: New Forms of Governance at Company Level. Case study: Bosch*, Dublin, 2008, as well as: Euride-SindNova, *Bosch*, Draft November 2016.

rights, right to form unions and engage in collective bargaining, fair working conditions, safety and hygiene at work, professional development. Conversely, the text contains no provisions concerning the rights of workers' representatives in the anticipation and management of changes or procedures that should be followed in this area. There is an internal complaints procedure. Where necessary, the EWC deliberates on the application of the text. Following an audit procedure, the group "shall exclude suppliers shown not to comply with the "ILO core labour standards.

These fine resolutions did not prevent the group from being pinned, on at least two occasions:

- In 2010, a *Human Rights Watch* report stressed the fact that large European multinationals pursue a social policy in their subsidiaries in the United States which violates the commitments that they have undertaken in their code of good conduct.<sup>9</sup> The report opens with a quotation from the letter of the manager of a Bosch Dobby factory in New Richmond (Wisconsin). The letter is sent to employees on strike informing them that they would be replaced permanently if they did not return to work within seven days.<sup>10</sup> Under this threat, the employees went back to work. Whereas such a practice is legal in the US, the ILO considers it incompatible with the right of workers to freedom of association<sup>11</sup> ;
- In 2011, the Otto Brenner Foundation, connected to IG Metall, conducted case studies on the application of international framework agreements. The research focused on the sites of Volkswagen, Daimler and Bosch in the Pune region of India, where many automobile component and assembling plants are located. The diagnosis is clear.<sup>12</sup> The 2004 agreement is hardly known and even less used on location. Some trade unionists came across it while searching on the Internet. The local stakeholders have not been involved in its negotiation or even informed. The management of the plant does not feel concerned by an agreement which seems to fall under a rich country rationale. The trade unions are too weak and isolated to be able to conclude an agreement and to take stock on support for their demands. Consequently at issue is not only the responsibility of the group's management, but more broadly, the will and capacity of the signatories of the agreement also to ensure its dissemination, appropriation by the local stakeholders, and monitoring of its implementation.

These two examples are probably general illustrations. The group's agreements of this type reflect conceptions on which the European social stakeholders have been able to find common ground because their content translated and codified relations that had emerged from a history and a certain equilibrium in the balance of power in the heart of the group. For the management boards of non-European subsidiaries, the agreements can seem strange to the national traditions of labour relations. Except if head office exerts pressure and control, the agreement will not even be mentioned by way of information, let alone implemented. The

---

<sup>9</sup> Human Rights Watch, *A Strange Case. Violations of Workers' Freedom of Association in the United States by European Multinational Corporations*, September 2010.

<sup>10</sup> « This letter is to inform you of our intent to begin accepting applications to hire permanent replacement workers on December 21, 2005, to fill our open New Richmond production positions (...). If you are interested in returning to work, please contact (...) by December 19, 2005.

<sup>11</sup> ILO, Committee on Freedom of Association, 1991: « *The right to strike is one of the essential means through which workers and their organizations may promote and defend their economic and social interests (...). This basic right is not really guaranteed when a worker who exercises it legally runs the risk of seeing his or her job taken up permanently by another worker* » (op. cit., p.1).

<sup>12</sup> Anton Wundrak, *Strengthening trade union networks through international framework agreements. A case study at Volkswagen, Daimler and Bosch in the Indian auto cluster Pune*, Workshop « Transnational industrial relations and the search for alternatives, Greenwich University, London, May 31 – June 1, 2012.

trade unions of the country where the head office is located rarely have the means to exert such pressure and monitoring. For local trade unions, imposing respect for the agreement, if they are aware, can appear as an unrealistic prospect under national labour law and local labour relations.

## **2.2. EUROPEAN WORKS COUNCIL**

The group's European Works Council (EWC) was the subject of two case studies conducted in 2006 for Eurofound<sup>13</sup> which unfortunately have not been updated. The first of these studies is of global nature, the second is limited to the involvement of sites in Hungary and the Czech Republic.<sup>14</sup> After negotiations initiated in 1996 at the joint initiative of the representatives of German and French employees (IG Metall and CFDT), but conducted essentially by the German trade unions in a special negotiating group, the EWC was created by agreement concluded on 29 April 1998.

The EWC performs conventional information and consultation tasks. In the opinion of trade unionists who are members or who have followed its activities, the group respects the rights and powers defined by the founding agreement in a way that is satisfactory, if compared with the average behaviour of other multinational companies in Europe. The economic and social information is generally complete and extensive, even if it is considered as partial or late in certain cases.<sup>15</sup> Its dissemination may run into confidentiality restrictions.<sup>16</sup>

In view of the group's size, the multiple sectors in which it is active and its countries of establishment, the practical functioning of the EWC shows a division of labour between plenary sessions on the one hand, and meetings of the officers, enlarged as and where warranted, on the other.

### ***Plenary sessions***

The EWC comprises representatives of employees from all EU countries where the group is established. It is composed of 10 members stemming from Germany, two or three members from countries with a strong presence (Spain, France, Italy, etc.), and one member from the other countries. The EWC council is chaired by a German; a representative of IG Metall has a seat on this body. The EWC has an external expert, whom it has chosen;<sup>17</sup> to mobilise other experts, it requires the consent of management.

Several factors contribute to limit the role that plenary sessions can play in restructuring operations :

- Whereas the founding agreement explicitly affirms the competence of the EWC on changes and restructuring operations, its intervention capacity is limited by the fact that, except in extraordinary circumstances, it holds one meeting year (over two days);

---

<sup>13</sup> European Foundation for the Improvement of Living and Working Conditions.

<sup>14</sup> Eurofound, *EWC case studies: Robert Bosch GmbH*, Dublin, 2006; Eurofound, *EWCs in the new Member States. Case study: Bosch*, Dublin, 2006.

<sup>15</sup> In a recent period, the EWC protested when it learnt from the press about decisions taken by the group on restructuring operations and cessation of activities.

<sup>16</sup> The members of the EWC may suggest to national representatives, without disclosing confidential information, the questions that local management boards are required to answer in accordance with national legislations.

<sup>17</sup> This is an expert of the European Metalworkers' Federation (EMF), today *industriAll-Europe*.



- Many representatives seem particularly concerned to apprise general management of their specific problems and to be able in turn to bear witness of what they have done at the highest level. Their aim is first to be heard. It is therefore difficult to examine the issues in greater depth and to open a discussion on the group's strategy<sup>18</sup>;
- Owing to the low number of representatives per country, except for Germany, the problems cannot be covered satisfactorily, given the afore-underscoped autonomy of the divisions. For example, Italy has two representatives for 18 sites, whereas there is no national representation body: the two representatives are not very well informed about the problems of the various divisions and the various sites other than those to which they belong;
- The founding agreement on the Council provides that, in countries without a national representation body for all the group's sites, national meetings will be organised with representatives of all the sites twice a year – the first time to prepare the meeting of the EWC, then a second time after this meeting. In spite of the agreement of the group, trade union efforts to introduce coordination at the national level have come up against serious difficulties :
  - In England, most of the sites have trade union representatives, all members of the trade union Unite. Nevertheless, the project of bringing the representatives of all sites together had to be abandoned because of the competition that exists between them;
  - In Italy, the three national confederations (CGIL, CISL, UIL) affirmed that they were the only ones competent to represent workers and refused to meet with representatives of the 18 sites.
- The “Solutions for mobility” sector has a great majority in terms of number of sites and employees. The other sectors are weakly represented, therefore not well informed, and not well taken into account. A structure of representation per sector is envisaged and not per geographic area, but the project has run into resistance from the dominant sector ;
- The Bosch Group is seeking to maintain a balance in its locations between countries with high or low labour costs. The workers of each site are aware of this rationale as well as of their place in a ranked production network. Even if the group does not pursue openly a strategy of pitting sites in competition against each other, the local trade unions defend local employment first. In this context, the trade union policy at group level can only be to ensure transparency so that all the sites have all the information and maintain at least a discourse of solidarity between employees.

### ***EWC officers***

The officers of the EWC constitute the effective coordinating body between the employee representatives and the management of the Group. The five officers at this time stem from the

---

<sup>18</sup> The difficulties are even greater at the level of the World Council which meets (every three years) as an extension of the EWC meeting.

- There is considerable heterogeneity in terms of the nature of the problems and the status of representatives (are they trade unionists? Who appointed them?).
- It is far more difficult to have the rules of confidentiality adhered to by representatives who are not used to these rules of the game.
- Theoretically, the regional structures of the European Metalworkers' Federation (EMF) (today *IndustriALL Global Union*) must be involved in the preparation.
- As a result, it is more of an opportunity for a brief meeting and a ceremonial affair when certain messages can be disseminated, e.g. on the code of good conduct.

following countries: one from Germany (chairman), one from Spain, one from France, and one from the Czech Republic.\* The officers meet at least four times a year.

When restructuring problems arise, the Officers organise an extraordinary meeting of select committees. They are composed of the Officers and a representative from each site concerned. Some twelve meetings of this type are held on average every year. To guarantee a serious discussion, the representatives demand that their talking partners be not limited to the human resources department, but include also the competent managers to solve the problem at issue. Depending on the answers, the representatives meet again to discuss how to respond. Experience has shown that many of the representatives do not stay for this second meeting: they have obtained the information they needed and will discuss how to respond in their countries.

The specific national problems are not treated at EWC level. However, conflicts may arise in the group, particularly if the code of good conduct is violated. Before intervening, the management of the group ensures that all the existing procedures at local level have been previously mobilised. In case of failure at this first level, questions are generally processed bilaterally or are sent to the Supervisory Board. Experience has shown that under these conditions, the group ultimately deals with these matters in a satisfactory manner and reports accordingly.

Another concern of the EWC is to ensure that in case of a restructuring operation that changes the boundaries of the group, there is no break in continuity in the representation of employees. For example, when bought back by Bosch, Rexroth had a EWC. During the transition period, this EWC was maintained as a subsidiary EWC to that of Bosch with representatives from countries with Rexroth sites.

### **2.3. TRADE UNION COORDINATION AT GROUP LEVEL**

There are no coordination difficulties between the EWC and the EMF (today *industriAll-Europe*) at European level. In fact, owing to the importance of the Bosch group, there are officials who oversee the two structures. The EMF created coordination committees at the level of multinational groups. It intervenes only in areas in which the EWC is not competent to deal with an issue, such as, for instance, if there is a coordination problem between trade unions in the group or if restructuring operations concern two different groups, for which it is important to coordinate the action of the respective trade unions. The committee also informs all the trade unions concerned, whether they are represented in the EWC or not. This entails that the different national trade unions accept to play a role, which is not always the case.<sup>19</sup>

The first world meeting with trade unions from 28 countries was held in 2006. Coordination structures can be put in place at division level to deal with specific circumstances. For example, in the face of the recession and at the request of the automobile industry, a trade union coordination group for “Bosch Brakes Division” (EMF) met on 27 January, while the group’s management announced that it could not exclude job cuts in countries without working-time reduction arrangements or time savings accounts. The coordination group decided to organise a European action day on 16 February with work stoppages and meetings

---

\* Translator’s note : sic ! No fifth member is indicated.

<sup>19</sup> The coordination is carried out in the same way in Germany between IT Metal and the Works Council of the Group. Here once again, the presence of officers belonging to the two structures constitutes the main tool. For the rest, the German legislation clearly distinguishes between the respective areas of competence of the Works Councils and the trade union.

on all the European sites concerned. It adopted an 8-point platform<sup>20</sup> which presents in particular:

- A request for an explanation of the group strategy for the division and a request for involvement in the decision-making process;
- Opposition to all redundancies and to any competition between sites based on employees and working conditions;<sup>21</sup>
- The need for investments, research and development and continuing vocational training in the face of future technologies;
- The determination to consider the “possibility of concluding a European framework agreement.”

A little later, in February 2010, following the closure of a unit in Cardiff with 900 job losses, the employees of Bosch in 30 sites in seven European countries (Germany, Spain, France, Italy, the Netherlands, and the UK)<sup>\*</sup> took part in a day of action to defend employment, with meetings, tracts and letters of solidarity.<sup>22</sup> The action is coordinated by the EMF and the EWC of Bosch. The demands have to do with a coherent industrial policy and responsible social management.

The trade union action on group scale or its divisions seems to appear mainly in situations of crisis and as a supplement of the intervention of the national or European employee representation bodies.

\* \* \* \* \*

The overall view just presented should be supplemented by an analysis of the differentiation of the change management modes and restructuring operations according to the national systems of labour relations. Three concentric circles can be distinguished in a simplified manner :

- In Germany, the group has to stay true to a historical image of social responsibility and constructive dialogue with the employees. Furthermore, it functions within the framework of co-determination institutions which give a major place to representatives of employees. The industrial changes are therefore the subject of more in-depth consultation and search for consensus. This does not exclude radical and painful changes, as illustrated by the abandonment of the solar energy sector ;
- In Europe, and more particularly in Western European countries, there are trade union organisations and representation bodies of employees whose competences are guaranteed by national and EU authorities. The European Works Council provides a certain degree of coordination and dialogue, recognised by all to be effective in the management of restructuring operations ;
- For the rest, the existence of a world framework agreement, which does not deal with the management of restructuring operations, and the holding of informal world committee meetings do not suffice to conceal the highly heterogeneous nature of collective labour relations according to national situations. It would be difficult to

---

<sup>20</sup> Trade Union Coordination Group, Bosch Brakes Division: *Plateforme commune de la réunion du 27 janvier 2009*, Bruxelles ; *Planet Labor*, « Bosch : la coordination syndicale européenne se mobilise pour anticiper les restructurations à venir », n° 90175, 18/02/2009.

<sup>21</sup> “The workers are determined. They stand together and refuse any attempted blackmail. They will not be pitted against each other and are committed to staying united in the current situation,” *Platform*, point 8.

<sup>22</sup> « Bosch workers protest to defend jobs », *Thai Labor Database*, 27/ 02/2010.

identify common characteristics between change and restructuring management methods in the Bosch group depending on whether someone is in the US, Brazil, Turkey, India or China.

---

\* Translator's note: sic! Only six countries are mentioned by name in the original.