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Ecological Conversion of Workplaces, Trade Unions and Wages

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3. Research design
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1. Introduction

- Sustainability is becoming integral to the way to do business (Accenture, 2012)
- Attention to energy conservation is turning into a matter of competitiveness as it affects costs (BusinessEurope, 2013)
- Companies are under pressure to cut CO₂ emissions and to greening their production
- What role for industrial relations?

2. LR on IR/Sustainability

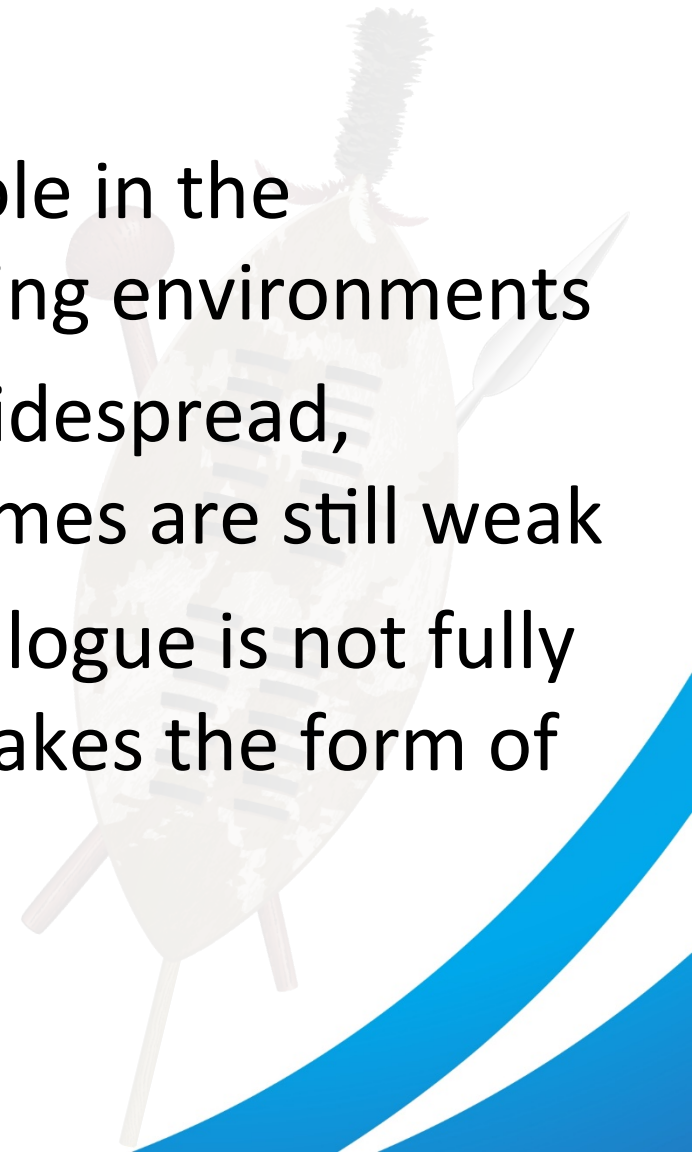
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2. LR on IR/Sustainability

- L. Rustico, M. Tiraboschi, *Employment Prospects in the Green Economy: Myth and Reality*, IJCLLR, 4, pp. 369–387, 2010
- Vv.Aa., *Climate Change and Labour: the Need for a “Just Transition”*, IJLR, 2, 2010
- N. Räthzel, D. Uzzell, *Trade Unions in the Green Economy. Working for the Environment*, Routledge, 2013
- L. M. Cabello de Alba, J. Escribano Gutiérrez, *La Ecología del Trabajo*, 2015

2. LR on IR/Sustainability

- Social partners might play a role in the ecological conversion of working environments
- Although best practices are widespread, existent social dialogue outcomes are still weak
- The potential role of social dialogue is not fully exploited, especially when it takes the form of collective bargaining

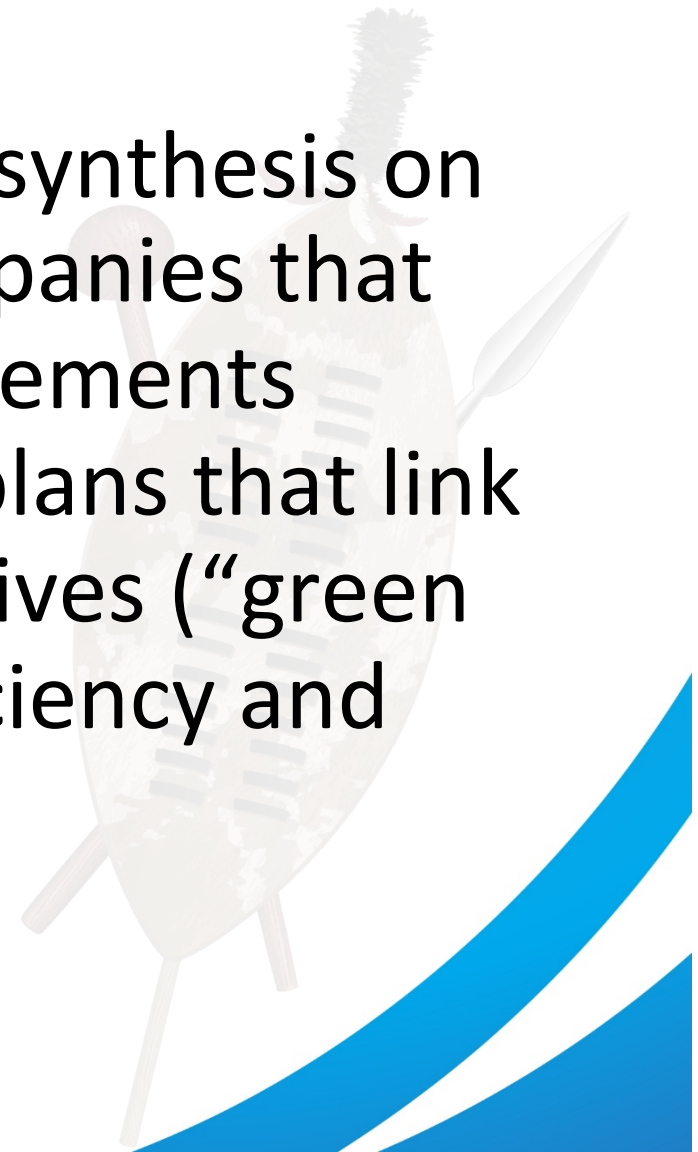


3. Research design

- *Research question:* How and why IR institutions contribute to making the transition to greening workplaces just and participated, securing that the process has a positive impact on wages

3. Research design

- *Methodology:* Cross-case synthesis on three case studies of companies that negotiated collective agreements introducing gain-sharing plans that link pay raises to green objectives (“green pay”), such as energy efficiency and energy conservation



4. Case studies

COMPANY	SECTOR	PROJECT
Luxottica	Manufacturing and wholesale distribution	Zero Waste Project
Almaviva	ICT industry	Almaviva Green
Renner	Chemical sector	Energy saving in the pay packet

4. Luxottica – Zero Waste

Reduction of electricity consumption compared to the previous year	- 0,5%	- 1,0%	- 1,5%	(...) up to - 5,0%
Pay increase (€)	10	15	20	Up to 55

Reduction of paper and toner consumption compared to the previous year	- 5,0%	- 10,0%	- 15,0%	(...) up to - 50,0%
Pay increase (€)	2	4	6	Up to 20

4. Almagiva Green

$$C_{t2} < 10\%C_{t1} = N\text{€}$$

C =
$$\frac{\text{Active electricity power (KWh) + Methane consumption in 12 months (measured in KWh)}}{\text{Number of job places}}$$

N = *Fixed amount established by the parties in the collective agreement*

4. Renner – Energy Saving in the Pay Packet

$$X_{\text{Green Pay}} = \frac{C_{2012} - C_{2011} / 2}{\text{Number of employees}}$$

C = costs related to the consumption of water, electric power, gas and product waste

4. Case studies

COMPANY	KIND OF AWARD	FUNCTIONING
Luxottica	Fixed Incremental	Each level of savings corresponds to a certain amount of bonus pay already established by the parties
Almaviva	Fixed On/Off System	The parties define a target of energy savings to be achieved in the year and they establish the amount of award to be paid if the target is reached
Renner	Variable	The share of savings is divided by two, and then by the number of employees

4. Case studies

COMPANY	ASSESSMENT OF INDIVIDUAL SAVINGS	FACTORS CONSIDERED IN THE APPRAISAL PROCEDURE
Luxottica	NO	The incidence of variation in productivity Costs of energetic resources and materials
Almaviva	NO	The introduction of new technologies
Renner	NO	The incidence of variation in productivity

4. Case studies

COMPANY	ROLE OF TRADE UNIONS	INPUT OF NEGOTIATION
Luxottica	Defining and governing the gain-sharing scheme	Context of CSR
Almaviva	Defining and governing the gain-sharing scheme	Need to find resources for pay raises Collective bargaining contributed to shaping the company commitment towards environmental issues
Renner	Defining and governing the gain-sharing scheme	Context of CSR

4. Outcomes of green pay

Table 1. Percentage of green pay on total amount of award resulting from gain-sharing schemes and amount of savings

Company	Total Award*	Green Indicators	% of Green Pay	Savings
Luxottica (2012)	1,585.00€	61,00€	3.8%	5%; 15%**
Almaviva (2010)	1,648.50€	288.50€	17.4%	15%***
Renner (2012)	2,000.00€	309,07€	15.4%	7,5%

*Gross total amount of award received by each employee

**5% of electricity consumption; 15% of paper and toner consumption

*** Self-estimate considering the data of 45% in three years (2009-2011)

5. Results and discussion

- Gain-sharing plans linked to green targets might be regarded as a form of integrative bargaining (Walton and McKersie, 1965)
- Collective bargaining, as a form of employee participation, increases the possibility that the effect of greening workplaces on wages is positive

5. Results and discussion

- Bargaining on green pay gives to trade unions a role in guaranteeing the organizational justice linked to the ecological conversion of workplaces (Greenberg, 1986)
- Expectancy theory applied to incentive pay says that motivation is a function of two factors (Vroom, 1964): expectancy and valence. Collective bargaining on green pay might influence both factors positively

5. Results and discussion

- There is no evidence from the case studies that workers compensation affects energy conservation positively
- The three gain-sharing schemes refer to groups of workers, and collective agreements do not provide for mechanisms to assess how (and how much) individuals contribute to energy savings in response to economic incentives



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If every Capetonian
saves one drop, that makes
3.7 million drops

RETWEETS

87

FAVORITES

40



9:00 AM - 17 Aug 2015 · Details



THANK YOU
FOR YOUR ATTENTION
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