



REGIONAL HR UPDATE: EUROPE

Works Councils ... Some Useful Considerations

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Works Councils in Europe are a very powerful part of organizations. The primary duty of the Works Council is to protect the employees and their working rights within the company. In most European countries, it is not the employers who choose to implement a Works Council, but rather the employees. If employees want to have a Works Council, it must be allowed and supported by the employer. Although the European Union passed a Directive in 1994 (94/45/EC) to establish European Works Councils, the vast majority of organizations have implemented local Works Councils. The size of the organization determines the size of the Works Council members. All members must be employees of the organization and must meet a certain threshold (e.g., 21+ employees in total for Germany). One or more members of the Works Council must be released from work so that they can dedicate all of their time to the Works Council work. It is almost impossible to lay off members of the Works Council during their election period. Works Council representatives may also be appointed to the organization's Board of Directors.

Probably the two most powerful Works Councils in Europe are in France and Germany. In Germany for example, the Works Council has the right to be informed during the new hire and transfer processes and also has the right to be consulted and must agree on any terminations. If the employer does not follow this Works Council right, there could be significant legal and cost impacts.

Also the German Works Council must be consulted and must agree to any changes in the HR business processes, as well as to most additions to the employee data that the employer maintains. This is certainly the case for any new HR system implementation. That means, if you are planning to change your HRIS and have not yet obtained the written agreement of the Works Council, you cannot legally go live with this new HRIS. There have been cases, where the go-live

date in Germany has been postponed by more than a year, simply because the employer failed to appropriately involve the Works Council.

In my experience with Works Councils internationally, it is best to treat them with respect and as a real Business Partner. That means you should invite the Works Council into discussions about the new HRIS implementation very early in the project. I have worked with clients, where members of the Works Council have been invited to participate in the selection process. Certainly you want to involve the Works Council way ahead of the go-live date. Another good practice is to invite a member of the Works Council into the User Acceptance Testing process for the new system. This helps to provide the Works Council with deeper insight about the new system as well as with the new business processes. With this insight, you gain greater Works Council buy-in, and future negotiations about the new processes and system go-live are greatly simplified.

In summary, when selecting, upgrading, or implementing a new HRIS, invite the Works Council early and often into your discussions. Although you may still have some difficult conversations and tough negotiations, you can be more confident that you won't have significant delays in your implementation timeline. 🌍

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