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CENTRE FOR INTERNATIONAL
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Trade Unions and the Environment

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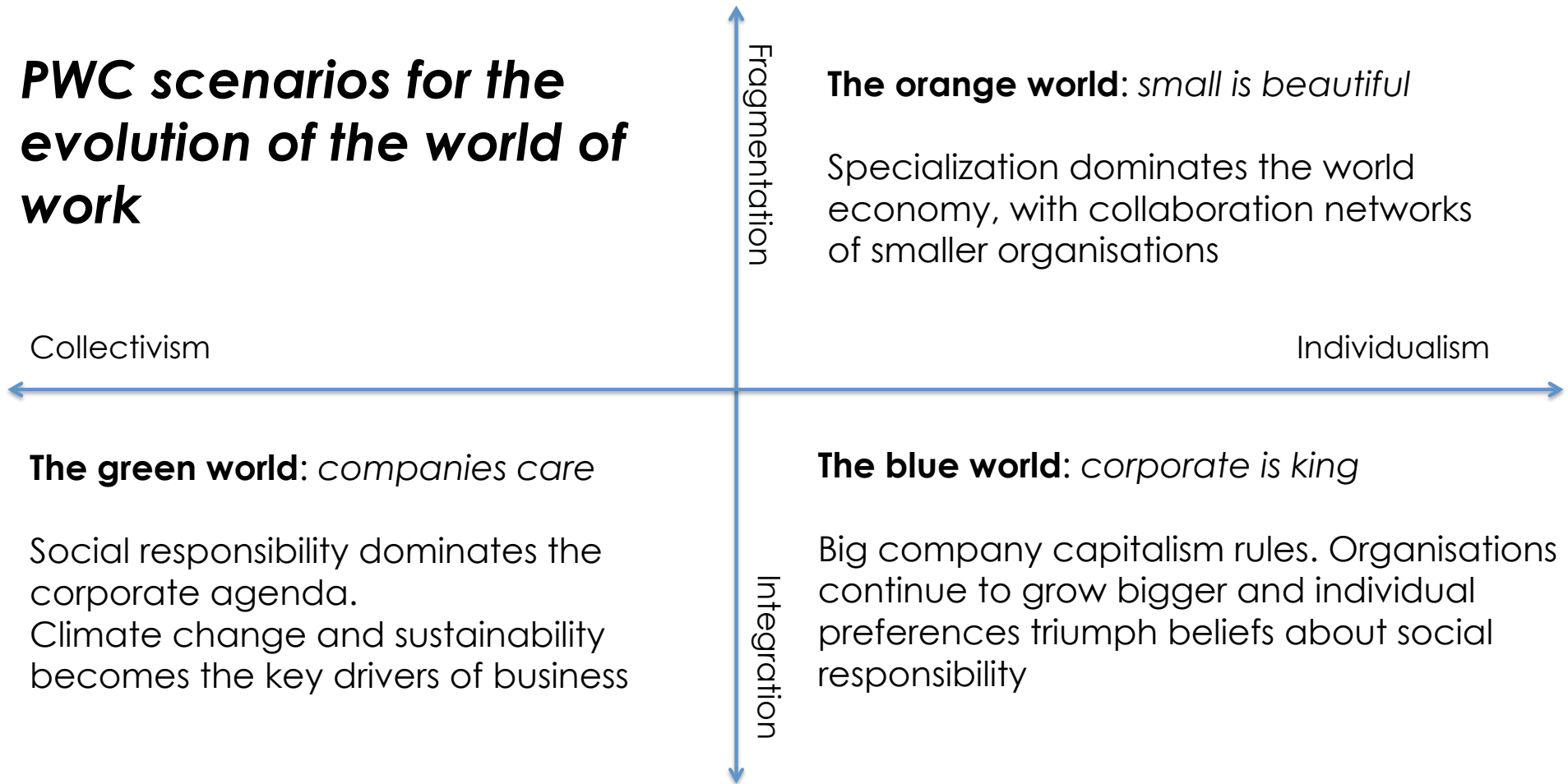
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Outline

1. Introduction
2. Literature review
3. Research design
4. Description of case studies
5. Results and discussion

PWC scenarios for the evolution of the world of work



2. LR on IR/Sustainability

- Eurofound, *Industrial relations and sustainability: the role of social partners in the transition towards a green economy*, 2011
- Eurofound, *Greening the European economy: responses and initiatives by Member states and social partners*, 2009
- Eurofound, *Industrial Relations and Environmental Protection in Europe. The effects of cooperation between social partners*, 1994
- European Commission, *Industrial relations in Europe 2010-2012*
- S. Pearce, *Tackling Climate Change – A new role for trade unions in the workplace?*, Acas, 2012

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

3. Research design

- *Research question:* How, how much and why IR institutions contribute to making the transition to greener 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**”)

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. Almaviva Green

$$C_{t2} < 10\%C_{t1} = 290,00\text{€}$$

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

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)
- **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

- Collective bargaining, as a form of **employee participation**, increases the possibility that the effect of greening workplaces on wages is positive
- Bargaining on green pay gives to trade unions a role in guaranteeing the “**organizational and procedural justice**” linked to the ecological conversion of workplaces (Greenberg, 1986)

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

5. Results and discussion

0.37 %

THANK YOU
FOR YOUR ATTENTION
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