

THE ADECCO GROUP

# The Adeceo Group standsup for Workers' Rights



Our commitment to quality work

September 2017

#### Contents

1.	Introduction	3
2.	How to achieve fair social protection for all types of workers?	3
3.	Working together to achieve quality employment	5
4.	Participating in social dialogue to shape workers' rights	5
5.	A key component in improving employability: Quality apprenticeships & internships	7
6.	The framework for workers' rights @ the Adecco Group	8
7.	The European Pillar of Social Rights	9

#### Introduction

The world of work is rapidly evolving. Technology and digital transformation are disrupting the way workforces have been traditionally organised. This is having an impact on the needs of, and demands on, workers everywhere. At the Adecco Group, the adaptability and flexibility demanded by workers and businesses go hand in hand with worker's rights. We believe that we are at a historic crossroads where some forms and norms of work will no longer exist in the same way or, if they do, they will exist alongside new forms and norms. As it is, we live in transformative times in which we believe we need to start shaping and managing new ways of working for the benefit of all.

Regulators recognise these changes. They have led to initiatives such as the Pillar of Social Rights<sup>1</sup> on EU level, and the Taylor review in the UK<sup>2</sup>. This briefing shares insights on our approach, commitments and activities in the field of social protection for workers. As such, it also constitutes our contribution to the debate on this European Pillar of Social Rights<sup>3</sup>.

The starting point for us is that the Adecco Group leads the workforce solutions industry in defending labour rights, and is committed to improving the lives of our colleagues, candidates and associates.

# How to achieve fair social protection for all types of workers?

T oday, 30% of US & European workers are free agents, and in Latin America, India or China more than half of the workforce does not have a contract, let alone an openended contract<sup>4</sup>. Due to outdated regulations, which favour supposedly "standard" contracts, workers in different forms of employment often have unequal access to healthcare, pensions, education and training, and other social benefits. Benefits may be limited only to one group of workers, or sometimes they are open in theory but practical limitations still restrict access. This discrimination against large groups of workers needs to be addressed to reduce inequality and promote social stability. Countries that want to achieve sustainable growth must consider the rights of all workers.

Rather than applying the concept of open-ended contracts to all, labour market regulators should embrace the reality of workforce diversity in all available forms of contract. The current challenge involves finding ways to extend fair social protection across all those diverse forms of contract, for the benefit of all categories of workers. Policy makers should create a level playing field, without placing additional burdens on business. We believe action should be taken in three areas:

 Link rights to individuals: Outdated social security schemes should be adapted and safety nets for new forms of work should be put in place. This would result in greater equality among workers, creating security without harming labour market flexibility. An important step would be to no longer link social benefits to the employer (as often there is no employer in the "traditional sense"), but to establish systems whereby benefits are linked to the individual. This would allow for benefits and rights to be easily transferable when there are several employment contracts or statuses. Such individual rights can be bundled and scaled – as is the case in the bipartite social funds for agency

https://ec.europa.eu/commission/priorities/deeper-and-fairer-economicand-monetary-union/european-pillar-social-rights\_en

<sup>2</sup> https://www.gov.uk/government/publications/good-work-the-taylor-review-of-modern-working-practices

<sup>3</sup> Regarding the Taylor review, The Adecco Group UK & Ireland published a separate "Response to the Review of Employment Practices in the Modern Economy" here: <u>http://adeccogroup.co.uk/power-of-work/thefutures-flexible/</u>

<sup>4</sup> ILO World Employment and Social Outlook <u>http://www.ilo.org/global/</u> about-the-ilo/multimedia/maps-and-charts/WCMS\_369618/lang--en/index. <u>htm</u>



workers that exist in countries like France, Belgium, the Netherlands, and Italy. This model can serve as an example for other sectors and forms of employment. This should also tackle the use informal work and (bogus) self-employment purely for cost reasons.

- Ease of hiring & firing: Employment protection legislation (EPL) should be modernised to reduce dualisation of the labour market that can exclude certain groups from finding work, and to increase inclusivity, fairness and flexibility. For example, strong dismissal protection does nothing to help workers remain employable, and hurts the chances of "outsiders" in the labour market. Reducing dualisation would contribute to social equality, while modernising EPL is also necessary to reduce frictional unemployment, when workers are stuck in a prolonged search for a new job after leaving a previous role.
- New social dialogue: New forms of dialogue between workers, employers and clients need to be explored, in order to include and represent the interests of all workers in a meaningful debate about work. While social dialogue can work be an important tool to set labour conditions, unions increasingly face challenges in representation because of the changing nature of work, and different emerging categories of workers and contracts. In the OECD area, 89% of unionised workers have an open-ended contract, and tend to be between 25-54 years old, and medium to highly skilled. From 1985 to 2015, the share of workers covered by a collective agreement shrank by almost a third, from 42% to 30%<sup>5</sup>. Traditional social dialogue does not always provide adequate protection and representation for all groups of workers.

<sup>5</sup> OECD (2017), OECD Employment Outlook 2017, OECD Publishing, Paris. http://dx.doi.org/10.1787/empl\_outlook-2017-en\_

## Working together to achieve quality employment

The Adecco Group has over 50 years of experience in providing quality employment via agency work. Agency work is the best-regulated form of flexible work, with a clear set of conditions on a global level. The ILO's Convention 181 (ILO C 181)<sup>6</sup> describes the recommended balance for countries regulating agency work: recognition of private employment services as a legitimate business, and providing adequate protection to workers and jobseekers. The EU's Directive on Temporary Agency Work (2008/104/EC) is based on the same principled balance. A key provision and absolute minimum in any adequate regulation of agency work is the prohibition of charging fees to jobseekers.

The Adecco Group is proud to adhere to the principles behind ILO C 181 – even in those countries where local laws might lag behind in providing that level of statutory protection for agency workers. We do so both in national and cross-border recruitment. As an active member of the World Employment Confederation (W.E.C.), the Adecco Group is also a committed signatory to the W.E.C. Code of Conduct<sup>7</sup>, which reflects the same principles. In our advocacy, the W.E.C. and the Adecco Group consistently call for the full ratification of ILO C 181 and for the full implementation of its principles by all nations.

As new and innovative ways of working arise, protection of workers cannot always keep up to speed, as indicated above. In many countries, workers in the gig economy or even on direct fixed-term contracts face unnecessary insecurities and a lack of legal protection. The Adecco Group considers itself to be at the forefront of the changing world of work, leading by example in our industry and calling for greater action by the authorities. The protection of workers' rights is engrained in our daily operations across the world. Whether we engage workers in "traditional" agency work, or via more innovative ways of employment, such as with Wowoo HR, we will ensure workers' rights are protected.

#### 6 http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO: :P12100\_INSTRUMENT\_ID:312326

7 http://www.wecglobal.org/index.php?id=30

#### Wowoo HR

Of approximately 770 million Chinese workers, only 20 million receive any HR services. To help tackle this major shortcoming, The Adecco Group started a joint venture with Fesco Group and Ant Financial Services in 2016 to create an online HR service platform called Wowoo HR. This platform offers access to policies, training and shared services to organisations from large to small, and their employees. As a result, TBC...

#### Participating in social dialogue to shape workers' rights

A n important way to improve job quality is to work together with labour unions. Including the worker's voice is valuable in and of itself, but by agreeing upon employment conditions through social dialogue, workers and companies are able to adapt quickly to economic change. The OECD points out that, during the recent economic crisis in Europe, countries with a strong tradition of social dialogue were able to weather the economic storm best<sup>8</sup>. Social dialogue clearly works when there is a spirit of partnership.

The Adecco Group is therefore committed to the process of social dialogue and is heavily invested in this process both from an industry perspective – at national, European and global level – as well as from a company perspective. We were honoured to be included in the Open Corporation Ranking: "The trade union ranking for evaluating and monitoring the companies' conduct", where the Adecco Group ranked 2nd overall, and 1st in the social dialogue category, in a list of 80 multinational companies<sup>9</sup>.

<sup>8</sup> http://www.oecd.org/els/emp/EMO2017-CH4-Web-Annex.pdf

<sup>9</sup> See http://www.opencorporation.org/en/ for more information.

### Deliver portable rights

Bipartite funds in European countries offer extra social protection to agency workers

The employment industry has developed innovative solutions to implement portable & transferable social rights via bipartite sectoral funds

	SOCIAL BENEFITS	TRAINING	HEALTHCARE SCHEMES (COMPLIMENTARY)	HEALTH & TRAINING SAFETY AT WORK	INCLUSION & COACHING	PENSION (THIRD PILLAR)
AT	SWF	SWF				
BE	Fonds Social	FONDS DE FORMATION POUR LES INTÉRIMAIRES		Pi		
FR	fastt	₿FAF.TT				
IT	ette bilaterale per il lavora temporane	Forma.temp				🈤 fontemp
LU		ſSi				
NL		STOOF 🛠		stichting arbo flexbranche		StiPP
СН	💕 swiss <b>tempfamily</b>	temp <b>training</b>		temp <b>care</b>		Swiss <b>tempcomp</b> Swiss <b>staffing</b>

Source: World Employment Confederation - The Road to Paris campaign

- In many countries, the social dialogue process determines working conditions for agency workers across economic sectors. The outcomes of sectoral social dialogue include the establishment of bipartite training funds, bipartite social funds, bipartite health and safety funds, and bipartite pension funds. These funds, jointly managed by unions and employers, enhance workers' conditions across the industry, providing portability of access rights for workers even as they move from one assignment to the next or from one agency to the next. The Adecco Group contributes either directly, or as part of national industry federations.
- On a European level, the World Employment Confederation (WEC) holds regular meetings with its trade union counterpart within the framework of the European Sectoral Social Dialogue. In these meetings with social partners and EU policy makers, we discuss topics of interest to agency work employers and labour unions beyond specific working conditions, which are discussed on a national level within the European Union.
- In countries with a tradition of social dialogue, local Adecco colleagues drive employee-related issues via national Works Councils, enhancing and contributing the framework of benefits and rights of colleagues in those markets.

- Internally, the Adecco Group builds on the "Platform for Adecco Communications in Europe (PACE)", under the previous EU Directive since 1991. Since 2013, the Adecco Group has a European Works Council Agreement in place to manage the dialogue between internal colleagues and management. On a regular basis, employee representatives are informed and consulted by central management on transnational issues of concern to the company's employees<sup>10</sup>.
- In October 2008, UNI Global Union and Ciett<sup>11</sup> Corporate Members, including the Adecco Group, signed a Memorandum of Understanding (MoU)<sup>12</sup> to consolidate the industry's global social dialogue to achieve fair conditions in the temporary agency work industry. The MoU lays down joint principles between unions and the employment industry to fight for decent working conditions, as it acknowledges the positive role that agency work can play in creating more efficient labour markets, facilitating labour market transitions, and tackling undeclared work. The signatories agree and support the principle that agency work regulation needs to guarantee workers' rights.<sup>13</sup>

 As a member of the International Organisation of Employers and of BusinessEurope, the Adecco Group contributes to cross-sectoral social dialogue, engaging in debates such as the "Future of Work", and the modernisation of labour markets.

#### A key component in improving employability: Quality apprenticeships & internships

While there is still a debate about the exact impact of skills gaps and skills shortages, most agree that these gaps will characterise the "Future of Work". Skills gaps could result in "unnecessary" unemployment, and stymie business growth. Important ways that we can already tackle skills gaps and shortages include apprenticeships, internships and other forms of work-based learning. At the Adecco Group, we argue that work-based learning as a form of education should always be linked to a qualitative employment contract, including a salary, and a pre-defined learning outcome. If that is the case, people can start to build up a new career, and a "balance of rights" by paying tax contributions, for example.

To allow all students to benefit from the opportunities that work-based learning has to offer, we call upon policy makers



<sup>10</sup> https://www.adeccogroup.com/sustainability/social-responsibility/

<sup>11</sup> Ciett is now called the World Employment Confederation

dev.uniglobalunion.org/sites/default/files/imce/mou-uni-ciettcmc-en1.pdf
 Read the full MoU here: http://www.wecglobal.org/fileadmin/templates/ ciett/docs/MoU-UNI-CiettCMC-Final-EN.pdf



to ensure there is an adequate framework in place that allows companies, including workforce solution partners such as the Adecco Group, to hire and train apprentices.

- The European Quality Charter for Internships and Apprenticeships, signed and supported by the Adecco Group, urges all providers of internships and apprenticeships to commit to quality standards and to apply a clear code of conduct, leading by example to end the use of young Europeans as a cheap labour force<sup>14</sup>.
- In addition, the Adecco Group works to further this agenda via its partners in the apprenticeship arena such as the Global Apprenticeship Network<sup>15</sup>, the European Alliance for Apprenticeships<sup>16</sup> and the Alliance for Youth<sup>17</sup>. Via BusinessEurope<sup>18</sup>, The Adecco Group supports efforts to create a European Quality Framework for Apprenticeships.

18 www.businesseurope.eu

## The framework for workers' rights @ the Adecco Group

n its commitment to workers' rights, the Adecco Group code of professional business conduct embraces and makes explicit reference to some of the most authoritative international resources in this field:

- The United Nations International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work<sup>19</sup>,
- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy<sup>20</sup>,
- The OECD Guidelines for Multinational Enterprises<sup>21</sup>.

In addition, in November 2003, the Adecco Group was proud to lead the way as the first company in its industry to sign the United Nations Global Compact (UNGC)<sup>22</sup>.

<sup>14</sup> The European Quality Charter on Internships and Apprenticeships http://www.youthforum.org/assets/2014/04/internship\_charter\_EN1.pdf 15 www.gan-global.org

<sup>16</sup> http://ec.europa.eu/social/main.jsp?catId=1147&langId=en

<sup>17</sup> https://www.facebook.com/pg/all4YOUth/about/?ref=page\_internal

 <sup>19</sup> http://www.adeccogroup.com/our-company/code-of-conduct/
 20 http://www.ilo.org/empent/Publications/WCMS\_094386/lang--en/ index.htm

<sup>21</sup> http://www.oecd.org/daf/inv/mne/

oecdguidelinesformultinationalenterprises.htm

<sup>22</sup> https://www.unglobalcompact.org/



The Adecco Group has been a proactive and committed participant in the UN Business and Human Rights process since December 2012 and supported the drafting of the EU Guide on Business and Human Rights for the Employment and Recruitment Sector in 2012<sup>23</sup>.

The Adecco Group has also fully embraced and embedded the World Employment Confederation's Code of Conduct<sup>24</sup> in its organisation, services and operations. This Code sets the gold standard for the employment and recruitment industry, which all members of the World Employment Confederation are required to promote and uphold when offering their services to companies and job-seekers.

In our ongoing efforts to ensure fair working conditions and respect for Human rights within our sphere of influence, our Guidelines on Human & Labour Rights have, since 2013, required our clients and suppliers to adhere to UN, ILO and OECD principles for human rights and multinational enterprises<sup>25</sup>.

### The European Pillar of Social Rights

n April 2017, the European Commission presented its Pillar of Social Rights<sup>26</sup>, as well as a "Reflection paper on the social dimension of Europe"<sup>27</sup>. In addition to concrete proposals for legislation<sup>28</sup>, the Pillar is based on 20 key principles, which should serve as a means to guide member states towards "upwards economic and social convergence". In our assessment of the Pillar, we fully subscribe to the respective assessments made by the World Employment Confederation<sup>29</sup> and by BusinessEurope<sup>30</sup>.

<sup>23</sup> https://www.ihrb.org/pdf/eu-sector-guidance/EC-Guides/E&RA/EC-Guide\_E&RA.pdf

<sup>24</sup> WEC Code of Conduct <u>http://www.weceurope.org/fileadmin/</u> templates/eurociett/docs/WEC\_Europe\_Code\_of\_Conduct.pdf

<sup>25</sup> Adecco's Guidelines on Business & Human Rights

<sup>26</sup> https://ec.europa.eu/commission/priorities/deeper-and-fairer-economicand-monetary-union/european-pillar-social-rights\_en

<sup>28</sup> Including consultations on the Written Statement Directive and Access to Social Protection. The Adecco Group has contributed to both, directly as well as via its industry federation World Employment Confederation, and Employers federation BusinessEurope.

<sup>29</sup> http://www.weceurope.org/fileadmin/templates/eurociett/docs/ position\_papers/2017\_Employment\_Policies/WEC-Europe\_Position\_ European\_Pillar\_of\_Social\_Rights\_-\_July\_2017.pdf

<sup>30</sup> https://www.businesseurope.eu/sites/buseur/files/media/position\_ papers/social/2017-06-30\_businesseurope\_paper\_european\_pillar\_social\_ rights.pdf



#### The European Pillar of Social Rights in 20 principles

Chapter 1:	1. Education, training and life-long learning	The Adecco Group especially welcomes the Pillar's first chapter on equal opportunities and access to the labour market. As this paper shows, we are already committed to each of these elements, and continuously work to promote these principles among our colleagues and associates. • We invest in education and training for our associates, not in the least because we see that our clients have specific skills needs that must be addressed.		
Equal	2. Gender equality			
opportunities and access	3. Equal opportunities			
to the labour market	4. Active support to employment			
		Gender equality and equal opportunities are fully integrated in the way we work. In Spain, for example, all candidates are hired via the "talent without labels" methodology.		
		Finally, the employment and recruitment industry not only benefits from, but also contributes to, active labour market policies. Our staffing brands routinely support jobseekers to improve their attractiveness in the labour market. Our LHH brand is the global leader in outplacement and career management processes.		
Chapter 2:	5. Secure and adaptable employment	The Adecco Group fully supports fair wages, clear information about employment conditions, and social		
Fair working conditions	6. Wages	dialogue. Unfortunately, however, this chapter - and specifically principle 5 on Secure and adaptable employment - seems paradoxical. On the one hand, the		
conditions	<ol> <li>Information about employment conditions and protection in case of dismissals</li> </ol>	European Commission embraces new forms of work and the necessary flexibility for employers. On the other hand, it displays a bias in equating open-ended contracts with "secure and adaptable employment", and wanting		
	8. Social dialogue and involvement of workers	to reduce atypical contracts. At the Adecco Group, we demonstrate on a daily basis that there is no direct link		
	9. Work-life balance	between offering secure and adaptable work, and the specific form of a contract. A worker with an open- ended contract could be in a very precarious situatio whereas someone on a string of short-term contracts could have excellent employment security.		
	10. Healthy, safe and well-adapted work environment and data protection			
Chapter 3:	11. Childcare and support to children	The Adecco Group agrees with most principles listed in Chapter 3. We advocate for extending access to social		
Social	12. Social protection	protection to workers regardless of the form of their contract. It is important to note that private employment services such as the Adecco Group can, and should, play		
protection and inclusion	13. Unemployment benefits	a role in supporting workers in many of these areas. When it comes to unemployment, we believe that activation support such as work-readiness programmes and reskilling can be linked to unemployment benefits a a powerful way to reduce long-term unemployment.		
	14. Minimum income			
	15. Old age income and pensions			
	16. Health care			
	17. Inclusion of people with disabilities			
	18. Long-term care			
	19. Housing and assistance for the homeless			
	20. Access to essential services			



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