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The Capability Approach:

A New Perspective for Labor Market and Welfare Policies?

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**Assessing Employee Voice in Restructuring Processes
against the Capability Approach.
A Case Study in the Swiss Metal Sector****

The paper focuses on the issue of employee voice during restructuring processes. The notion of “capability for voice” is mobilized to assess to what extent employees are able (and allowed) to express their viewpoints and make them count in the course of corporate restructurings. At first the prerequisites necessary for “capability for voice” to flourish are presented, then the notion is applied to a specific case study in the Swiss metal sector. The conclusions show that not all types of employee voice are allowed to flourish in the investigated case study, and point to the conditions to be fulfilled in order to increase the scope and effectiveness of such voice.

Key words: **restructuring processes, employee voice, capability approach, labour law, collective bargaining** (JEL: J21, J53, Z13)

* Jean-Michel Bonvin is Professor of Sociology and Social Policy at the University of Applied Sciences Western Switzerland, Haute école de travail social et de la santé – EESP – Lausanne, Chemin des Abeilles 14, 1010 Lausanne, Switzerland.

E-mail: Jean-Michel.Bonvin@eesp.ch.

Eric Moachon is a doctoral student in political science at the University of Lausanne and lecturer at the University of Applied Sciences Western Switzerland (EESP, Lausanne).

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In the present context of globalized competition and weakening of the legal and conventional devices of labour market regulation (Deakin & Whittaker, 2007), firms are called to adapt as quickly and efficiently as possible to constantly changing conditions of business. As a consequence, they are involved in permanent and complex processes of restructuring and reorganisation of the production activities (Freyssinet, 2006). These restructuring processes have a significant impact on both the number of available jobs (with the threat of delocalization and collective dismissals) and the actual working conditions within the firm (with increases of pressure for productivity and profitability). As such, they can potentially undermine the workers' prospects to keep their job as well as the quality of working conditions. This paper strives to investigate the issue of 'employee voice' in such restructuring processes: to what extent are workers allowed to have their say in these matters and to what extent are their expectations, viewpoints, etc. genuinely taken into account? We follow here Strauss's distinction between (often passive and ineffective) involvement and actual influence: what matters is not simply that workers are involved, but that they can to some extent influence the restructuring processes (Strauss, 2006). The theoretical framework mobilised in the paper draws on Amartya Sen's capability approach, which can be interpreted as a useful complement to existing perspectives in the human resource management literature. The relevance of this framework will be illustrated via a detailed analysis of a restructuring process, involving a plant of Rio Tinto Alcan based in the Swiss canton of Valais (i.e. a Swiss subsidiary of a multinational firm in the metalworking sector). The fieldwork has been conducted in the course of the Capright project (EU-FP7). The paper is structured as follows. Section 1 begins by briefly situating the contribution of the capability approach with respect to the issue of 'employee voice' in the human resource management literature. It then presents in some detail this analytical framework. Section 2 provides a synthesis of the case study and its main teachings against the capability framework. Section 3 concludes.

1. A complementary framework to assess 'employee voice' in restructuring processes: the capability approach

Slightly adapting Wilkinson et al.'s presentation (2011), three strands can be identified in the literature on 'employee voice'. Firstly, HRM literature focuses on performance and the necessity to make better and more efficient decisions and promote higher commitment. This is mostly concerned with direct voice, i.e. the expression by workers themselves of suggestions, ideas, knowledge, etc. Secondly, in the industrial relations literature, voice and participation are often considered as ways to provide workers with some degree of control over managerial decision-making. This can lead either to the possibility of co-decision when workers are integrated in boards (in the line of industrial democracy), or to the ability to create a countervailing power to oppose managerial decisions. In this second strand, participation mostly takes the form of indirect voice where representatives (mainly trade unions and workers' councils) are called to defend workers' rights. Lewin et al. (1992) emphasize that such 'voice systems' can be mandated (e.g. EU directives on European workers' councils) or voluntary (collective bargaining). Thirdly, the organizational behaviour literature relates voice to the issue of task autonomy in work groups or self-managing teams. In this

perspective, the content and modalities of the task can be redesigned at group level, as teams are provided with skill discretion (to solve problems via the mobilisation of the group knowledge) and means discretion (to choose the most adequate way – tools, people, etc. – to organize work within the team). The idea is that ‘employee voice’ in this case will contribute both to workers’ self-fulfilment and to the improvement of performance and profitability. Our paper mostly fits within the second strand of literature identified above, i.e. the extent to which workers are allowed to efficiently participate to managerial decision-making in the context of restructuring processes. In other words, not only involvement, but actual influence will be the focus of our paper. This requires investigating all forms taken by ‘employee voice’ at firm-level, as well as the type (and effectiveness) of support these voices receive from (declining) unions and from public policies at national, EU or global level (Budd et al., 2010).

Dundon et al. (2004) identify four different modalities and meanings of ‘employee voice’. First, voice is interpreted as the expression of individual dissatisfaction with a view to solving a specific problem or to tackling a point of disagreement with the management. Second, voice coincides with the expression of collective organization in order to create a countervailing power to management. The third meaning refers to voice as a contribution to management decision-making (e.g. via quality circles or team working), while the last one sees voice as a form of mutuality, the ambition being to deliver long-term viability for the firm. In our paper, the second and fourth meanings will be emphasized more specifically. The objective is to assess whether the conditions for effective ‘employee voice’ in restructuring processes are actually met, i.e. whether the prerequisites necessary to pass from employee involvement to their actual influence are fulfilled. Our contention is that the capability approach provides adequate analytical tools in this respect, as it allows identifying the prerequisites of effective voice and using these as a basis for empirical investigation. Thereby, the capability approach can be interpreted as a useful complement to existing perspectives on ‘employee voice’. This analytical framework is presented in the next paragraphs.

Amartya Sen’s capability approach insists that individual capabilities, i.e. people’s real freedom to choose the life (or the job in our context) they have reason to value, ought to be the yardstick against which the impact of public policies and other collective regulations should be assessed. In Sen’s view (Sen, 2002), capabilities comprise two main dimensions: opportunity freedom on the one hand, i.e. the set of available opportunities in the investigated field, process freedom on the other hand, i.e. the extent to which the various involved stakeholders are allowed to participate in the collective decision-making process and impact on it (Bonvin & Farvaque, 2008). In such a perspective, capability-friendly processes and capability-friendly outcomes are envisaged jointly, which implies that fair processes that lead to unsatisfactory outcomes, or fair outcomes that are obtained through non-participatory processes, are equally problematic. Indeed, the development of capabilities cannot be pursued via paternalistic ways, but requires the active participation of all people concerned: process freedom for all features as a (necessary but not sufficient) prerequisite for advancing opportunity freedom for all.

In the field of the labour market, and specifically with regard to restructuring processes, this perspective entails taking into account two main aspects that we sug-

gest to label “capability for work” and “capability for voice”. The former designates the real freedom to choose the job or activity one has reason to value. However, the definition of what is a “valuable job” is not uniform; it varies along firms and individuals and along historical periods. Indeed, employers’ views about “job quality” are very diverse: the quality of work may result from a cost-benefit analysis (along a market logic) or from the quantity of technology and know-how incorporated in the goods (industrial logic) or from the degree of innovation, etc (Salais and Storper, 1993). Workers’ views are equally complex as some may emphasize wages and material advantage, others self-fulfilment, still others the balance between work and family life, etc (Lessmann & Bonvin, 2011). Thus, the issue of “capability for work” and of what is a “valuable job or activity” is very complex; many perspectives and views need to be confronted and the result is constantly evolving with the state of the power relationships, the transformation of the economic context, the state of the technologies, etc. In terms of capabilities, a key issue relates to the modalities through which this notion is defined (which actors are allowed to participate, under what conditions, etc.) and, especially, to the extent to which workers’ views are taken into account when defining “valuable work”. Clearly, the issue of ‘employee voice’ is a key dimension of “capability for work”.

Drawing on Bohman’s work (1996, 1998), we suggest to use the notion of ‘capability for voice’ to investigate this specific aspect, which relates to the process dimension of the capability approach. “Capability for voice” designates the extent to which people are allowed to express their wishes and concerns in collective decision-making processes and make them count, i.e. have some impact on the final outcome. In the case of workers involved in restructuring processes, capability for voice relies on four main conditions:

- a) the availability of political resources (i.e. the ability to constitute collective bodies able to weigh upon the decision-making processes and to mobilize adequate means of action). The ability to create effective indirect ‘voice systems’, to use Lewin et al.’s words, is key to the efficiency of ‘employee voice’;
- b) the availability of cognitive resources that encompasses not only access to information produced by management, but also, and even more significantly, the ability to produce one’s own knowledge and information about a specific situation. For instance, when describing the situation of a firm, if only financial information produced by managers is taken into account, this may result in a reductionist picture of the firm that will, in turn, result in a reductionist definition of “valuable work”. Therefore the ability of workers and their representatives to produce their own information and descriptions is a condition for the enhancement of their capability for voice;
- c) the entitlements, i.e. which benefit entitlements (substantial rights) and which means of action (procedural rights) are made available via legislative provisions and/or collective labour agreements. In all negotiating processes, the ability to leave the negotiating table at a bearable cost is a very important asset: for instance, if generous unemployment benefits are available (with good prospects to find another “valuable” job), workers are in a better position to push their views. In the same line, the legal guarantee and effective enforcement of means of action

such as the right to strike or the right to be informed or consulted, may significantly contribute to a more equilibrated power relationship within a firm or an economic sector. Hence, both substantial and procedural rights, provided by collective regulations, are key components of the workers' capability for voice. It is therefore necessary to investigate the extent to which public and collective regulatory frameworks provide supportive devices for 'employee voice';

- d) the "readiness" of interlocutors – in this case employers and shareholders, but also public authorities – to listen to the concerns expressed by workers. Freeman and Medoff (1984) already emphasized the importance of managerial response to worker voice. In our perspective, lip service significantly undermines the effects of voice, and goes against capability for voice. Bryson et al. (2006) have also underlined that, when workers' voice coincides with managerial responsiveness, this can lead to superior labour productivity. Our concern here is not with higher productivity, but with the actual influence of 'employee voice' and this to a large extent depends on managerial response and readiness to take into account this voice. Such readiness does not only depend on their goodwill or their awareness of workers' concerns, but also and maybe more significantly on the legal framework and the duties it imposes on employers and shareholders. As a matter of fact, managerial responsiveness is often the result of a legal obligation to consult or negotiate; it does not boil down to a voluntary concern for corporate social responsibility. For instance, in case of restructurings, the duties imposed on employers in terms of information, consultation, co-decision, or substantial guarantees to be given to workers (e.g. material compensation, social plans) can make a significant difference. To a large extent, the effectiveness of the workers' capability for voice depends on the "readiness" of the interlocutor to enter into a genuine negotiation about what is a "valuable job".

A key issue is that of the conversion of formal rights to be consulted or informed into effective capabilities to have a real influence on restructuring processes. In other words, are workers able to operate such a conversion from formal involvement to actual influence? Which contextual factors promote it and which ones act as obstruction factors? The objective of the paper is to capture to what extent workers and their representatives are able, in the course of restructuring processes, to efficiently push their views and develop their capability for work.

In the following sections, we will examine the situation of a firm that has been in a permanent restructuring process for more than 20 years. The investigation will be conducted via the lenses of "capability for work" and "capability for voice", with a view to identifying to what extent the restructuring process takes into account employees' voice and contributes to the enhancement of their "capability for work". The presentation of the case study is structured as follows: after a brief outline of the history of the firm, the applicable regulative framework and the respective rights and duties it opens for workers and employers are presented; then the focus is put on the political and cognitive resources available to workers with a view to assessing their capacity to translate or convert these resources into "capability for voice" or ability to actually influence the course of the restructuring process.

2. A case study: Rio Tinto Alcan in Switzerland

The primacy of shareholder value

Alcan Aluminium Valais SA¹ is a Swiss plant producing aluminium rolled and extruded products as well as primary metal since the First World War. As hydroelectric energy is widely available in this region, it is very convenient for aluminium production, because the electrolytic process of converting bauxite into aluminium uses prodigious amounts of electricity. As a result, aluminium producers often own electricity production facilities or at least benefit from massive discount rates granted by public authorities. The plant is first owned by Schweizerische Aluminium AG, it counts up to 3785 employees in 1942 and is at the time one of the major employers of the canton Valais. In 1963, Schweizerische Aluminium AG becomes Alusuisse, now a multinational group with a 22.000 workforce. The group soon diversifies its business, investing in packaging and chemicals. During the nineties, the group now called Algroup increasingly suffers from the consequences of both its growth and the internationalization of its capital: bought by investors eager to make quick money, it loses its highly coveted chemical sector in 1999 and is sold to the Canadian group Alcan in 2000. Alcan keeps on growing and buys the French Pechiney in 2003. Its management who officially adopted a “shareholder value first” approach in 2001² succeeds in making its price per share jump from 29,52 US \$ at the close of 2002 to 46,95 US \$ one year later.

Between 2004 and 2007 Alcan keeps on growing and is able to lower its production costs by continuously restructuring business units (through downsizing, closures and sales), as well as putting in operation new facilities in developing countries with easy access to maritime transport and cheaper energy costs (for instance in the Sultanate of Oman). In this paper, we are especially interested by the restructuring processes that took place during that period when the Alcan Aluminium Valais plant was under the control of the Canadian group Alcan Inc. Since the early 2000s, the group is organised in six business units, each focused on a specific market. Alcan Aluminium Valais is part of three of them: *primary metal* with an electrolysis plant, *engineered products* with a foundry and two extrusion units (hot and cold) and *rolled products* with another foundry and two rolling mills (hot rolling and cold rolling). The aim of this organisation is to maximize the added value of each sector and to forbid “transfer funds” from profitable sectors to less profitable units. Indeed, the company’s dependence on its shareholders leads it to focus on immediately profitable solutions, sometimes to the detriment of the industrial development logic, as when sectors that are part of the production chain are disinvested only to diminish the debt.

In Valais the plant counts up to 1600 workers during the investigated period (2004-2007) and is considered as very profitable. It is also one of the very few Alcan subsidiaries that belong to more than one business unit. As the three different units are independent from each other for accounting as well as for strategic purposes, it is not possible to compensate temporary losses from one of them with the others’ prof-

¹ Since May 2011, it is called Constellium Valais S.A.

² PR *Newswire*, London, April 26.

its even if all three work in the same precincts. This vertical organisation has also deep repercussions for the workers' representatives who don't have any influential interlocutor at local level, because each of their business units is subordinate to a different executive direction (based outside Europe in two of the three cases). For the same reasons, local managers also feel rather powerless, as their role is to guarantee the profitability of their units, whatever the business conditions they are faced with. This brings about the issue of distance between the arena in which decisions are made (and the reasons accounting for such decisions are discussed) and the place where they are to be implemented. In terms of workers' bargaining power, the organisation in business units and the distance with the locus of decision raise a considerable obstacle, which clearly acts as an obstruction factor impeding or making much more difficult the enhancement of their capability for voice.

The 2004-2007 period sees considerable changes taking place in Alcan Aluminium Valais. Some units are closed, others are severely downsized, while a third of the plant is incorporated into a spin off called Novelis that is soon purchased by the Indian firm Hindalco. As a result of these restructuring processes, the total workforce diminishes from 1650 to 1400 (900 in Alcan, 500 in Novelis). In 2007, after the purchase of Alcan by the Australian Rio Tinto, all remaining activities are incorporated into Rio Tinto Alcan's "engineered products" business unit, one of the five product groups of the Rio Tinto group. These changes at local level reflect deep changes occurring at the global level where the primary metal sector sees an intensification of mergers and purchasing in which dominant actors try by all means to buy their direct competitors: in the aluminium sector, the world leader, Alcoa, issues an hostile takeover bid against the number three, Alcan, in May 2007. However, the mining company Rio Tinto plays the white knight and buys Alcan shares for a higher price than their market value in July. Soon after, the financial crisis forces a severely indebted Rio Tinto to sell profitable units, right after buying them. As a result, the whole "Engineered Products" business unit (8500 workers in Europe), to which Alcan Aluminium Valais belongs, is put on sale at the end of 2007.

More than three years later a deal is finally found at the beginning of 2011. The "engineered products" unit that generated US \$ 4,4 billion of revenue in 2010 is now owned by a group of investment funds affiliated with Apollo Global Management LLC (51%), by the French "Fonds Stratégique d'Investissement" (10%) and by Rio Tinto (39%). In May it changes its name to Constellium. These changes in ownership do not affect the operational management of the new firm. Though not formally included in Rio Tinto Alcan's structure any more, the former "Engineered Products" business unit (to which Alcan Aluminium Valais, now Constellium Valais S.A., belongs) is still submitted to a shareholder-value approach oriented towards short-term results and profits. As the new group's CEO, Christel Bories, puts it: "By expanding our geographical footprint and rigorously selecting growth projects, we aim to outperform the average industry growth by 50%".³ Moreover, the top management keeps on relying on the same internal competition device between its sites that was used during the Alcan years: a benchmarking system, comparing similar establishments world-

³ *Ideas that shape tomorrow*, Constellium corporate brochure, May 2011.

wide. This internal device is a strong incentive for productivity and commitment of the local management and workforce to reach better results, and it is also the first informational basis for restructuring choices within the group. Based, among others, on sales figures this benchmarking system serves a logic in which the search for higher capital gains justifies relocations of the production where those are highest. Hence, all over the period, the primacy of the shareholder value appears as undisputed. The fact that the top management heavily relies on this benchmarking system to make strategic decisions leaves few possibilities to the workers to push alternative views in these matters. Accordingly, there is high probability that the meaning of “valuable work” in Rio Tinto Alcan will be defined along managerial lines. The next subsections seek to assess what degree of capability for work and for voice workers enjoy in such a context.

Limited legal entitlements

In Switzerland, the legal framework mainly aims at providing the best terms for maintaining activity, by promoting the flexibility of the work contract. There is no labour code as such, but rather three different bodies of regulation: *private labour law*, whose provisions pertain to the employment contract, *public labour law*, which imposes minimal standards for worker protection, and *collective labour law*, which comprises all collective labour agreements concluded between employers (or their associations) and workers' associations. These agreements cover about 35% of the workforce over the period investigated. It should also be noted that only one-fifth of Switzerland's workers are members of a workers' union (Oesch, 2011).

Social dialogue at firm level does not necessarily involve trade unions, as this process is mainly conducted by local workers' councils. In enterprises employing at least 50 workers, these are legally entitled to elect their representatives. Those are protected from dismissal on grounds of the exercise of their representational activities and they can exercise their mandate during working hours. In exchange, they have a duty of discretion with respect to the affairs of the enterprise. Workers' representatives enjoy limited rights of participation. The employer must inform them about all matters pertaining to their task of representation, in particular concerning the implications of the enterprise's business performance for the workforce. Furthermore, they may participate to some extent in the enterprise's decision making process with regard to safety at work, decisions of delocalisation and collective dismissals. In the specific case of collective redundancies, the employer may terminate the employment contracts within a 30-day notice period. But he is required to consult the workers' representatives before proceeding to redundancies and to notify the cantonal labour office. The dismissal is deemed collective when the employer dismisses a determined number of workers (at least 10%) without specific individual reasons.

The weak intensity of social conflict can be illustrated via the limited role of strike, which, as a means of settling labour disputes, is strictly subsidiary to conciliation.⁴ Following the adoption of the so-called labour peace provisions in 1937, a strike

⁴ The right to strike is explicitly guaranteed by the Swiss Constitution. Striking is nevertheless only of minor significance as by far most labour disputes are settled without recourse to industrial action.

is considered as admissible only after conciliation has failed and it must respect the obligation to preserve industrial peace. As striking is a means of exerting pressure on the social partner to obtain better terms and conditions of employment, it must only be used in pursuit of goals that can be regulated by a collective agreement.

When firms come across economic difficulties the legal framework offers them options like work time reduction, easier use of contracted work, and part-time unemployment benefits for workers who can't work full time due to a lack of demand. The legal maximum number of weekly working hours is 45 for workers engaged by industrial enterprises and for employees, whilst it is 50 hours for all others. This maximum may be extended by four hours under certain conditions,⁵ either with compensation within a set timeframe or – in exceptional cases – without compensation. In most economic branches, working hours are set by collective agreements, and range between 40 and 42 hours weekly. In various sectors, an annual number of working hours has been introduced so as to allow employers more flexibility (Maillard, 2011).

This flexible framework leaves employers a wide freedom to manage employment and restructuring processes: be it upstream with a single duty to inform about the effects of the state of business on employment, or downstream with a consultation process in cases of redundancies, legal obligations imposed on employers are very limited (Mahon, 2000). Such predilection for liberal solutions and private law, i.e. collective agreements or labour contracts, coincides with an extensive retreat of the state and public labour law (Aubert, 2005). Hence, the issue of what is “valuable work” is decided to a large extent at firm level. In the Swiss context, law and collective labour agreements, and the entitlements they provide to workers in terms of protective rights and capability for voice can barely be interpreted as resources for action. As a matter of fact, the impact of employee voice depends much more on the power relationships within the firm and on the political and cognitive resources available to workers and their representatives. Equally, managerial “readiness” to negotiate about the content of restructuring processes is much more a matter of goodwill than a legal or collective obligation.

The implementation of restructuring decisions: inadequate political and cognitive resources at local level

In accordance with the Swiss tradition of *industrial peace*, social dialogue has always been consensus-oriented, avoiding strikes and conflict. The cooperation between the local management and the workforce is part of the cultural background in the Rio Tinto Alcan plant in Valais: there is a long-standing inclination towards local solutions and agreements, in order to face the specific needs on a case-by-case basis. This cooperative approach proves rather enduring in spite of the frequent changes in the firm's ownership. However, in line with the general characteristics of a modern multinational company, strategic decision-making about the future of the group is centralised in the hands of the world top-management (Prechel, 1994). Workers have very limited voice in strategic decisions such as closing parts of the plant or selling them to other groups,

⁵ In case of economic difficulties, employers are allowed to prolong the working time for 30 months.

although these decisions can strongly affect the quality of work. As decisions are made elsewhere, what can be negotiated at local level in cases of restructuring concerns mainly the content of planned redundancy schemes that define compensations granted to dismissed workers or possibilities to reassign some workers to other work stations.

The elected representatives' relationship with the local management takes place in a context of partnership and cooperation. In this way, employees and management have the chance to discuss and define criteria and methods for the implementation of decisions made at higher levels, drawing specific social plans to cope with the situation of collective dismissals. Local management does not have more say about the group's industrial and financial strategy. The group direction's decisions are communicated to local managers who enjoy a considerable leeway in their application. It is interesting to note that redundancy plans, negotiated by Alcan Aluminium Valais workforce representatives during the last ten years (2001, 2004, 2005 and 2006), are exact duplicates of the plans negotiated in 1986 when the plant belonged to Alusuisse. There is even a proportional increase of the number and level of financial compensations granted to dismissed workers. This strong similarity between redundancy schemes negotiated with different owners illustrates the room to manoeuvre enjoyed by local actors (mainly managers and workers' committee members) when it comes to designing redundancy plans.

In spite of that, however, the restructuring decision itself is not negotiable. The scope of negotiation is narrowly framed and the responsibilities of the actors are clearly delineated: the international management defines the group's strategy and makes decisions on restructuring, while local management and workers' committee elaborate redundancy schemes. It should be noted however that the plan resulting from the bargaining process at local level has to be ultimately approved by the international management. Thus we observe an important difference between the two levels: at global level decisions are made without any negotiation with workers' representatives (and local management); at local level (more marked by the presence of path dependency phenomena such as the culture of social dialogue) there can be significant concessions that allow absorbing to a significant extent the impact of restructuring.

Indeed, local partnership often results in finding valid alternatives to dismissals, and suitable methods to maintain the productivity and profitability of the plant. In every restructuring decision, there is first an official announcement stating that a certain number of jobs are going to be suppressed; then there are negotiations, mostly informal and without direct union involvement. In the end, the number of dismissed workers is always significantly lower than what was announced at first. Diverse solutions are found to diminish this number: some workers are transferred to other sectors or even hired to clean up the disaffected work site; there are also so-called "natural" departures that comprise early retired workers, but also workers with temporary contracts. At this point, we need to stress the constant increase of the number of fixed-term employees all over the period of our empirical fieldwork in Valais. As a matter of fact, short term contracts are increasingly envisioned as the best way to adapt the size of the workforce to the fluctuations of sales figures, without incurring the risk of the negative advertisement that redundancies often bring about. Such em-

ployees are a growing component of the workforce and are excluded from negotiations and social dialogue mechanisms (labour law as well as collective agreements exclude them from the rights granted to ordinary workers). Thus, they are much more vulnerable in front of restructuring decisions. The hiring of such workers helps their colleagues with permanent contracts keeping their jobs: casualisation of the former allows to some extent to increase the security of the others.

In fact, in Rio Tinto Alcan, three main ways are used to overcome economic difficulties resulting from a lack of market demand: the “settlement” of overtime hours (this is made easier through working time annualisation), the non-renewal of fixed term contracts and the resort to partial unemployment, funded by the federal unemployment insurance (up to 24 months since 2009), when production has to be slowed down to match lower demand. These three mechanisms help absorbing the impact of restructuring, or at least delaying the collective dismissals decisions. Thus, they have a positive effect on core workers’ capability for work (they can keep their job), but they do not increase their bargaining power since they all the same cannot contest the decisions made at global level. As for fixed-term employees, these mechanisms do not protect them against dismissals or non-renewals; as such they are the main losers of restructuring processes in terms of both capability for work and capability for voice.

Public actors also have very limited power to influence the restructuring process, even when they provide substantial tax discounts to the firm. When Alcan announces 110 job cuts in Valais, local authorities succeed in organising a meeting with the “engineered products” world director. However this meeting is not intended to negotiate the restructuring decision, but only to explain the reasons accounting for it. Throughout the whole period, the action of public institutions has pursued a twofold objective: delay as long as possible the restructuring process via partial unemployment on the one hand; take care of dismissed workers through re-employment programmes on the other hand. They intervene thus after the restructuring decision has been made (and with no means to contest or negotiate it), with the objective either to delay its consequences, or to alleviate its adverse effects.

European work councils: a cognitive resource, but barely convertible into enhanced capability for voice

In our case study, as well as in other firms studied in the frame of the Capright project, restructuring decisions have been made at global or international level (Ballerini, 2010). The EU Directive for Information and Consultation, calling for the setting up of European Work Councils (EWC), intends to help bridging the gap between local, national and international levels. Switzerland is not an EU member state and therefore does not apply the European directives, but the Swiss plant can all the same send representatives to the firm’s European Work Council that every multinational group active in two or more European member states has to set up. For workforce representatives, the EWC is the main source of information about the global strategy of the company and its future. The existence of the EWC allows employees to be informed and discuss several transnational issues, including the economic and financial situation of the company; corporate strategy and investment; probable development of the

business, production and sales; closures or cutbacks; employment situation and forecasts; health and safety; human resource management practices.

The EWCs also provide employees with a relevant set of means and resources, such as time, external advice, training and translation services. Furthermore, they have the right to set the agenda of the meetings. The EWCs' meetings provide a great amount of information to employees' representatives, with noticeable effects on the cognitive side. Indeed, they can mandate experts to get independent analysis of specific aspects of the firm's situation, so that they can to some extent produce their own information (Didry & Jobert, 2010). However, they cannot challenge the answers that the firm's European management gives to their questions. In the case of Rio Tinto Alcan, such answers were more often than not "cheap talk" about decisions already taken; they did not provide a valuable opportunity for voice and deliberation. Moreover, the existing procedures in case of collective redundancies and restructurings are particularly "soft" for employers: the legislation assures a great freedom of action, and their only duty in case of collective dismissals is to consult employees without any obligation to respect time constraints or reach an agreement about the content of the redundancy plan. However, in case they do not respect such procedures, the whole process can be blocked. This is very similar to the legislative provisions in the Swiss labour law. Hence, the existence of EWCs can be interpreted as an important cognitive resource, but not as a political resource as it does not offer an arena for collective bargaining of the restructuring decisions made at global level. The Rio Tinto Alcan case clearly illustrates this point, as the cognitive resource provided by the EWCs could not translate into a political resource and, as a consequence, could not be converted into increased capability for voice. Again, this implied that the influence of employee voice on restructuring processes and on the definition of "valuable work" remained limited.

Exit options more important than capability for voice?

In the investigated case study, opportunities to effectively voice their wishes or expectations are rather limited for workers and local political bodies: at local level workers are to be informed or consulted, but the effective impact of these procedures is dependent on the employers' goodwill; at political level, local or national governments seem unable to influence the restructuring process, they can only help managing its consequences; at EU level, workers' representatives enjoy more cognitive resources to produce their own information but there is no decision-making arena where they can make use of this information. As a matter of fact, the rare opportunities they have to voice their concerns do not coincide with a genuine participation to the decision-making process about the industrial or employment strategy. As such, they boil down to what Strauss calls passive involvement, and do not have actual influence on the restructuring processes. Indeed, the knowledge produced and gathered at EU level does not translate into increased bargaining power or possibilities to contest the restructuring process at local level.

In fact, the plant's survival depends on its capacity to remain profitable more than on the local actors' capability for voice or their ability to effectively impact on the content of restructuring processes. This plant has deeply experienced the conse-

quences of globalization and internationalization in the last decades, going through a succession of restructurings and takeovers. In spite of this background of permanent restructuring, the closure of the Valais' factories has never been considered because they have always been highly profitable and productive. In line with a market logic focused on results and profitability and excluding any other normative considerations not immediately related to performance,⁶ the major asset of the workers and their representatives does not lie in an expanded capability to bargain or negotiate, which would result from additional political and cognitive resources and ability to convert them into effective voice, but in the quality of their manufactured products that gives them a competitive advantage over less profitable sites.⁷ Under such circumstances, maintaining this profitability appears to be the major challenge for both local management and workers' representatives, all the more so in the present context when the group is controlled by a financial actor aiming at quick returns on investments.

Such a situation might seem advantageous to the workers (as it apparently confirms that the economic prosperity of the firm allows win-win solutions to be adopted at local level). However the game is flawed to the extent that the choice of the new owner does not stem from a negotiation process recognizing employees' capability for voice, but from an economic decision governed by a strict market logic and made by the former owners of the firm. In such a framework, voice or deliberation resources, like information, knowledge, political influence, do not matter as much as the capacity to adapt to market criteria. In other words, employee voice as a countervailing power or as a partner in the decision-making process (i.e. employee voice as it is defined in the second strand of literature evoked in the first section) is not allowed to flourish. By contrast, HRM and organizational behaviour (OB) views on employee voice would be congruent with such restructuring processes, as they envisage employee voice as a way to improve corporate performance and profitability. As a matter of fact, in the case of Rio Tinto Alcan, voice is allowed to have actual influence provided it pursues objectives of profitability and competitiveness (in line with HRM and OB strands of literature), but it boils down to passive and mostly ineffective involvement when it is envisaged as a countervailing power in restructuring processes.

⁶ This bears a clear similarity with Lyotard's classical analysis of the notion of 'performativity' (Lyotard, 1979). We thank an anonymous reviewer for drawing our attention to this point.

⁷ During the examined period, the successive multinational groups owning the Valais Aluminium plant closed several sites in Europe, mainly electrolysis and packaging units: Lan-nemezan (2005), Cruseilles (2005), Midsomer Norton (2006), Workington (2006), Anglesey Aluminium (2009). Moreover the threat of closure was used repeatedly. Many other factories have been sold piece by piece to other groups.

3. Conclusion

In more general terms, the main conclusions to be drawn from the case study are threefold. First, the restructuring process is clearly dominated by market concerns focused on the increase of profitability. Quality of work is framed in terms of economic profitability and all activities that can be executed elsewhere at a lower cost ought to be subcontracted or delocalised. This primacy of the market logic should however not be interpreted as a kind of necessity to which all actors would be powerlessly submitted. In a more complex way, it is the outcome of a power relationship where global actors impose their profitability logic on local actors. This conclusion has deep-seated consequences in terms of capability for voice: it implies that the main limitation lies in the lack of managerial responsiveness to 'employee voice' when it comes to designing the content of restructuring processes.

Second, when viewed from a capability perspective, the market logic produced contrasted outcomes in the case of Rio Tinto Alcan. If there is reasonable hope that workers will be able to keep their jobs, this will ultimately depend on the market value of the firm rather than on the effectiveness of employee voice. Indeed, the workers' capability for voice was limited to the negotiation of the consequences of restructuring, it did not impact on the content and scope of the restructuring process. A key issue here relates to the capacity of employees and their representatives to challenge the dominant views supported by management and to produce alternative knowledge and information about restructuring processes. In the investigated case, this ability to produce independent information and impose it as a politically relevant knowledge was very limited.

Third, the existing regulative framework was not sufficient to guarantee the enhancement of, or at least to maintain, the workers' capabilities for work and for voice. Hence, new rights combining procedural and substantial dimensions (i.e. right to participate or negotiate effectively, and guarantee of substantial rights to counterbalance the market logic and its potential perverse effects) are necessary.

These conclusions show the necessity to combine all four conditions mentioned above if restructuring processes are to enhance at the same time the firm's productive capacities and the workers' capabilities for work and for voice. Indeed, entitlements, political and cognitive resources are not enough if there is no managerial responsiveness. The difficulties observed in the Rio Tinto Alcan case are mainly due to the fact that restructuring decisions are made elsewhere, in arenas out of the reach of workers and their representatives, where their entitlements and resources do not make a real difference. What matters then, and this is certainly one of the main teachings of this case study, is to set up the conditions to ensure the interlocutors' "readiness" to negotiate restructuring decisions. Our paper unambiguously shows that managerial responsiveness cannot be taken for granted; hence other avenues need to be explored. The design of adequate regulatory provisions in order to impose on employers and shareholders the duty to negotiate the content and scope of restructuring processes with all stakeholders, especially workers and their representatives, is key in this respect. This calls for the setting up of institutionalized arenas of negotiation where the capability for voice of all stakeholders is allowed to flourish.

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