

Another Great Transformation? Company-Level Employment Relations during and after the Financial Crisis

2010 European Regional Congress of the International Industrial Relations Association, 28 June-1 July, University of Copenhagen

Prof. Dr. Stefan Zagelmeyer
Professor of Economics and Human Resource Management
International University of Applied Sciences Bad Honnef-Bonn
Muelheimer Strasse 38
53604 Bad Honnef
GERMANY

Tel: +49 (0) 2224 9605 260
Fax: +49 (0) 2224 9605 500
Email: s.zagelmeyer@fh-bad-honnef.de
www.fh-bad-honnef.de

ABSTRACT: The European economy currently faces the most serious economic downturn, in terms of scale and magnitude, since the Second World War. Demand, orders, output and profit have declined in many sectors and for many companies, with unprecedented rates of decline. In order to cope with the situation, governments and the social partners have introduced and/or adapted a wide range of policy instruments. At the company-level, there have been an increasing number of activities to adapt to the situation.

The magnitude of impact of the crisis on company finance, as well as the impact of an unprecedented decline in demand for the products, which had been considered impossible before the crisis—all this took management by surprise and required a learning process. Companies that were still highly profitable in 2008 faced a serious demand crisis, which rendered recent restructuring activities useless. Others faced increasing difficulty in renewing credit lines. At company level, managers, workforce representatives and trade unionists found themselves standing with their backs against the wall, facing an entirely new and often unknown situation.

Based on a research project initiated and financed by the International Labour Organization, this paper first describes, analyses, and discusses several cases of company-level “concession” bargaining during the crisis at German companies in order to examine the various faces of, and to ascertain how the social partners and public authorities might help enterprises to avoid redundancies, keep employees in work and possibly enhance their employability, while at the same time helping the company survive and increase competitiveness. It will be argued that the magnitude of the crisis, the lack of experience on the side of management and worker representatives, as well as the persistent uncertainty about the impact of the crisis in many cases led to a fundamental reorientation and repositioning of human resource management as well as of company-level employment relations. For those companies that survive, the financial crisis will have a lasting effect on human resource management and employment relations, leading to a rebalancing of the efficiency-equity-voice relationship and a renegotiation of company-level social contracts, thus implying a fundamental transformation of company-level employment relations.

1 Introduction

The German economy currently faces the most serious economic downturn, in terms of scale and magnitude, since the Second World War. Demand, orders, output and profit have declined in many sectors and for many companies, with unprecedented rates of decline (Zagelmeyer, 2010). In order to cope with the situation, the German Federal government, the state (*Länder*) governments and the social partners have introduced and/or adapted a wide range of policy instruments. At the company-level, there have been an increasing number of activities—first of all on the company side, in terms of HR policies to adapt to the situation.

As it becomes clear that unilateral action by company management is no longer enough, it is increasingly the case that joint activities by management, trade unions and/or works councils seek to address the situation by agreeing on cost-cutting programmes in order to help companies to tackle the negative effects of the economic crisis, to and to maintain employment or to minimize job losses hat joint activities by management, trade unions and/or works councils seek to address the situation by agreeing on cost-cutting programmes.

This manuscript presents the first tentative findings of an investigation commissioned by the International Labour Organisation (Zagelmeyer, 2010) into the nature and scope of these agreements between management, trade unions and/or works councils. In particular, this paper will seek to analyze the long-run impact of these joint activities by management and workforce representatives on company-level employment relations.

The following section sets the scene by introducing company-level employment relations in Germany and outlining the main responses to the financial crisis by public policy and the social partners. The subsequent part summarizes the empirical part of the project, introducing first the research methods and then reporting on the five case studies. The next section discusses the implications of the findings.

2 Background: Company-level Employment Relations and the Financial Crisis

2.1 Company-level Employment Relations in Germany

The German system of employment relations is closely associated with the principles of a social market economy, which are enshrined in the German

constitution. This form of political economy is characterized by a general preference for market coordination as organizing principle of economic activities, within a strong legislative framework which on the one hand seeks to minimize market failures and on the other hand ensures the implementation of democratic and ethical norms via social policy and welfare state policies (Gregory & Stuart, 1998).

One of the core characteristics of employment relations in Germany is the dual system of interest representation, which stipulates that unions and employers—or their respective associations—are responsible for collective bargaining, while works councils are the main bodies of collective interest representation outside collective bargaining (Jacobi, Keller, & Müller-Jentsch, 1992, 1998). This dual system is based on a comprehensive set of statutory regulations. The Collective Agreement Act (*Tarifvertragsgesetz*, TVG) of 1949 stipulates that only trade unions have the right to conclude collective agreements, while the Works Constitution Act (*Betriebsverfassungsgesetz*, BetrVG) of 1952, as amended in 2001, regulates collective employee representation in private sector workplaces. Further characteristics of the traditional ‘German model’ are the high degree of legal regulation (or juridification), the relative centralization of collective bargaining, usually at industry-level, and the representative character of the organizations of collective interest representation, i.e. trade unions, works councils, and employers’ associations (Jacobi, et al., 1992).

In Germany, company-level employment relations are governed by several institutions and organizations. In the private-sector, workplace-level employee representation is governed by the Works Constitution Act (*Betriebsverfassungsgesetz*, BetrVG), which was passed in 1952 and amended in 1972, 1988, and 2001. In establishments with 5 or more employees, employees have the right to elect a works council, should they so wish. Works councillors are formally independent of the trade unions but are often union members. Works councils have certain information, consultation and co-determination rights, but they are not allowed to bargain on issues that are subject to collective agreements except in cases where such agreements explicitly delegate bargaining authority to the works council. Works council rights relate, among other things, to compensation, staffing, overtime, transfers and dismissals, and economic or financial issues. In contrast to the trade unions, works councils cannot resort to any form of industrial action. Management and works

councils negotiate—by law, in a spirit of mutual trust—works agreements (*Betriebsvereinbarungen*) regulating issues that fall into the domain of works council competence. Where works councils have co-determination (or veto) rights, they can restrict the prerogative of management (Jacobi, et al., 1992, 1998; Keller & Kirsch, 2010). In addition to the formal structures of employee representation via works councils, there is also a system of union workplace representatives (*gewerkschaftliche Vertrauensleute*), who represent the link between the trade union and the union members concerning collective bargaining or any other issues. Yet, the relationship between the two elements of workplace employee representation is an intricate one, as the works council has traditionally been dominated by union members, and the unions have over certain periods of time used the works council as bargaining agent (Klikauer, 2004; Marsden, 1980; Streeck, 1981).

In Germany, collective bargaining is relatively centralised and takes place mainly in the form of regional industry-level bargaining. Collective agreements are binding for all members of the negotiating groups. Trade unions may conclude collective agreements with employers' associations (*Verbandstarifverträge* - multi-employer collective agreements), or individual employers (*Firmentarifverträge* - single-employer collective agreements). Decisions about issues, duration and level of negotiation are left to the social partners. Collective bargaining is mainly conducted at industry level, but is - in certain industries - also quite frequent at national or company level. Theoretically, collective bargaining is even possible at the level of the umbrella organisation.

The relationship between collective bargaining and codetermination is a separate and additional issue. In 1999, the Federal Labour Court (*Bundesarbeitsgericht*, BAG) ruled that a union can take the employer to court if they feel that a works agreement between employer and works council violates a valid collective agreement. This judgement needs to be seen against the background of a growing number of so-called 'employment pacts' (*Bündnisse für Arbeit*), in which employer and works council agree on employee concessions in exchange for employment-related guarantees, for example to reduce job losses or to maintain jobs. In some cases, there have been discussions as to whether these agreements contravene collective agreements (Behrens, Scheele, & Schulten, 2002).

The debate about the erosion of collective bargaining in Germany is controversial (Hassel, 1999, 2002; Klikauer, 2002). On the one hand, there is evidence of the decentralization of various collective-bargaining issues and a continued creeping erosion of branch-level bargaining coverage, with increasing numbers of private-sector companies bargaining at the company-level. In addition, there are cases about breaches of collective agreements (Schulten & Zagelmeyer, 1998). On the other hand, there have been reports of new collective agreements in emerging sectors such as industry-related services or new telecommunications operations, which previously had no agreements (Schulten & Zagelmeyer, 1998). In particular, employers are demanding more company-specific regulations on working conditions, leading to the increasing importance of opening clauses" in branch-level agreements, which allow companies to a certain extent to diverge from collectively-agreed standards (Schnabel & Kohaut, 2007).

In order to fully understand the analysis and the discussion of the case studies, the reader needs to be familiar with a number of labour law terms. To begin with, a collective agreement (*Tarifvertrag*) is a legally binding instrument for regulating the terms and conditions of employment, concluded by an employer or an employers' association on one side and one or several trade unions on the other. A works agreement (*Betriebsvereinbarung*) is a written agreement, made between the employer and the works council, which has a direct and compulsory effect on employment relationships and labour relations. Works agreements may regulate all matters relating to the establishment, provided that there are no statutory or collectively-agreed provisions to the contrary.

'Social plans' are agreements between an employer and a works council to compensate or alleviate economic disadvantages for employees in the event of a substantial change in the workplace or in cases of bankruptcy (Works Constitution Act §§ 111,112). In case of failure to agree on a social plan, there is a mediation and arbitration system which ultimately leads to a binding social plan. There is an obligation to draw up a social plan only if the proposed alteration to the establishment consists solely of dismissals, when certain maxima (expressed as a percentage of the total workforce) are exceeded, or when the case involves a newly-formed enterprise. In such cases, a reconciliation of interests (see below) must be arranged. Social plans usually entail the regulation of redundancies and severance pay. Finally, the

reconciliation of interests (*Interessenausgleich*) according to the Works Constitution Act §§.111 ff. provides for a procedure to reconcile the positions of the employer and the workforce in the event of a proposed substantial alteration to the establishment and also bankruptcy and composition. As a consequence of the reconciliation of interests, the implementation of the agreed arrangements is subject to the co-determination right of the works council. If the employer makes no attempt to arrive at an agreed reconciliation of interests, or fails to abide by one, employees who are dismissed or who experience economic disadvantage as a result may claim compensation for job loss.

2.2 *The Financial Crisis: Public Policy and Social Partner Responses*

The German government has taken a number of initiatives to address the economic crisis. While there have been numerous innovative policies, in many cases established tools have been adapted to the needs of the current situation. The instruments vary in terms of their target group, channel of influence, and impact. While some policies seek to stabilize the economy and stimulate the companies' demand for labour, others provide incentives to avoid creating redundancies. Further policies support the labour supply in order to minimize the social impact of the crisis and to facilitate adjustment.

A short overview of general government policies (Bundesministerium für Wirtschaft und Technologie, 2009a, 2009b, 2009c):

- 17 October 2008: The Financial Market Stabilisation Act seeks to re-establish confidence among banks, to secure both the deposits of private citizens and the supply of credit to companies, and to restore confidence in the stability of the financial system. Assistance under the Act is tied to strict conditions and is time-restricted.
- 5 November 2008: The "Package of measures to reduce tax burdens, stabilise social insurance contributions and invest in families" as well as the "Securing jobs by strengthening growth" programme aims at minimising the extent to which the financial crisis could spread to the general economy. It provides for, among other things, the reduction of tax burdens on private citizens and businesses, additional

temporary jobs for employment agencies, the extension of short-time work from 12 to 18 months, and funding for public investment.

- 14 January 2009: The "Pact for employment and stability in Germany" targets public investment, the credit supply, employment and skills, tax reduction, and sustainable fiscal policy. The reduction in taxes and social insurance contributions is intended to boost consumer purchasing power and to improve incentives for employers and private investors. In addition, there will be additional public investment in infrastructure as well as policies to promote education and skills. As a result of the stimulus packages, the government establishes the German recovery fund (*Deutschlandfonds*), which gives companies easier access to subsidised guarantees and loan subsidies.

Public policies directed at the labour market:

- Short-time work: The government regulation of short-time work has been adapted several times since the beginning of the recession. The main provision is that the employer pays for the effective working time and receives a state allowance for up to 67% – depending on the worker's family status – of the missing net wage, for a duration of up to 24 months. However, the extension to 24 months will only be valid for applications made by 31 December 2009 (Bundesministerium für Arbeit und Soziales, 2009). For companies, the instrument reduces labour costs, safeguards company-specific human capital investments, and helps to retain core employees until the economic recovery. Employees also benefit by having at least a temporary guarantee that they will not be made redundant and by having income security in spite of a pay cut due to the reduction in their working hours.
- Skills: As part of the 2009 pact, the German government is broadening its support for education and training measures for companies' employees during the recession, in order to take advantage of the low level of business activity while at the same time preparing enterprises and employees for the economic recovery. Employers may receive a special training subsidy if they offer training courses to enhance their workers' future employment prospects during the non-employed hours while on short-time work sector (Mandl & Salvatore, 2009).

- Non-wage labour costs: The employers' unemployment insurance contribution has been lowered from 4.2% in 2008 to 2.8% in 2009 and 2010. Contributions to health insurance were reduced by 0.3%. In addition – as in Germany employers must currently also cover the employees' contributions for workers on short-time work – this obligation will be halved during 2009 and 2010.

As far as the social partner responses are concerned, since the 1990s multi-employer collective agreements have contained opening clauses, or hardship clauses, allowing company-level agreements to deviate from sectoral collective agreements, usually in order to reduce costs and maintain employment or minimize workforce reductions. Unfortunately, there is no information yet available on the extent to which these clauses have been used in the current situation. However, the financial crisis has affected some of the more recent collective bargaining processes. For example, while the initial demands in the metal and engineering sector wage negotiations in 2008 were originally relatively high, with over 8% due to the excellent business performance by German companies in the first half of 2008, the agreement as concluded was relatively moderate, with a modest increase of 2.1% from 1 February 2009 (Dribbusch, 2009b). More specifically in relation to the financial crisis, a regional multi-employer collective agreement in the metal and electrical industry concluded in April 2009 contained provisions on short-time working, training and employment protection for Baden-Württemberg. The agreement extends and supplements the federal government's new rules on short-time working by establishing models to compensate employees on short-time work for lost wages (Vogel, 2009).

3 Research Methods and Case Study Reports

3.1 Research question and research methods

The purpose of the case studies is to examine the various faces of company-level “concession” bargaining during the financial crisis, and to ascertain how public authorities might help enterprises to avoid redundancies, keep employees in work and possibly enhance their employability. In terms of research methods, the following sections are based on company-level case-study analysis. Since this research project is largely an exploratory, fact-finding mission, one may also refer to the case studies as case reports.

When embarking on the project, the author began by making a general analysis of several German newspapers as well as of the online databases of the European Restructuring Monitor and the European Industrial Relations Observatory (both services provided by the European Foundation for the Improvement of Living and Working Conditions in Dublin, Ireland) to identify critical cases. This (re)search generated some ideas but did not lead to the identification of critical cases.

There are several reasons why it proved difficult to find cases. First, the impact of the financial crisis on German companies occurred relatively late compared to other countries. Second, the agreements usually take time to negotiate. And third, the impact of the financial crisis is still in progress, which means that companies and unions may be reluctant to issue information to the public during a situation of uncertainty.

A thorough screening of internet webpages then generated a pool of companies which had embarked on the desired negotiations or agreements. By early June 2009, a dozen companies had been identified as potentially suitable for this research project. After inquiries with company representatives and the respective trade unions, the author chose the following companies for the case reports:

- 1) Daimler AG, a car company heavily affected by the financial crisis;
- 2) Postbank AG, a recently privatized company from the banking sector;
- 3) Arcandor AG, a retail and tourism group which went recently bankrupt;
- 4) AB InBev Germany GmbH, a brewing group which is part of a foreign-owned multinational;
- 5) Carl Zeiss AG, an optics company which has recently applied for state aid.

There were a number of other companies in line, especially in the supplier business and the banking industry. Some companies did not respond or explicitly refused to take part in the study, while other companies' agreements were ruled unsuitable for the purpose of this report by the author.

As far as the case reports are concerned, the data collection process was organized as follows. After an analysis of the company's webpage and the relevant trade union's webpage, the author thoroughly screened the newspaper archives. The

author then sought to obtain additional information by asking company and union representatives for interviews. For each of the five case studies at least one semi-structured interview was conducted, either with a works council representative, a trade union representative, and/or a company representative.

3.2 Company-level Responses to the Crisis

There are several ways that companies in Germany respond to the crisis. One recent representative survey by the Institute for Employment Research IAB (Heckmann et al., 2009) reports that four out of ten establishments with almost 12 million employees were affected by the economic crisis. The crisis affects establishments of all sizes and all sectors, but to varying degrees. A survey by the German Association for Personnel Management (Deutsche Gesellschaft für Personalführung, DGFP) provide information on the type of personnel adjustment the responding companies were using (Armutat, 2009; Sedlacek, 2009). In terms of priorities, the companies were resorting to (in order of importance):

- (1) the reduction of overtime
- (2) the use of savings on working time accounts
- (3) a no-hiring policy
- (4) not renewing temporary agency contracts
- (5) not extending temporary contracts
- (6) hiring new employees with temporary contracts only
- (7) the reduction of further training activities
- (8) the reduction of bonus payments
- (9) the mutual termination of employment contracts
- (10) short-time working
- (11) partial early retirement
- (12) transfers
- (13) a reduction in voluntary social security supplements

- (14) compulsory vacations
- (15) the extension of cooperation with temporary work agencies
- (16) wage cuts

While the dataset is not representative of German companies, the results give an indication of the spectrum of HR policies which are currently being used in companies in Germany. The representative IAB study reports that 11% of all establishments have made employees redundant, 20% reduced wages, benefits or working hours, 17% went on short-time work and 83% of establishments had a no-hiring policy (Heckmann et al., 2009).

A more recent phenomenon is the increasing number of company-level agreements between management, trade unions and/or works council, taking the form either of a collective agreement or of a works agreement which have been used to exchange concessions by the employee representatives for management commitments to maintain existing job levels or to minimize compulsory redundancies. While this phenomenon of company level employment pacts can be traced back to the 1980s, recent examples focus on cost-cutting strategies. Examples of these agreements will be described and discussed in the following sections.

3.3 *Postbank AG*

The Postbank group, as part of Deutsche Post AG, is one of the largest providers of financial services in Germany, with 14 million customers and 21,000 employees in 2009. The group's focus is on retail banking with private customers. While the banking sector in Germany was hit hard by the financial crisis, collective bargaining at Postbank in 2008 was more affected by the news that Deutsche Bank was to buy around 30% of Postbank's shares.

The agreement covers Postbank AG, and is extended to a number of other postbank group subsidiaries, affecting a total of 6,300 employees. The terms include:

- A no redundancy clause until 31 December 2012;
- Increases in collectively-agreed wages for employees and apprentices by 4% on 1 January 2009 and by a further 3% on 1 February 2010;

- Pay increases for those unionized employees who were transferred from Postbank AG to some other Postbank subsidiaries;
- A duration of 28 months from 1 September 2008 to 31 December 2010;
- The cancellation, for both employees and civil servants, of the right to one day off per year.

Management demands for a further reduction in leisure time were rejected, but the mid-morning tea break would continue. Saturday would not become a normal working day. There would continue to be a bank holiday on Christmas Eve, and arrangements for New Year's Eve would also stay in force (Verdi, 2009).

3.4 *Arcandor AG*

Arcandor AG is one of Europe's largest groups in the tourism and retail sector and has three pillars: Thomas Cook in tourism, Primondo in mail-order and Karstadt in department stores. In 2008, the group was getting into difficulties once more, although Thomas Cook was fairly successful and profitable. On 31 October 2008, management, works council and Ver.di reached an agreement on the details of the "pact for the future". The pact covered more than 20 organisations, among which Karstadt Warenhaus GmbH (with around 30,000 employees) and the Primondo Group (with around 10,000 employees) and intended to save €115 million per year over the following three years in exchange for – benefits that included a no redundancy clause. The parties later prepared individually-adjusted solutions to meet the requirements of each company (Arcandor, 2008).

The most important provisions of the agreement at Primondo were as follows:

- Holiday pay is reduced by between 50% and 100%, depending on the wage grade.
- The Christmas bonus is reduced by 75%.
- Four days of unpaid leave are foregone by employees in administration and central services. Other employees forego two days of unpaid leave. The foregone days are transformed into equivalent wage reductions.

- A no redundancy clause, qualified in the sense that the agreement included a list of several exceptions. In case of additional planned redundancies the works council would have a right of veto.
- A guarantee to maintain the location at Nuremberg/Fürth.
- The option for Quelle GmbH to further optimize the organisational structure and to merge locations as well as to continue outsourcing.
- If employees were made redundant or retired during the period of the agreement, or if they agreed to the termination of their contract of employment, they would be reimbursed for their contribution to the cost savings in the year prior to their leaving the company.
- After the expiry of the agreement, or in case of improvement of the economic situation, Arcandor and Ver.di would begin negotiations as to how the company could make compensation for concessions made by the workforce, for example in the form of an employee share-ownership scheme or performance-related compensation.
- In order to remove provisions exceeding the collectively-agreed terms and conditions of employment, regulations would need to be adjusted at local level.
- The parties agreed to negotiate a group works agreement to provide the employees with vouchers to purchase Arcandor goods. The details and the value of the voucher were left to further negotiations.
- In case of insolvency, the agreement would become null and void from the day of insolvency. Employees would then be eligible to claim reimbursement for their concessions. On the other hand, the no redundancy clause would be invalidated.

The agreement was to be valid for all parts and subsidiaries of Quelle GmbH from 1 October 2008 until 30 September 2011. The paragraph on days of unpaid leave would be valid until the end of 2011. It would cover all employees, excluding managers and apprentices, together with employees who had agreed to terminate their contract of employment or who had agreed to partial retirement by 31 December

2008. Despite the cost-cutting agreement, Arcandor filed for bankruptcy on 9 June 2009.

3.5 *Daimler AG*

Daimler AG is the world's thirteenth largest car manufacturer as well as the world's largest truck manufacturer, owning the brands of Mercedes-Benz, Maybach, Smart, Freightliner and many others. The global recession has had a substantial negative impact on global demand for motor vehicles. In the second quarter of the financial year 2008/09, Daimler's revenue dropped by 25% compared to the same period of the previous year.

On 27 April 2009, the Daimler group works council and management signed a works agreement providing for a range of cost-cutting measures intended to save the company €2 billion in labour costs in return for, among other things, a 'no redundancy clause'. The main provisions of the agreement are (Dribbusch, 2009a) (Daimler AG, 2009):

- Working-hours reduction and short-time work. The working time of all employees at Daimler Germany will be cut by 8.75% without pay compensation. Employees on short-time work will receive an additional payment on top of the statutory short-time allowance. The additional payment will be cut with effect from 1 May 2009.
- Compensation. The pay increase of 2.1% scheduled to take effect from 1 May 2009 will be postponed to 1 October 2009. The one-off payment of €122 negotiated for September 2009 will be cancelled. The bonus payment of €1,900 for 2008, resulting from Daimler's profit-sharing scheme and due to be paid in April 2009, will also be postponed to May 2010. There are discussions about transforming this payment into an employee-equity scheme. All bonus payments based on individual monthly incomes will be cut according to the agreed 8.75% reduction in weekly working hours.
- Apprentices. All graduated apprentices who started in 2006 and 2007 from those two entry years will be offered employment contracts with a 28-hour working week.

- No redundancy clause. The exclusion of compulsory redundancies until 31 December 2011, which was agreed during the previous negotiations in 2004, remains in place but is valid only for those who joined the company after the 2004 agreement was concluded. About 16,000 workers joined Daimler after 2004, and they have hitherto not been covered by this job guarantee, but they are now protected from compulsory redundancy until June 2010. The company-wide agreement can be terminated as of December 31, 2009 at the earliest, depending on the economic situation.

Members of Daimler's management board and top executives will be included in the cost-reducing measures and will also forego part of their monthly basic salaries for a limited period, starting in May 2009. The percentage share of monthly salary reductions increases with responsibility. The usual annual salary increase will also be omitted in 2009. (Daimler AG, 2009b).

3.6 *Carl Zeiss AG*

Carl Zeiss is one of the world's leading optics groups, has branches in over 30 countries and is represented in more than 100 countries, with factories in Europe, North America, Central America and Asia. While the 2007/08 financial year had been very successful, in Spring 2009, the company announced that it had been hit hard by the crisis, especially the areas of semiconductors and industrial measurement instruments as well as intermediary products, with significant reductions in orders, revenue and profitability, while other divisions were developing in a fairly stable way. As the cost reduction policies, especially the policies to reduce labour costs, would not be sufficient to counterbalance the losses in the group, and since the management board did not see any signs of economic recovery, the board invited the trade union IG Metall and the works councils to enter into negotiations on cost reductions (Carl Zeiss AG, 2009b).

On 11 June 2009, management, trade unions and works councils finalised a collective agreement which included the following provisions:

- The collectively-agreed wage increase of 2.1% would be postponed from 1 May 2009 to 1 March 2010.
- The lump sum payment of €122 for 2009 would be cancelled.

- All employees at subsidiaries bound by collective agreements, excluding apprentices and employees in partial retirement, would forego 75% of holiday pay and the Christmas bonus in 2009, and would forego holiday pay in 2010.
- Employees and managers who were not covered by collective agreements would make a contribution equivalent to the contribution made by employees covered by the collective agreements. Management would certify to IG Metall that this had taken place.
- For the business years 2010/11 and 2011/12 (after the expiry of the no redundancy clause) there would be a bonus system which, according to certain performance-related criteria, would provide for additional profit-sharing by employees.
- In exchange for these concessions, the management agreed not to make any employees redundant for economic reasons until 30 September 2010. In the case of overcapacity and lack of orders, the company will respond by moving towards short-time working. The details were left to be negotiated with the works council.
- For the subsidiaries in Wetzlar, the management and workforce representatives were starting talks on a new strategy for the factories in 2009. While these factories were faced with imminent closure, the parties had agreed that by mid-2010 the works councils, IG Metall and the management would develop a joint rescue strategy.
- If the economic situation should deteriorate significantly, all parties would start talks immediately.
- The parties agreed that the current number of apprentices would be maintained for all factories (Carl Zeiss AG, 2009a; IG Metall, 2009c).
- As far as collective bargaining coverage was concerned, the parties agreed that the trade union and Carl Zeiss Meditec AG would negotiate a new company collective agreement, to be concluded by 31 December 2010. It was implicit in this decision that the three largest subsidiaries of the Carl Zeiss group would now be covered by collective agreements.

- For subsidiaries not covered by collective agreements, the management and works councils would check during the following weeks whether and how the concessions could be implemented for these units. The no redundancy clause would be valid for all employees in the Carl Zeiss group (Carl Zeiss AG, 2009a).

3.7 *AB InBev Germany GmbH*

InBev Germany is Germany's second largest brewing company. It is the German subsidiary of the world's largest brewing group, Anheuser-Busch InBev (AB InBev), which was established in November 2008 when the Belgian-Brazilian brewing company InBev took over the US-based Anheuser-Busch group. Despite being profitable and increasing revenue it was reported early 2009 that the company planned to reduce its workforce at the German breweries and to make employees redundant. Some commentators argued that the takeover of Anheuser Busch for \$52 billion in November 2008 had exceeded the InBev's capacity, and that – as a consequence of the financial crisis – AB InBev would have difficulties in obtaining bank loans to finance the deal.

On 26 June 2009, the parties concluded the social collective agreement, after several months of intensive negotiations.. The main provisions of the agreement are as follows:

- In case of compulsory redundancy for economic reasons, the parties agreed on significantly higher levels of severance pay as compared to the stipulations of the permanent social plan..
- In the event of a permanent reduction in working hours, employees would be compensated.
- Partial retirement would continue to be regulated by the collective agreement..
- All employees in the group would be eligible for part-time work.
- The Christmas bonus could be transferred into 200 hours of work on the working time account.
- The regulations for short-time work would include a significant increase in compensation to 82.5%.

- Additionally, the parties agreed to negotiate a qualification and education plan in the form of a group works agreement.
- Finally, the group works councils would be granted additional rights to information and consultation with respect to personnel planning and the internal labour market.

4 Discussion

The current financial and economic crisis represents a phenomenon which in terms of causes and channels of influence, as well as breadth and magnitude of impact, is unprecedented in German post-war history. It appears to be unique in the sense that the crisis does not fit the traditional categories of structural or cyclical crisis. This adds to the uncertainty that business actors, social actors, political actors and researchers are currently facing.

4.1 The Research Process and General Concerns

For the process of research, this uncertainty had several implications. When the present investigator was contacting potential case-study companies, works councils, and trade unions, there appeared to be a general reluctance to participate in the project, to talk openly about ongoing processes, and to provide information and statements which might be rendered out of date the next day by new developments. Despite the application for insolvency, there are new reports about the situation at Arcandor almost every day, revealing new aspects of the process of failure in the group over the past decade. In contrast to earlier research into company-level pacts on employment and competitiveness in the 1990s, this reluctance existed even at companies with a history of employment-related agreements.

The magnitude of impact of the crisis on company finance (when assets were quickly disappearing, sometimes literally overnight), as well as the impact of an unprecedented decline in demand for the products (as, for example at Carl Zeiss, where demand dropped by 50%), which had been considered impossible before the crisis—all this took management by surprise and required a learning process. Companies that were still highly profitable in 2008—and some even world-market leaders—faced a serious demand crisis, which rendered recent restructuring activities useless. Others faced increasing difficulty in renewing credit lines. At company level,

managers, workforce representatives and trade unionists found (and still find) themselves standing with their backs against the wall, facing an entirely new and often unknown situation.

As far as public policy is concerned, there are several serious issues and many open questions. Most policies increase public spending massively. Given the likely decrease in public (tax) income due to the crisis, this automatically means an increase in public debt. Will there be a change in policy, especially as far as the support for public spending is concerned? How will companies react? What happens if policies such as short-time work expire before the crisis is at an end? What are the long-term consequences of the crisis for the social security system? Will the current subsidies distort competition and thus affect the competitiveness of the German economy? Those are issues that should not be forgotten when discussing and analysing company-level policies, as they go beyond the immediate concern of company-level labour relations.

With respect to the issue of generalisability of the case reports, collective agreements by definition occur only at organisations covered by collective bargaining or with works councils. It would be interesting to compare the cases of companies not covered by these labour relations institutions. Another impediment to generalisability concerns the international dimension. Each of the case-study companies was part of a multinational organisation. It would be interesting to see how the impact of the financial crisis is addressed and tackled at foreign subsidiaries and operations.

4.2 Management, Workforce Representatives and Trade Unions

The cases described above are from different sectors (ranging from brewing to optronics), involve different trade unions (from NGG to Ver.di), represent different labour relations strategies (from active to reactive on the part of management and workforce representatives), involve different regulation mechanisms (collective agreements and /or works agreements), represent different company situations (profitable vs. in acute crisis), and have different outcomes (ranging from no-redundancy clauses to massive increases in severance pay). So the different case studies are illustrative of different types of situations and agreements rather than representative.

The company cases offer many insights and raise a large number of questions. In general, companies coming into a difficult situation with declining demand appear to first exhaust all human resource management policy options that offer flexibility. Among other policies, the peripheral workforce is reduced, e.g. for contracts with temporary work agencies, and temporary employees are not renewed, graduated apprentices are not taken on, and/or there is a hiring freeze. Only when this flexibility is exhausted, companies need to take action concerning the core workforce. So far, companies in Germany have been very cautious about making core employees redundant. This might be the result of public incentives, especially the support of short-time working. Another factor might be recent experience with shortages of skilled labour, and the associated fear of being unable to fill those vacancies after the crisis, especially considering demographic changes in the workforce.

As far as the causes of the difficulties of the companies covered by the case studies are concerned, these are varied and diverse. In general, it is very difficult to establish a direct link between the financial crisis and the respective agreements. In case of Postbank, privatisation as well as the restructuring of the banking sector (e.g. the future cooperation with Deutsche Bank) and internal reorganisation within the Post AG group have had a significant impact on the agreements. The future takeover by Deutsche Bank is part of the restructuring of the German banking sector, which is accelerated in part by the financial crisis. In the case of Arcandor AG, the company had already been in more or less serious difficulties during the years before the crisis. On the other hand, the difficulties of obtaining loans and extending credit lines were possibly exacerbated by the crisis and contributed to Arcandor AG going filing for insolvency.

In the case of Daimler AG, the drop in demand for large cars and other vehicles can be ascribed to a large extent to the financial crisis and contributed to the difficulties that led to the cost-cutting agreement of 2009. But again, the company has a history of collective bargaining on employment, and the company also has had a number of difficulties in the recent past, not least in relation to the merger with—and then separation from—the US car producer Chrysler. At Carl Zeiss, it was mainly a unforeseeable and severe drop in demand for its products, and difficulties in financing its operations, that led to the company's current situation. At InBev Germany, it is not yet clear whether the agreements are caused by the financial crisis or by other factors,

related to company policy. One might argue that the takeover of Anheuser Busch during the beginning of the financial crisis caused the restructuring plans, as the new company needed to finance the deal and also to increase the productivity and efficiency of its operations.

What becomes clear, though, is that the financial crisis accelerates restructuring activities. What appears to be new is the speed at which changes are taking place, as well as the magnitude of the changes in demand, and following difficulties in financing company operations.

These findings raise a number of issues. At a general level, management often appeared to be surprised by the extent of the crisis, and—at the very early stages of the crisis—the learning process required a considerable time in order for them to realise what was really going on. In the process of adjustment, the human resource management department seems to have increased in strategic importance for the company. Yet, considering especially the complexity of some of the organisations as well as their situations, HRM people are required to have excellent abilities to work through complexity. Another issue concerns the role of the supervisory boards. Especially in the case of Arcandor, a public discussion has begun as to the role of the supervisory board members in controlling the activities of the management board.

During the case-study research, it became clear that several of the companies investigated, especially Arcandor and Postbank, had gone through an extensive process of reorganisation during the previous years. As a result of restructuring, outsourcing, insourcing, reorganisation, changes in the legal status, as well as mergers and acquisitions, the complexity of the companies' organisational structure has increased dramatically. In the case of Arcandor, the number of companies has risen from three about 10 years ago to several hundreds today. Collective bargaining systems at the company level have been dramatically changed during this process. There are different developments in the economic situation to be seen in one group across the different divisions, companies, and occupational groups, which are then difficult to manage through collective bargaining. Arcandor, Carl Zeiss and Postbank all have highly complex collective bargaining systems, with a multiplicity of collective bargaining units.

Finally, these agreements involve challenges for the trade unions as well. While concession bargaining has always been a matter of controversy among trade unionists, cost-cutting agreements prove a specifically problematic form of agreement as it is difficult for the trade union to sell the reductions in collectively-agreed terms and conditions of employment to its members as an outcome of successful negotiations. This difficulty needs to be understood against the background of traditional, proactive trade union policies to fight for the improvement of terms and conditions of employment. That may explain why even trade unions that have traditionally focused on wage increases have put the maintenance of employment on top of their bargaining agenda. Yet there may be another reason why bargaining on employment is currently a top priority for the unions. In an economic situation where the unionised sector of the economy, including metal and engineering, faces massive job losses, the latter threatens the unions' membership base, and thus union finance.

One specific challenge for the trade unions in the negotiations of those cost-cutting agreements is the maintenance of solidarity between the different production locations and different occupational groups, as illustrated in the Carl Zeiss case. Another challenge, especially in organisations with a complex organisational structure, is to fully understand management strategy in order to react effectively. In most agreements, the trade unions reacted to the demands of management. In the AB InBev case, it was the trade unions that pushed for negotiations on employment in face of restructuring plans of management.

4.3 Collective Bargaining: Motivations, Process, Content, and Effects

The agreements often involve line or HR specialists on the side of management. Employee representatives can be trade union officials or work councillors, depending on the legal framework and the company. It is important to note that several bargaining levels can be involved, with centralized agreements stipulating framework conditions which are then implemented in lower-level negotiations.

For management, these agreements provide for (labour) cost reductions, and increased flexibility to help the company survive, improve credit ratings and/or increase competitiveness. Furthermore, they legitimize introduction of change. They may also help retain key human resources in the core workforce, especially as far as

the time after the crisis is concerned. Furthermore, it may increase the motivation and identification of employees with the company as well as the company's image and reputation in the local community.

For employee representatives, these negotiations offer the possibility to try and preserve employment, minimize redundancy, and to extend the bargaining agenda. The latter may also be associated with an increase in their role in company decision making. The latter It also allows unions to maintain their membership base.

Yet there are also challenges for employee representatives. To begin with, involvement is difficult to avoid, as they may be accused of not acting in the interest of the workforce. On the other hand, they may legitimize concession agreements and management policies which are detrimental to (some) employees interests.

Although not usually directly involved, the public authorities very often have an important influence on both the context and the process of negotiations, especially with respect to managing short-time work, redundancies, and financial support via labour market policies.

So far as the negotiation processes are concerned, the agreements are the results of complex strategic negotiations. These strategic negotiations may relate not only to the collective agreement that is negotiated but also to works agreements, social plans, and the reconciliation of interest agreements. To disentangle the strategic game including these topics is a challenging task and one that is well beyond the scope of this report. Another issue concerns the differences between formal agreements, which are put forward in writing and sometimes made available to the public, and informal bargaining behind the scenes and subsequent agreements, information on which is not available to the public and/or the researcher. This may be especially relevant in cases where there is an acute company crisis. While the official agreement may include standard items and regulations, which an expert may possibly judge as being of little relevance in terms of impact, there may be informal agreements in the background between the chief negotiators on both sides, which are kept secret from other managers, the workforce, union functionaries, and researchers. One can imagine that in a situation of high uncertainty, negotiators have discussed different scenarios for future developments and then agreed informally on their

respective courses of action in order to be better prepared should a particular scenario arise.

The collective bargaining processes for these company-level agreements lead to a strengthening of the centralised bargaining authorities within the company, which implies a centralisation of collective bargaining at company level, at least as far as the coordination of activities is concerned. At the same time, while multi-employer collective agreements existed at several of the case companies' subsidiaries, these agreements did not appear to restrict the company level bargaining parties in their activities. The collective bargaining processes for these company-level agreements lead to a strengthening of the centralised bargaining authorities within the company, which implies a centralisation of collective bargaining at company level. Again, it would be very interesting to analyse the relationship of these agreements to the multi-employer collective agreements in greater detail. At Postbank and Arcandor, it became clear that there were spill-overs in the negotiations between different bargaining units in terms of bargaining issues and demands, even where these bargaining units related to different subsidiaries, different sectors of economic activity, and different trade unions.

As far as the results of the negotiations are concerned, the degree to which the agreements guarantee jobs and employment varies widely, ranging from informal declarations of intent, which are not legally binding, to legally binding employment or job guarantees. Many of the agreements include provisions related to massive cost-cutting programmes, in many cases to help the company survive. This may be a significant difference compared to the pacts on employment and competitiveness of the second half of the 1990s, where the context of the respective agreements was often (international) competition for investment and production between subsidiaries within one multinational group and not so much the survival of the whole organisation.

Given the complexity of company level collective-bargaining systems, it is not surprising that some companies, such as Daimler and Postbank, offer differering levels of employment security for different occupational groups, divisions, or companies.

One majorly contentious issue in the negotiation of cost-cutting agreements is always the compensation for employee contributions and concessions. Employee share ownership schemes and profit-sharing systems are among the solutions offered

Another concern is the relationship of the company-level agreements to industry-level agreements. As reported in the previous section, the collective bargaining structure of the different case companies is quite complex, and has increased in complexity during recent years, due to mergers and acquisitions and company reorganisation. As a consequence, companies may be covered by different collective bargaining units at the same time, depending on the establishment and sometimes even the occupational group. Where industry-level collective agreements are relevant, the described company-level collective or works agreements either comply with the industry-level agreements and extend them (e.g. at AB InBev GmbH), or relate to opening clauses included in the industry-level collective agreements (Daimler AG, Carl Zeiss AG, Arcandor AG). This is in line with the argument that the German industrial relations system is adapting and providing flexibility for actors at the enterprise level to adapt to change (Haipeter & Lehndorff, 2009).

As far as the relationship between public policies to tackle the crisis and the reported company-level agreements are concerned, public policies operate in the background rather than relate directly to the company-level agreements. Short-time work has bought the companies and employees time to adapt to the situation. As far as the specific cases are concerned, the Arcandor and Postbank agreements were concluded at the beginning of the crisis, before the German government passed the two stabilization packages and adapted labour market policies. The agreement at Daimler and AB InBev include provisions on additional payments in case of short-time work.

At the current stage it is not possible to draw any conclusions concerning the effects of such agreements, especially in comparison to companies that don't have such agreements.

4.4 Lessons for Future Negotiations

While any conclusions about such a small number of case studies is premature and can only be tentative, research on earlier forms of collective bargaining on

employment and competitiveness may provide some guideposts for effective future negotiations (Freysinnet/Seifert 2001; Sisson/Artiles, 2001, European Foundation, 2001). There appear to be three main prerequisites for the successful negotiations in face of a company crisis:

1. Agreement about the severity of the situation and consensus about the need for change.
2. Mutual recognition of and trust between the bargaining parties. Management needs to honestly and truthfully inform employees and their representatives about the situation of the company, which may include accounting and strategy information which may have been previously considered confidential. On the other hand, employee representatives have to appreciate the pressures managers are under to make changes and be willing to help implement them.
3. The need for concessions on both sides (quid pro quos). Unless both parties are willing to meet some of the other sides' aspirations, there is unlikely to be agreement.

These crisis agreements represent a form of integrative bargaining, which involves three key steps:

- joint discussion and identification of the problem;
- joint gathering of information about and discussion of different alternative solutions and the consequences;
- a willingness to jointly evaluate the alternative solutions and come up with a mutually acceptable solution.

There are two further important aspects. Any effective change management process requires extensive communication between all parties concerned as well as a realistic view of the situation as well as of the available options.

5 Conclusion and Outlook

The objective of this paper was to describe and discuss recent company-level bargaining practices related to employment as a response to the negative consequences of the financial crisis. Attention was paid to cooperative bargaining

solutions as part of a strategy of enterprise survival (e.g. in case of Arcandor). To different extents, all company cases relate to trade-offs among wages, working hours and job security. As far as company-level reactions to crisis situations are concerned, management seems to try to avoid or delay redundancies in the core workforce, using existing flexibility instruments that have been further developed and refined over the past decade. Many companies are making workers redundant only as a last resort. Companies covered by collective agreements and/or works councils are using collective or works agreements to negotiate (labour) cost reductions while providing the workforce with limited no-redundancy guarantees.

In many cases, it is difficult to establish a direct link between a company's crisis situation and the financial crisis, as there are many other potential determinants of company failure. At the minimum level, the financial crisis makes it more difficult in many cases for companies to finance their operations; it has led to massive drops in demand for products and services, and it appears to accelerate the need to restructure and to reorganize.

So far the industrial relations system in Germany is adapting to the economic pressures posed by the crisis, providing actors at the enterprise level with the ability to govern change and craft agreements that save jobs, maintain incomes and ensure ongoing enterprise viability. The role of government has been critical in stabilizing the economic situation and buying the company-level actors time to adapt. In this respect, company-level bargaining is part of a packaged response to managing change within the German industrial relations system, not a panacea.

With respect to the lasting effects of these agreements, we can currently only speculate. In contrast to other change processes, the severe impact on those companies affected by the crisis, for example Carl Zeiss AG and Daimler AG, resembles a change process which Tushman et al. (1986) call frame-breaking change, a form of discontinuous change where management and the workforce have to overthrow existing practices in order to cope with environmental challenges. At successful—i.e. surviving—companies, frame-breaking change is usually associated with new forms of communication and decision-making pattern, a reshaping of the organization's culture and design elements, and new modes of coordination and cooperation between management and workforce. The interviews gave the impression that the magnitude

of the crisis, the lack of experience on the side of management and worker representatives, as well as the persistent uncertainty about the impact of the crisis in many cases led to a fundamental reorientation and repositioning of human resource management as well as of company-level employment relations. For those companies that survive, it looks as if the financial crisis would have a lasting effect on employment relations, leading to a rebalancing of the efficiency-equity-voice relationship and a renegotiation of company-level social contracts, thus implying a fundamental transformation of company-level employment relations.

While there are tentative signs that the economic situation in Germany is stabilizing, the impact on the labour market is likely to deteriorate, as there is generally a time-lag between changes in employment and output. The extent to which the situation itself will change may depend to a large extent on how public policy will continue stabilization policies and continue its employment policies in face of increased public debt. As more companies exhaust their flexibility, company-level bargaining on cost-cutting programmes in return for no redundancy clauses is likely to increase, at least in companies covered by collective agreements and works councils.

ACKNOWLEDGEMENT

This manuscript is based on a research project on company-level responses to the global financial crisis initiated and sponsored by the International Labour Organization. The full report of the project was published as an ILO working paper (Zagelmeyer, 2010). The author wishes to thank the ILO and the project leader, Tayo Fashoyin, for supporting the research project financially and for the permission to use the empirical data for further analysis and discussion.

References:

- Arcandor Zukunftspakt abgeschlossen. Media release, October 31, 2008. Retrieved July 21, 2009, from: <http://www.arcandor.com/de/presse/6178.asp>
- Armutat, S. (2009). Professionelles Management – Auch in Krisenzeiten. Presentation Wiesbaden, June 5, 2009.
- Behrens, M., Scheele, A., & Schulten, T. (2002). 2001 Annual Review for Germany. Retrieved 17-02-2010
<http://www.eurofound.europa.eu/eiro/2002/01/feature/de0201272f.htm>
- Bundesministerium für Arbeit und Soziales (2009). Kurzarbeitergeld plus. Media Release no. 53, Bundesministerium für Arbeit und Soziales, June 19, 2009. Retrieved August 10, 2009, from: http://www.einsatz-fuer-arbeit.de/sites/generator/33646/property=pdf/pm_kurzarbeitergeld_plus_20090619.pdf
- Bundesministerium für Wirtschaft und Technologie (2009a). Beschäftigungssicherung durch Wachstumsstärkung: das erste Konjunkturpaket im Überblick. Retrieved August 10, from:
<http://www.bmwi.de/BMWi/Navigation/Wirtschaft/Konjunktur/konjunkturpaket-1.html>.
- Bundesministerium für Wirtschaft und Technologie (2009b). Economic Policy – A Growth Policy to Fit Cyclical Conditions. Retrieved August 10, from:
<http://www.bmwi.de/English/Navigation/Economy/economic-policy.html>
- Bundesministerium für Wirtschaft und Technologie (2009c). Entschlossen in der Krise, stark für den nächsten Aufschwung: Überblick über das zweite Konjunkturpaket. Retrieved August 10, from:
<http://www.bmwi.de/BMWi/Navigation/Wirtschaft/Konjunktur/konjunkturpaket-2.html>.
- Carl Zeiss AG (2009a). Carl Zeiss erzielt Einigung zu Gesamtpaket. Media release PI-Nr.: 0106-2009-GER, June 15, 2009. Retrieved July 10, 2009, from:
<http://www.zeiss.de/>
- Carl Zeiss AG (2009b). Verhandlungen angestrebt - Gespräche zur Zukunftssicherung bei Carl Zeiss. Media release PI-Nummer 0100-2009-GER, May 12, 2009. Retrieved July 10, 2009, from: <http://www.zeiss.de/>
- Daimler AG (2009). Reduction of labor costs to safeguard employment at Daimler AG. Media release April 28, 2009. Retrieved July 10, 2009, from:
<http://media.daimler.com/>
- Dribbusch, H. (2009a). Cost-cutting plan agreed in return for limited job guarantee at Daimler. EIROnline. Retrieved July 14, 2009, from:
<http://www.eurofound.europa.eu/eiro/2009/05/articles/de0905039i.htm>DE0905039I
- Dribbusch, H. (2009b). New pay agreement signed in metalworking industry. EIROnline, DE0812049I. Retrieved August 10, 2009, from:
<http://www.eurofound.europa.eu/eiro/2008/12/articles/de0812049i.htm>.

- European Foundation (2001). *Pacts for Employment and Competitiveness*. Office for Official Publications of the European Communities, Brussels.
- Freysinnet, J., & Seifert, H. (2001). *Negotiating Collective Agreements on Employment and Competitiveness*. Office for Official Publications of the European Communities, Brussels.
- Gregory, P. R., & Stuart, R. C. (1998). *Comparative Economic Systems* (5th ed.). Boston: Houghton Mifflin.
- Hassel, A. (1999). The Erosion of the German System of Industrial Relations.. *British Journal of Industrial Relations*, 37(3), 483-505.
- Hassel, A. (2002). The Erosion Continues: Reply. *British Journal of Industrial Relations*, 40(2), 309.
- Heckmann, M., Kettner, A., Pausch, S., Szameitat, J, & Vogler-Ludwig, K. (2009). *Wir Betriebe in der Krise Beschäftigung stützen*. IAB-Kurzbericht 18/2009.
- Jacobi, O., Keller, B., & Müller-Jentsch, W. (1992). Germany: Codetermining the Future. In A. Ferner & R. Hyman (Eds.), *Industrial Relations in the New Europe* (pp. 218-269b). Oxford: Blackwell.
- Jacobi, O., Keller, B., & Müller-Jentsch, W. (1998). Germany: Facing New Challenges. In A. Ferner & R. Hyman (Eds.), *Changing industrial relations in Europe* (pp. 190-238). Oxford: Blackwell.
- Keller, B. K., & Kirsch, A. (2010). *Employment Relations in Germany*. In G. J. Bamber, R. D. Lansbury & N. Wailes (Eds.), *International and Comparative Employment Relations* (5th ed., pp. (forthcoming)). London: Sage.
- Klikauer, T. (2002). Stability in Germany's Industrial Relations: A Critique on Hassel's Erosion Thesis. *British Journal of Industrial Relations*, 40(2), 295.
- Klikauer, T. (2004). Trade union shopfloor representation in Germany. *Industrial Relations Journal*, 35(1), 2-18.
- Mandl, I., Salvatore, L. (2009). Tackling the recession: Employment-related public initiatives in the Member States and Norway, European Monitoring Centre on Change. Retrieved August 10, 2009, from: <http://www.eurofound.europa.eu/docs/erm/tn0907020s/tn0907020s.html>.
- Marsden, D. (1980). Shop Stewards in Great Britain West Germany and France. *Employee Relations*, 2(4), 2-5.
- Schnabel, C., & Kohaut, S. (2007). Tarifliche Öffnungsklauseln - Verbreitung, Inanspruchnahme und Bedeutung. *Sozialer Fortschritt*, 56(2), 33-40.
- Schulten, T., & Zagelmeyer, S. (1998). 1998 Annual Review for Germany. Retrieved 17-02-2010 <http://www.eurofound.europa.eu/eiro/1998/12/feature/de9812287f.htm>
- Sedlacek, B. (2009). Personalmanagement in der Wirtschaftskrise – Befragungsergebnisse. PraxisPapier 3/2009, Deutsche Gesellschaft für Personalführung (DGFP), Düsseldorf.

- Sisson, K., Martin Artiles, A (2001). Handling Restructuring – Collective Agreements on Employment and Competitiveness. Office for Official Publications of the European Communities, Brussels.
- Streeck, W. (1981). Qualitative Demands and the Neo-Corporatist Manageability of Industrial Relations. *British Journal of Industrial Relations*, 19(2), 149-169.
- Tushman, M. L., Newman, W. H., & Romanelli, E. (1986). Convergence and Upheaval: Managing the Unsteady Pace of Organizational Evolution. *California Management Review*, 29(1), 29-44.
- Verdi (2009). Durchbruch gelungen! Tarifeinigung erreicht! Kündigungsschutz bis zum 31. Dezember 2012 durchgesetzt. *Tarifinformation Postbank, Tarifrunde 2009 Postbank AG, PB Firmenkunden AG, BCB AG, Nr. 4, Spetember 25, 2009.*
- Vogel, S. (2009). New collective agreement in metalworking sector, EIROnline, DE0905049I. Retrieved August 10, 2009, from:
<http://www.eurofound.europa.eu/eiro/2009/05/articles/de0905049i.htm>.
- Zagelmeyer, S. (2010). Company-level bargaining in times of crisis: The case of Germany ILO Working Paper (Vol. No. 9). Geneva: Industrial and Employment Relations Department. International Labour Office.