

# New SNCF Approach to Peaceful Labour-Management Relations

Alain-Marie Dubédat

## Introduction

French National Railways (SNCF) employs about 180,000 people throughout France and her territories. The *cadres* staff category, which describes all managers below senior executives, represents either 11% or 30% of the total, depending on whether supervisors and foremen are included. Consequently, SNCF is a labour-intensive business and 95% of employees are full-time, permanent staff, enjoying tenured status as defined by a collective bargaining agreement. Tenure guarantees job security and also gives railway men and women special health, welfare and retirement schemes.

When the subject of human resources at SNCF comes up, people often think of either strikes or layoffs, and it is true that successive company policies in recent years have led to substantial staff cutbacks,

even if these have been achieved through retirement. This tendency has certainly contributed to labour unrest, which has been exacerbated further by a gulf formed between workers and managers. The 'social conflict' has virtually upstaged collective bargaining, and has had negative effects both on service quality and on human relations in the company. Undoubtedly, the long, tedious and painful labour conflict in November and December 1995 has contributed to invigorated revival of human resources management, even if some revival was already underway before the conflict.

Two policy choices in particular have emerged to become corporate priorities for the years ahead: 1. Modernizing bargaining practice, and 2. Breaking with tradition in the employment field. This article focuses on these two developments.

## Need To Improve Labour Relations

Pierre Vieu, SNCF Human Resources Director has gone on record as saying, '*The company's situation is serious—more than 600 strikes and over 100,000 working days lost (representing nearly 20% of days lost to strikes in France) on the average over the last few years (excluding 1995). The labour-management relationship absolutely must be improved before long. It is vital for SNCF. The company and the trade unions share responsibility in this issue. For its part, the company is prepared to take the lead to prove its willingness to succeed*'.

Improved labour-management relations are a prerequisite for achieving the company's business strategies. Any actions taken—whether commercial, technical, or organizational—to improve customer satisfaction and at the same time



Passengers at Paris East Station enjoying impromptu classical music performance, despite the occasional inconvenience of labour strikes

(EJRCE)



Trainee drivers require careful supervision to ensure passenger safety

(SNCF)

gain control of company spending, cannot be sustained unless the personnel understands them, agrees to them, and works to achieve them. A modern labour-management relationship, based on mutual trust, straight talking, anticipation of changes, and keeping commitments, is the best lever to meet this objective.

To this end, the SNCF Human Resources Department is coordinating a three-pronged course of action:

- Recognizing trade unions as full partners
- Educating managers and supervisors
- Broadening scope of labour-management discussions to include production units nationwide

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### Recognizing Unions as Full Partners

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To even start discussions with any confidence, it is essential to accept the legitimacy of labour organizations, to respect their representatives and to value their commitment. A company like SNCF actually needs strong unions representing the true aspirations of railway workers.

It is a real challenge to ensure that this concept becomes a shared corporate attitude common to all managers, given the traditional mutual suspicions between the management and unions. But the traditional pattern, which has clearly shown its limitations and failures, cannot be allowed to continue without endangering the company's existence.

To steer the SNCF corporate culture to-

wards change, its Human Resources Department is now actively promoting the legitimacy of the trade unions as full partners and the mutual trust required for productive dialogue. However, this message would be useless if no actual changes were materializing at the same time. Consequently, the HR Department is striving to implement these new principles in its everyday dialogue with labour. Setting



Platform and train staff work closely on a day-to-day basis under different management methods, but in close coordination

(SNCF)



TGV platform at Charles de Gaulle Airport, with modern facilities and better services

(EJRCE)

an example is one way to disseminate the new labour-management culture, although there may be occasional obstacles, as much from the management side as from the union side. Despite such obstacles, trusting perseverance is fundamental—it is the only way the company can achieve any deep change in the human relations that are so fundamental to its future, even if this evolutionary process takes years to complete.

### **Educating Managers and Supervisors**

Making the social dialogue—or conflict-free labour-management relations—work means changing the corporate culture and hence the attitudes of managers. It is not enough to say that managers must 'dare to trust'. It is also necessary to create conditions encouraging trust, in a company just recovering from the wounds of 1995. Previously, a manager was appreciated more for taking a hard stand on labour issues, but today, we are trying to switch from that culture to one of negotiation leading to collective agreements that realize the aspirations of both parties.

Such a transformation requires shared values and acquisition of tools needed for change. The company has begun explaining the different dimensions that its managers must have and develop. Human and social dimensions rank high—in a business like SNCF, managers must be able to integrate the daily social issues arising in their

work, while maintaining human and humane management of their teams. These two criteria are now included in the criteria for evaluating management applicants. Secondly, the in-house Management Institute responsible for developing managerial skills, has designed several related training sessions, culminating in a seminar on Improving Social Dynamics. This seminar is held at the regional level and is attended by all regional management staff. Rooting the programme at the local level, and combining it with the participation of all players directly involved in the labour-management dynamics, promotes prompt, concrete application of the lessons learned.

### **Broadening and Promoting Labour-Management Discussions**

SNCF's customers are still not entirely satisfied by its services. To achieve the necessary improvements, both job specifications and working conditions need changing. Today, schemes drawn up in advance at the national level have little chance of being greeted happily by re-

gional personnel. It is better to develop different schemes for each locality that reconcile customers' needs with those of railway personnel. Collective bargaining at the production-unit level is probably the best way to do this. These discussions must address a range of issues—staffing levels, qualifications, extent and distribution of working hours, etc. The company delegates the task of leading the negotiations and making trade-offs to the production-unit managers. Consequently, the role of local management is altered—local production managers are more required to make decisions themselves, rather than follow instructions from headquarters.

However, it is clear from current events that the increase in local bargaining agreements within the company weakens the long-standing collective guarantees, set down in formal broad nationwide agreements—the unions are understandably apprehensive. Therefore, we must negotiate with them about the rules of the game and the scope to be given to local bargaining. There is a real risk of disagreement with the unions on these points.

However, the recent public debate in France about cutting back working hours may provide an opportunity to progress towards local bargaining. It is encouraging that both sides agree that local bargaining will be more efficient than collective bargaining in the pending review of rules and practices regarding work hours, where the issue is whether or not employees can be freed during non-productive hours, allowing SNCF more flexibility in employment. ■



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