

Industrial relations for a green economy

Innovative bargaining processes for a sustainable growth and a quality employment



Project VS/2014/0405 co-founded

by

DGESAI - DG EMPLOYMENT, SOCIAL AFFAIRS and INCLUSION

Case Germany: Contitech

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PRESENTATION (IDENTITY CARD OF BEST PRACTICE)

▪ **Name of initiative/project/ intervention/agreement**

Contitech, plant Vahrenwald, Hannover

▪ **Brief description**

Contitech is a successful, highly innovative company in the rubber and synthetic materials industry. An important driver for innovation is sustainability. What makes this case special is the cooperative corporate culture, leading to a strong involvement of employees in the innovation process and many company agreements.

▪ **Geographic, territorial, sectorial localisation,**

CT is a multinational company, 30.000 employees. The global headquarters are based in Hannover. The plant IG BCE: Vahrenwald is the most profitable plant of the company (1.900 employees).

Contitech is a division of the Continental group, the innovation and technology leader for rubber and synthetic materials. Plant Vahrenwald: power transmission, air cushion, mainly for the automotive industry and the major OEMs such as VW and Daimler.

CT is part of the chemical industry. The responsible trade union is

▪ **Period of activity**

The interview with a works council and the head of the r&d-department mainly covers the period following the crisis of 2008.

▪ **Players / promoters**

Management, works council, employees, trade union

▪ **Types of Beneficiaries (direct/indirect):**

- Increase of competitiveness increases number of jobs (+100 in 2014 in plant Vahrenholt) and job security

DESCRIPTION (please consider it a tool to describe the case; if it is impossible to follow exactly, just leave the fields blank)

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▪ Starting point of the initiative/project/intervention as related to the territorial context (societal, economic, political)

“Green products and employee involvement”: The case is not constituted by a single initiative or project, but by a whole bunch of activities that form the special corporate culture of CT in the area of sustainability and innovation.

Main elements (focus plant Vahrenwald):

- Company agreement CIP (continuous improvement process): management of ideas
- “Contitech Day”: promoting exchange and communication among employees (esp. production workers and engineers from the r&d department)
- Company agreement “People in Teams” (*“Menschen im Team”*): participation of workers in the innovation process, suggestions for improvements, rules for bonuses); regular meetings of supervisors/engineers with work teams (Production); additional annual personnel talks with production workers
- Result: more than 3.800 suggestions for improvements per year. Most of them aim at improved sustainability

- Sustainability: company-wide “Green Value” concept, code of behaviour for all employees
- Environment committee at plant level: members of management and works council. plan for the next years: introduction of a benchmark system for energy efficiency, resource efficiency, green gas emissions, recycling etc.

- Demographic change: Age adequate workplace design, preventive involvement of workers in the design of new manufacturing cells. Motivation: relatively high average age. In a few years, more than 505 of the workforce will be older than 50 years. Support of the capacity for innovation (non-technical elements) like further training, health and safety, special offers against mental stress.

“Green” activities are not new for CT, plant Vahrenwald. In a period of years energy consumption could be halved.

Examples for “green product innovations” (CT, plant Vahrenwald):

- a transmission belt for engines, made of renewable material (= more energy-efficient, reducing gas consumption in cars)
- Continuous research on “green materials” to avoid environmentally unfriendly materials
- Production with less consumption of solvents.

▪ Description of the socio-economic, territorial, corporate context in which the initiative is based.

CT is technology leader in the rubber and synthetic material industry (chemical industry)

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Hannover is the headquarters of the Contitech group (700 employees): global logistics, engine management, some production

Plant Vahrenwald: highly innovative, highly profitable. 1.900 employees (expanding, will be 2.000 by the end of 2014). Union density: 60% of blue collar workers, 15% of white collar workers. Production organisation: manufacturing cells, work groups

▪ **Is it possible to describe the “philosophy” inspiring the best practice?**

Improving innovation capacity – esp. for green products – is a win-win situation for the management, the works council and the employees.

- **What problems/ general needs does the intervention try to address? What specific ones are there?**
- **What goals/ends does the intervention try to achieve? What bargaining dynamic has been in place?**

Bargaining dynamic (focus plant Vahrenwald): constructive relationship between WC and management

Role of works council:

- it is helpful that members of the r&d-department are also members of WC

Role of trade union:

- support of further training of works councils
- support of inter-firm exchange of works councils
- GIBUCI network (organisation for the information of works councils about environment protection in the chemical industry): founded in 1987 by the social partners of the chemical industry (IG BCE and BAVC). Organisation of seminars, conferences for works councils and management members; dialogue with representatives from economy, politics and society. Aim: development of the chemical industry with a green perspective.

▪ **What activities and instruments does the intervention operate through ?**

- Multi-activity/multi-level approach (as described above)

▪ **How actions can increase knowledge and support overcoming specific problems**

- improving innovation capacity as a continuous process

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- understanding employees and their knowledge as an important asset of the company
- **What are the most innovative aspects of the initiatives concerning the territorial context? And why ?**
 - The interview provided no information on links to a regional policy.
- **What are the “internal quality factors” of the initiative? (sustainability, internal efficiency, effectiveness?)**
 - Trust is an important resource in industrial relations on a plant level
 - Progress in sustainability issues is documented in a report on the website of CT
 - High qualifications (formal and informal) of employees are an important requirement for the ‘high road’ approach of CT. Disadvantage: it is almost impossible for low qualified workers to get a job at CT
- **Is it possible to transfer the initiative to another context?**
 - Not a 1 to 1 transfer, but the philosophy of cooperation between management and WC/employees and the elements of promoting innovation capacity, workers involvement etc. are transferable
- **Is the initiative reproducible in different contexts?**
 - Tbd
- **Do joint monitoring instruments also involve the contemplated stakeholders?**
 - ?
- **Please point out communication instruments (website, documents, booklets) concerned with the initiative.**
www.contitech.de
- **Please write down your final considerations?**
 - Contitech is a good example for the combination of constructive industrial relations, green product innovation and workers’ involvement