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New Forms of Employment: Developing the Potential of Strategic Employee Sharing

Abstract

[Excerpt] Although standard employment practices are still dominant in European labour markets, an increasing mixture of new employment forms is emerging; their implications for working conditions differ, with some being more beneficial than others. This study explores the employment model of 'strategic employee sharing', which can be applied if a group of employers have specific recurring, human resources (HR) needs that can be planned in advance and combined across companies. The participating companies establish an 'employer group' which becomes the formal employer of one or more shared workers and coordinates their assignments to the participating firms. In this way, the workers get access to permanent full-time employment with a single employer (although they work in several different companies) that would not be otherwise available.

This study investigates how to develop the potential of this employment form by identifying the factors which favour or hinder its establishment and growth. It also discusses the positive and negative effects of the employment model on workers and companies. Finally, it provides pointers on how to foster the introduction and spread of strategic employee sharing in Europe.

Keywords

Europe, employment practices, working conditions, employee sharing

Comments

Suggested Citation

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Country codes

EU Member States

AT	Austria	FI	Finland	NL	Netherlands
BE	Belgium	FR	France	PL	Poland
BG	Bulgaria	HR	Croatia	PT	Portugal
CY	Cyprus	HU	Hungary	RO	Romania
CZ	Czech Republic	IE	Ireland	SE	Sweden
DE	Germany	IT	Italy	SI	Slovenia
DK	Denmark	LT	Lithuania	SK	Slovakia
EE	Estonia	LU	Luxembourg	UK	United Kingdom
EL	Greece	LV	Latvia		
ES	Spain	MT	Malta		

Executive summary

Introduction

Although standard employment practices are still dominant in European labour markets, an increasing mixture of new employment forms is emerging; their implications for working conditions differ, with some being more beneficial than others. This study explores the employment model of 'strategic employee sharing', which can be applied if a group of employers have specific recurring, human resources (HR) needs that can be planned in advance and combined across companies. The participating companies establish an 'employer group' which becomes the formal employer of one or more shared workers and coordinates their assignments to the participating firms. In this way, the workers get access to permanent full-time employment with a single employer (although they work in several different companies) that would not be otherwise available.

This study investigates how to develop the potential of this employment form by identifying the factors which favour or hinder its establishment and growth. It also discusses the positive and negative effects of the employment model on workers and companies. Finally, it provides pointers on how to foster the introduction and spread of strategic employee sharing in Europe.

Policy context

In Europe, new employment forms can refer to a changed relationship between employer and employee (or client and worker); to new forms of work organisation (as regards the time and place of work or the use of modern information and communication technologies); or to a combination of both. These new forms are caused by economic circumstances, but also by technological and societal change. While most new employment forms are still marginal, it can be assumed that some of them have the potential to effect a complete structural change of the labour market.

In recent decades, Europe has put considerable effort into improving employment and working conditions. The limited evidence available, however, hints towards a wider spread of new employment forms with potentially negative implications for workers. Against this background, it seems reasonable to further explore strategic employee sharing as an employment model that provides companies with the HR flexibility they require while, at the same time, offering job, employment and income security to workers.

Key findings

Strategic employee sharing is a form of cooperative HR management at regional level. Companies with specific HR needs that recur from time to time, and that can be foreseen in advance but do not justify a permanent full-time position, can jointly hire one or several workers who are repeatedly given individual assignments in the participating companies. The companies have a joint responsibility and liability towards the shared workers who are ensured 'equal pay, equal treatment' with their core staff in the participating companies. The employment form provides security to workers who otherwise might have to accept more precarious employment forms.

Strategic employee sharing is, so far, only marginally used in Europe. This can partly be explained by the fact that this employment model is a solution for a specific type of HR demand and cannot be used for all everyday employment situations. However, it is generally felt that the potential of this employment form is underdeveloped.

This research explored what might encourage its establishment and further development, and concludes that the necessary conditions can be grouped into four areas which influence each other.

Demand: Companies need to be aware that this employment model exists and be willing to engage in it. This is affected by legal frameworks, but also by the existence of alternative employment options and the companies' own attitudes towards HR innovation and cooperation. Furthermore, the HR needs of individual firms must be complementary and it must be possible to reliably anticipate them.

Supply: Shared workers need to be adaptable, flexible, autonomous, reliable and have certain social skills.

Framework: Labour market players need to support this employment form. Suitable legal framework conditions must be designed; financial support is needed for the operational implementation of the employment model; and information needs to be shared with companies and workers.

Operational support: The use of strategic employee sharing needs some impetus. Resource centres are needed to raise awareness among institutional players, companies and workers, and to guide those who apply this employment model. Individual employee sharing models are administered by an employer group's management team, which plays a vital role in communicating with companies and workers; ensuring that the employment model is only applied when and for whom it is really suitable; dealing with the various related administrative tasks; and coordinating the assignment of workers.

The main advantage of strategic employee sharing for companies is the way it can provide cost-efficient and flexible access to (skilled) workers. There are other benefits such as improved HR administration, HR practices and employer branding. There are, however, potential disadvantages. The joint responsibility and liability within the employer group may oblige companies to cover for the deficiencies of other members, and workflow and work organisation challenges can also adversely affect productivity levels.

For the participating workers, the main advantage is access to permanent full-time positions that otherwise would not be created and which give them job and income security. A job with an employer group can improve employability as workers acquire a range of on-the-job skills as they move between companies. However, there is the potential of increased stress levels and work intensity, less integration into the individual firms and limited representation.

Policy pointers

To take advantage of the potential of strategic employee sharing, the identified preconditions for its establishment and wider use would have to be put in place. This suggests the following policy pointers:

- awareness-raising among institutions, companies and workers;
- recognition of the employment model through a stable and simple legal framework that clarifies the concept and its implications for the involved parties;
- active support of strategic employee sharing by governments and social partners, including financial support for resource centres and the start-up of employer groups;
- creation of a collaborative spirit among companies, encouraging their HR innovation and medium to long-term HR planning;
- support to employer group management, for example through the provision of codes of conduct, contract templates or training.

Introduction

Background and objectives of this report

While European labour markets are still dominated by standard employment forms (that is, permanent full-time contracts for salaried employees, or self-employment), an increasing diversity of employment forms is emerging across the EU Member States (Eurofound, 2015a). These new forms are characterised by a changed relationship between employer and employee (or client and worker), by new forms of work organisation (particularly for the time and place of work, or the use of modern information and communication technologies) or a combination of both.

Most of the identified new employment forms are still small in scale and scope, with some of them expected to remain so as they apply to specific employment situations. Others, however, are already used more widely and the use of them could grow considerably. This seems to be mainly driven by the need for increased flexibility by employers, workers or both.

The characteristics of the new employment trends are diverse, as are their implications for working conditions and the labour market. Some of them raise concerns about the retention of employment standards developed in Europe during the last decades. Others are thought to have the potential to improve the labour market and workers' employment situation. Overall, little detailed information is available to provide a sound scientific evaluation of the effects of the new employment forms in Europe. Nevertheless, the data available imply a wider spread of those employment forms with potential negative implications for workers, compared with those which are thought to be more beneficial.

Against this background, this report focuses on strategic employee sharing, which was identified by Eurofound (2015a) as a new employment form with the potential to align employers' needs for flexibility with workers' need for security and stability. In this employment form, a group of employers with limited but recurring human resources (HR) needs hires workers jointly, ideally on a permanent and full-time contract, and is jointly responsible for them. Although strategic employee sharing has the potential to benefit both employers and employees, it is not widely used – or even known – across Europe.

This report explores which economic and labour market conditions, legal frameworks and institutional settings favour and hinder the implementation of strategic employee sharing models. It discusses what needs to be in place to increase their spread and effectiveness in

European labour markets. It also investigates, in more detail, the potential benefits and risks of strategic employee sharing for employees and employers.

Methodology and structure of the report

The report analyses strategic employee sharing in five EU Member States in which it has been identified as emerging or of increasing importance since around 2000 (Eurofound, 2015a). There is no standardised or common term for this employment model. For this report, the terminology 'strategic employee sharing' is used in line with the Eurofound report *New forms of employment* (Eurofound, 2015a), which refers to the employment models analysed in the individual countries and set out in Table 1.

Table 1: National models of strategic employee sharing analysed in this report

Country	National name of the strategic employee sharing model
Austria	Arbeitgeberzusammenschluss (AGZ)
Belgium	Groupement d'employeurs (GE)/Werkgeversgroeperingen
France	Groupement d'employeurs (GE)
Germany	Arbeitgeberzusammenschluss (AGZ)
Hungary	Több munkáltató által létesített munkaviszony

Source: Eurofound

The analysis also covers Ireland, where strategic employee sharing is not yet used. This was done as a first, small-scale test on the transferability of the employment model to other countries, based on the experiences of countries already implementing it.

The research is mainly based on a qualitative approach, supplemented by a small-scale analysis of national secondary data. Next to a literature and document review, 55 semi-standardised qualitative in-depth interviews with representatives of governments, social partners, labour law experts, practitioners in strategic employee sharing and academic experts were conducted across the six countries in the first half of 2016. For France, two regions in which strategic employee sharing is operational have been analysed: Poitou-Charentes and Languedoc-Roussillon. To discuss and validate the preliminary findings, a workshop with seven stakeholders from the analysed countries was held at Eurofound in June 2016.

Chapter 1 provides an overview of the main characteristics of strategic employee sharing as well as its specific implementation in the analysed countries. Furthermore, it presents the few available statistics to illustrate the scale and scope of the use of strategic employee sharing.

Chapter 2 discusses the factors that can foster or hinder the implementation and use of strategic employee sharing. This includes the characteristics of the regional economic and labour market structure, legal frameworks, institutional settings and cultural aspects related to employers and employees.

Chapter 3 investigates the main benefits and risks of the employment model for the affected workers and participating companies. However, due to the limited experience with, and small scale of, strategic employee sharing, the macroeconomic effects on the regional labour market and business structure could not be explored.

Finally, **Chapter 4** summarises the main findings of the research and suggests policy pointers for how this employment model could be further fostered across Europe.

1 The ‘strategic employee sharing’ model

Main characteristics of strategic employee sharing

Strategic employee sharing was identified as a new or increasingly significant employment model in a few EU Member States in the mapping of employment trends in 2013/2014 by Eurofound (Eurofound, 2015a). There is no standard or common term for this employment model across Europe, nor are its characteristics and working methods harmonised across the countries. The most common terminology for strategic employee sharing refers to *groupements d’employeurs* (GE) in the French-speaking countries and *Arbeitgeberzusammenschluss* (AGZ) in the German-speaking ones.

Strategic employee sharing refers to a model of salaried employment deviating from the traditional relationship between one employer and one employee. A group of employers forms a network with a separate legal entity (the ‘employer group’) that hires one or several workers to be sent on individual work assignments to the participating companies.

The employer group becomes the formal and single employer of the workers and is responsible for:

- fulfilling the duties related to the employment contract as regards administrative and social obligations;
- coordinating the assignments of the workers in the participating companies;
- setting out guidelines/codes of conduct for the cooperation of all involved parties.

The individual companies are responsible for:

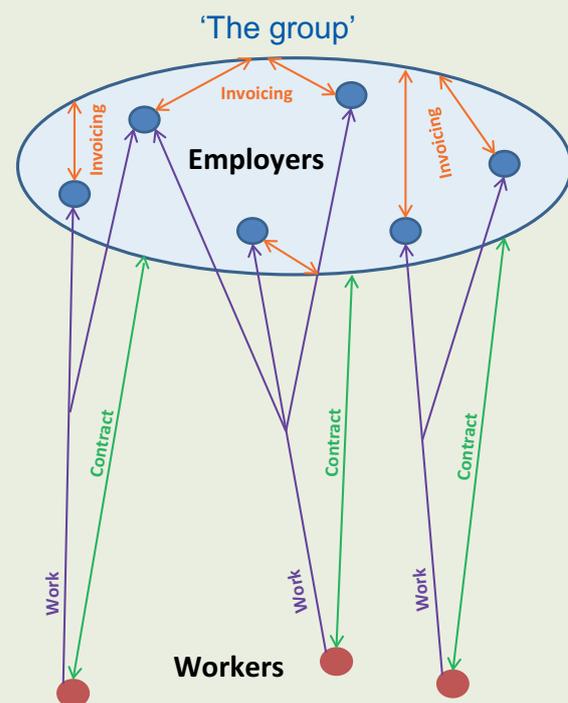
- providing the workload for the shared workers;
- arranging the work organisation with them and ensuring adequate working conditions, following the general principle of ‘equal pay, equal treatment’ compared to core staff;
- paying the employer group for the human resources provided.

The employer group combines the limited or fragmented, but recurring, HR needs of individual employers into permanent and full-time positions for the workers.

Operating model of strategic employee sharing

The structure is similar to temporary agency work, with three important differences.

- The sole purpose of the employer group is to administer and coordinate the assignment of the shared workers to the participating companies, with the aim of providing them with the needed human resources when required. As such, the employer group does not aim to make a profit.
- The participating companies have not only a client-service provider relationship with the employer group, but also commit themselves to joint and several responsibility and liability for the shared workers’ wages and social security contributions.
- The workers regularly rotate among the participating employers and work exclusively for these employers, rather than being sent to any company that might become a client of the employer group at any point of time.



Source: Eurofound

Strategic employee sharing is considered to be a form of cooperative HR management at regional level (CERGE, 2008; Wölfling et al, 2007; Osthoff et al, 2011; Baumfeld and Fischer, 2012; Baumfeld, 2012). It transforms the flexible HR needs of several companies that individually would not be enough for standard employment into stable and secure employment relationships for workers, creating a ‘collective staff’ shared across companies.

In practice, the establishment of strategic employee sharing is driven by a regional player (for example, a regional development agency or other institution, but also an individual company) that sees the benefits of the model for companies and the workforce, and approaches local companies to explore the feasibility of setting up an employer group (Osthoff et al, 2011; Hertwig and Kirsch, 2012).

While larger employer groups have a specific management body, smaller ones are organised by one of the participating companies on top of their normal workload. The reason for this is that a specific management function incurs administrative costs which need to be charged to the participating companies, and this is only feasible if there are enough shared workers. The assumed threshold when a specifically assigned full-time employer group manager is feasible varies considerably across the interviewed experts – from around 10 to 40–50 shared employees.

Anticipated HR demand is discussed between the employer group management and the participating companies, dealing with the skills required and the timing of assignments. Participating companies have to commit to their stated HR needs for a certain period. While practices vary across employer groups, a standard planning horizon seems to be six months to one year. In most cases, a civil law contract will be drafted between the employer group and the member companies, and they will be invoiced on this basis in order to guarantee regular payment to the shared workforce even if they cannot, in the event, provide the planned workload. However, it is possible to search for employment alternatives with other participating companies if resource needs are overestimated, hence offering some flexibility for the employers. Such a search would be conducted by the employer group manager. The same person also recruits the shared staff; carries out HR administration tasks such as registration or payroll accounting; supports cooperation between the individual companies and workers (including, for example, coordinating conflict resolution); and might take on other tasks such as organising training within the employer group.

With the exception of Hungary, ‘resource centres’ have been set up in the countries analysed in this report to support strategic employee sharing. In Belgium and France, these centres act at regional level (with no national umbrella organisation) and receive financial support from regional institutions. In Austria and

Germany, the resource centres operate at national level. The Austrian resource centre was set up in 2016 with financial support from the national government, while the German resource centre is organised by a private organisation that voluntarily devotes resources to strategic employee sharing, occasionally supported by public funding for individual projects.

The aim of resource centres is twofold. On the one hand, they lobby for the employment model by actively approaching institutional stakeholders, familiarising them with the concept of strategic employee sharing and asking for support. On the other hand, they support employer groups by providing templates for standards, codes of conduct or contracts and by advising employer groups in their start-up and later activities.

Some of the national and regional resource centres have jointly set up the European Information and Resource Centre for Employers’ Alliances (CERGE). CERGE sees its mission as the promotion of this employment model across Europe through networking activities across countries; the encouragement of strategic employee sharing in countries where it is not yet used; the setting of quality standards for this employment form in Europe; and the support of resource centres and employer group managers in their day-to-day work.

Implementation in the individual countries

As there is no common European concept of strategic employee sharing, the method of implementing it differs from country to country. This is mainly due to its degree of formalisation (that is, its legal framework) in any given country, its background and the motivation in establishing it, and general labour market characteristics.

The most well established model of strategic employee sharing can be found in France (*groupement d’employeurs*, GEs). The concept was incorporated in the labour code in 1985 (Law 85-772 of 25 July 1985), specifying the status of an employer group, the related rights and obligations of the involved parties, which collective agreements to be applied and other issues specific to employer groups (see also Eurofound, 2015d). Examples of these include liability issues such as the consequences of a participating company declaring itself bankrupt. The legislation ensures that the shared workers and the core staff of the participating companies are treated equally. This core principle of strategic employee sharing is generally referred to as ‘equal pay, equal treatment’. The legal framework relevant for strategic employee sharing has been amended several times, so that it can be better applied in practice. Hence, GEs are not ‘new’ in France, but are analysed in this project as they have been a model for strategic employee sharing in other countries and have recently experienced growth.

Examples for employer groups in France

- The Groupement d'Employeurs Associatif et Sportif Audois (GEASA) was started in 2015 and provides jobs for 13 workers (12 on indefinite contract, one on fixed-term contract) by combining tasks of 10 organisations, mainly related to administrative or technical jobs in the sport sector.
- The Groupement de l'Orb et de l'Herault is a multisectoral employer group established in 2003 as a response to the HR needs of the local small companies. The shared workers comprise, for example, administrative assistants as well as sector specific occupations such as sales staff, construction workers or technical specialists.

A French GE must be founded under the legal form of an association or a cooperative (that is, a non-profit organisation). No specific authorisation is required, although the labour inspectorate must be informed. The employer group has to draft written contracts with the shared workers specifying the main employment conditions, including a list of potential companies and the location of the workplaces to which the worker may be sent. As previously mentioned, the law requires the shared workers and the participating firms' core staff to be treated equally on pay, profit-sharing, participation and savings (Faduilhe, 2012). Workers can be hired on a part-time and full-time basis, and also on permanent and fixed-term contracts.

There are three different types of employer groups in France:

- agricultural employer groups;
- single-sector or multi-sectoral employer groups (other than agriculture);
- employer groups for the integration of people into the workforce and the acquisition of qualifications (*groupes d'employeurs pour l'insertion et la qualification*, GEIQs), which support those who have difficulty in accessing the labour market to find placements and gain qualifications.

In the agriculture sector, there are also *groupements d'employeurs service de remplacement*. This is a service offered by the sectoral insurance fund that supplies temporary staff to cover for sick leave or (short) holidays.

Examples for employer groups in Belgium

- JobArdent was created in 2008 by the Liège chamber of business and industry to share workers among its members. In 2016, JobArdent comprises 58 user companies. The employer group shares nine workers among 33 user companies. Their current functions are: infographics specialists (5), secretary (2) and IT manager (2). The recruitment of a third IT manager is under way at the time of preparing this report in March 2016.
- Syndic Reunis GIE gathers three building management companies since 2008. The employer group employs five workers for the accountancy and the secretary work of its members. Three workers have full-time contracts, two are employed part time.
- Basic+ was created in 2013 by several schools to share an accountant. In 2016, Basic+ comprises around one hundred schools and shares two accountants and three accident prevention advisors.

In Belgium, strategic employee sharing is based on legislation introduced in 2000 (amended in 2014). While strategic employee sharing was previously considered as a tool to integrate the long-term unemployed into the labour market, the new law allows the hiring of any kind of workers (which is more consistent with the requirement towards shared workers' characteristics) and the use of fixed-term or specific-assignment contracts that come to an end when a particular task has been completed (which facilitates the cross-

company combination of HR needs). Furthermore, workers can now also be hired on a part-time basis. Employer groups can also be set up as non-profit organisations, as well as the previous option of an economic interest grouping (a little-known legal form, and this unfamiliarity made potential companies reluctant to participate). As in France, the legal basis guarantees the same employment and social protection rights of the shared workers as for any other employment. (For more details, see Eurofound, 2015c.)

Examples for employer groups in Hungary

- Two IT firms launched cooperation for the fulfilment of an EU-funded project. One of them won a tender but found it needed more people to do the work, thus it approached the other firm for help. The two companies shared 21 highly-trained and experienced IT professionals for the implementation of the EU project (for nearly one and a half years).
- In 2015, the structure of national bus companies was merged from previously individual state-owned companies at country level into seven regional companies. In one region, the three predecessor companies decided to set up a common joint-stock company in 2014 to manage all preparatory tasks before the new regional level operation would start. The three companies delegated some of their executive employees and highest trained professionals to the joint company by means of employee sharing. Altogether, 20 employees were affected, including one company's CEO.

In Hungary, strategic employee sharing was included in the labour code in 2012 to offer a flexible and practical employment form across companies. It can be applied in exchanging staff within a group of companies connected by ownership or a close business relationship, but also to satisfy the demand for specific skills within otherwise unconnected businesses. In contrast to the general description of employee sharing, and to the French and Belgian examples, in Hungary, no separate legal entity is set up to facilitate strategic employee sharing. Rather, an employment contract is signed between one employee and two or more employers, where the worker is supposed to conduct the same job for all involved employers. The participating companies might conclude a civil law contract among themselves to specify their respective rights and obligations in the employee sharing model (Kozma, 2012; see also Eurofound, 2015e).

The legislation sets some basic guidelines (including setting out the joint and several liability of the involved companies for the shared workers' labour-related claims and the principle of equal pay/equal treatment), leaving the operational details to the involved parties. This also includes the choice of the applicable collective agreement. No specific authorisation is required, but the employers need to inform the tax authority which employer has been designated to take charge of paying tax and social security contributions.

In contrast to the country examples presented so far, neither Austria nor Germany has a legal basis for strategic employee sharing (Eurofound, 2015b; Eurofound, 2015f). Here, strategic employee sharing is more a company practice than a formally recognised employment model. In Germany, strategic employee sharing was first considered as an employment model in the mid-2000s (Eurofound, 2015b), while in Austria, the first employer group was set up in 2014 (Eurofound, 2015f). Both countries took advantage of France's experiences by intensively exchanging information with the experts there (and with each other). Companies interested in using the shared employment model must jointly set up a temporary work agency, which then acts

as the employer group by formally hiring the shared workers and assigning them to the participating companies. The same approach would also have to be taken when establishing strategic employee sharing in Ireland.

As a consequence, the companies' joint responsibility towards the workers is not legally anchored, but based on mutual agreement among the participating companies. The same holds true for the principle of 'equal pay, equal treatment'. At the same time, the substantial legal basis for temporary agency work provides a high level of protection for the shared workers' employment and working conditions.

In both Austria and Germany, founding a temporary work agency requires authorisation by a public body. As for the legal form, it has been recognised in Germany that an employer group cannot be an association (Hädinger, 2006).

Scale and scope of strategic employee sharing

Available data on strategic employee sharing are very limited. In most of the analysed countries, there is neither a register of employer groups nor their affiliated companies and workers, nor an authority systematically collecting data on this employment form at national level. The following information should therefore be seen as an illustration rather than a comprehensive statistical analysis. The sources mainly refer to surveys at national or regional level, supplemented by expert estimates.

In France, it was observed that the uptake of this employment form was limited after its introduction (for example, about 70 employer groups in 1988) and focused on agriculture. It became more widespread during the 1990s, with about 2,400 employer groups in 1998, involving about 11,400 companies and 8,100 workers. In 2014, it was estimated that there were about 5,600 employer groups with 100,000 participating companies. They are assumed to have employed about

35,000–40,000 workers, which corresponds to approximately 0.2% of the overall workforce in France (or about 0.5% in Poitou-Charentes – one of the regions with the highest number of employer groups). This low uptake can partly be explained by the fact that strategic employee sharing is a 'niche arrangement' in that it addresses a specific type of HR demand and cannot be applied in all employment situations.

Next to these estimates, more solid data are available for agricultural employer groups. In 2014, 3,900 agricultural employer groups employed about 24,000 full-time equivalent workers (MSA, 2016). Since 2004, this kind of employment has grown at an average of 7% per year.

A recent study conducted by the consultancy firm GESTE for the Ministry of Labour DGEFP estimates that in 2013 there were about 800 employer groups with at least one employee outside the agricultural sector (compared to about 1,000 in February 2016). These employed a total of about 19,000 shared workers (about 15,800 full-time equivalents). (At the time of writing this study the data had not been published. The information given here was presented at a national event; final results might change.)

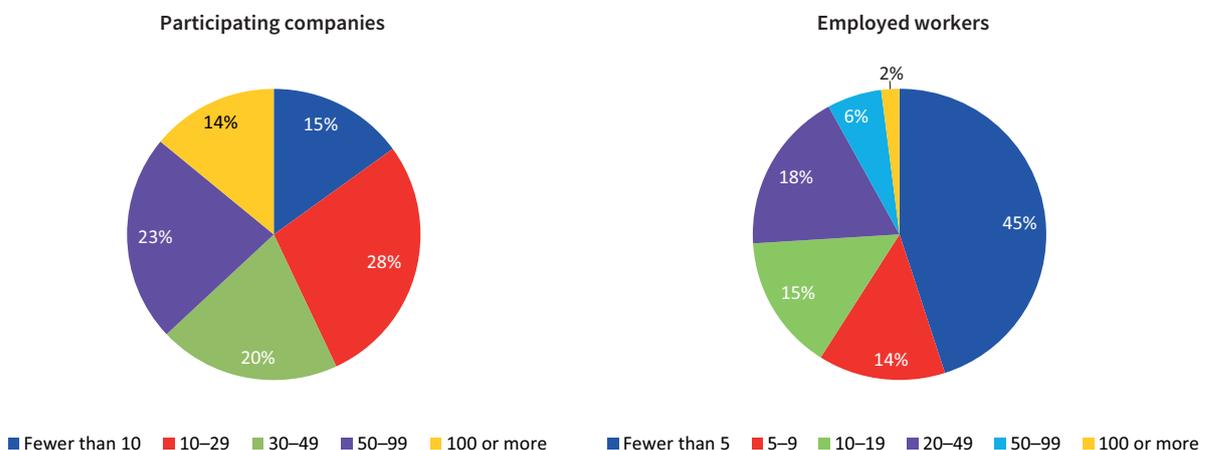
Between 60 and 70 employer groups have been created each year since 2009, although it is not possible to identify the number of employer groups which ceased operating during this period. Nevertheless, experts in the region of Poitou-Charentes (which can be considered as the 'birthplace' of the shared employment model) judge that employer groups are quite sustainable once they are set up and reach a certain size – about 30 employees. This can be explained by the fact that the number of employer groups in this region was stable or growing slightly between 2012 and 2014, while the number of workers employed by them increased substantially.

There is significant diversity in the size of French employer groups outside of the agriculture sector, as shown in Figure 1. Around 15% involve fewer than 10 companies and about the same percentage has 100 or more participating firms. Just under 30% of groups have 10–29 member companies, 20% have 30–49, and 23% have 50–99 member companies. Nevertheless, the vast majority of them operate as micro enterprise employers, with 60% of the employer groups employing fewer than 10 shared workers, and fewer than 10% of the employer groups have 50 or more shared workers. Although agricultural employer groups are small (employing, on average, 5.8 full-time equivalents), they are much larger than other agricultural companies (two full-time equivalents) (MSA, 2016).

There is an almost perfect gender balance across the employees of employer groups. Employees aged under 30 represent 49% of the total workforce of employer groups, compared to 44% in overall national employment (Dares, 2013). About 40% are blue-collar workers (in Poitou-Charentes, the share of blue-collar workers in employer groups is as high as 60%, compared to 21% in the total French workforce); about 35% are general employees (28% in the total workforce); about 18% technicians and qualified employees (26% in the total workforce); and 7% managers (16% in the total workforce).

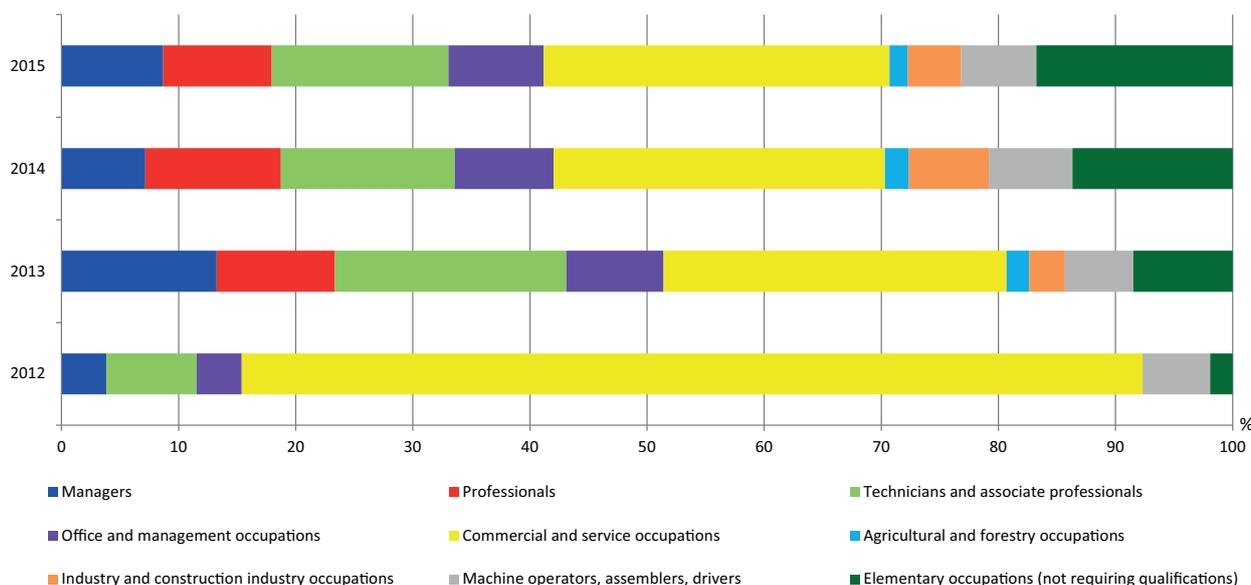
About two-thirds of the shared workers have a permanent contract (women more often than men), and about 70% have a full-time job. As regards agricultural employer groups, an almost twofold increase in long-term contracts could be observed between 2004 and 2014 (MSA, 2016). At regional level, it can be seen that the employer groups in Poitou-Charentes are dominated by fixed-term contracts (more than 85%), although with an increasing share of permanent contracts. In the Languedoc-Roussillon and Pays de la Loire regions, about 50% of the strategic employee sharing contracts are permanent, and the available data

Figure 1: Size of French employer groups outside of the agriculture sector, 2013



Source: DGEFP/GESTE (2016), *Les groupements d'employeurs*

Figure 2: Number of shared employees in Hungary by occupation, July 2012–September 2015



Source: National Tax and Customs Authority

for the latter show that more than 80% of the contracts are on a full-time basis (Kerbourc’h and Chevalier, 2016). Fixed-term contracts, in the context of employer groups, are not necessarily a sign of precariousness but are driven by the type of activity (particularly in seasonal industries) and they often result in only short periods of unemployment between two contracts.

In Belgium, 14 employer groups were set up between 1999 and 2016, with eight other initiatives being considered, but not set up. In six of these cases, the would-be founders decided to withdraw due to the legal restrictions that applied before the 2014 amendments. In the other two cases, the projects were stopped by the public employment service due to suspected misuse of the employment model or assumptions that they would run into difficulties.

As at March 2016, seven employer groups were operational, two were hiring the first workers, while the remaining five had ceased operating. The active employer groups involve about 220 workers (with a wide diversity of characteristics) and 230 companies (mainly small and medium-sized enterprises (SMEs)).

For Hungary, no data on employer groups or participating companies are available, but there is some information about the shared workers. As in France, the uptake of the new employment model was very low when it was introduced in 2012 (54 workers) and, in spite of a considerable increase (to almost 14,000 workers in 2015), it is still a marginal employment form. Shared employees constitute 0.1% of the total of economically active people in Hungary, or 0.12% of all Hungarian employees. Again, as in France, there is no

significant difference by gender and the data suggest that younger employees are quite open towards this new employment form. One in five shared employees is younger than 30 years of age, which corresponds to the overall workforce.

Over the years for which data are available, no clear pattern can be identified as regards the occupations for which strategic employee sharing is used, as shown in Figure 2. Nevertheless, some occupational groups – commerce/catering, production managers, office clerks, cleaners – have the highest shares among shared workers in all years. Unlike other ‘atypical’ employment forms, highly trained professionals and executives are overrepresented among shared employees. This reflects the fact that employee sharing was, in part, introduced to help companies exchange ‘gold-collar’ workers, especially where there is a temporary need for a specialist or if SMEs cannot afford to hire a professional on their own account.

In Germany, the highest number of employer groups operating at any one time is seven, involving more than 100 companies and about 100 workers; by the summer of 2016, three were still running. Some of them stopped their activities due to unfavourable framework conditions which made their further operation unworkable. Others stopped when some participating companies misused the employment model and took advantage of its benefits, but were not willing to take on the related responsibilities. A third group, however, stopped due to the success of the employment model and general economic/labour market developments. Here, the employer group provided a ‘perfect match’

between participating companies and workers, and when the economic situation allowed the firms to hire the workers directly – in a labour market situation of skills shortages – they did so and dissolved the employer group.

Due to the short history of strategic employee sharing in Austria, there is just one employer group, with a few others being in their start-up phase, and some discussions continuing on the feasibility of setting up

further groups. The first employer group involves nine companies of which four were actively sharing four workers by June 2016. The participating employers are all tourism companies with between 5 and 40 core staff. The four shared workers are an assistant cook, a sous-chef, a qualified restaurant expert and a facility manager. This shows the diversity of skills and occupations for which strategic employee sharing can be applied, even if limited to a single industry.

2 Framework conditions for strategic employee sharing

Public framework conditions

Awareness and active engagement of public actors

Across the analysed countries, and irrespective of whether strategic employee sharing is a legally recognised employment form, or whether it has been part of the labour market for three decades or only a few years, the interviews conducted as part of the current research highlighted a general lack of awareness among institutional players (including policymakers) about this employment model.

Due to its newness in most countries and its limited application (see Chapter 1), stakeholders are unfamiliar with its operational characteristics, working procedures and potential implications for the labour market. As a consequence, their attitude towards it is generally neutral. This means that they widely recognise the potential advantages for workers and companies, but are hesitant to help foster strategic employee sharing until there is more evidence on its use and outcomes. They also have to devote their resources to bigger and more pressing issues such as general employment-related/labour market matters including the misuse of regulations (for example, bogus self-employment), the conditions for termination of contracts, working time models (such as zero-hours contracts or other forms of casual work) or the effects of digitalisation. Furthermore, there is a widespread perception among the interviewed stakeholders that employers would have to take a lead role in initiating strategic employee

sharing. They think that public authorities would not promote an employment model to the business sector without proven demand from employers.

Institutional players' awareness of, or familiarity with, the employment model is identified as an important influential factor for its practical application. This fact highlights the importance of internal structures within institutions (notably decision-making autonomy), across them (for example, social dialogue traditions) and the individual representatives within institutions dealing with strategic employee sharing. It should, therefore, be ensured that higher ranks within the institutions are involved as it might otherwise be more difficult to get full commitment and support.

In France, it is usually the institutions (an employers' organisation, a professional organisation, a regional or departmental authority, or a regional service of the French state) that come up with the idea that an employer group could be useful, and then drive its establishment. In Belgium, almost all employer groups have been started in the Walloon region, as this is the sole Belgian area to promote strategic employee sharing. Here, public authorities have given a resource centre the mission to develop employer groups and for local business agencies, funded by district authorities, to create employer groups to receive public funding. In Austria, the existence of a strong tradition and good culture of social dialogue was repeatedly mentioned as a positive influence on the process of setting up the first employer group and, consequently, designing the framework conditions for strategic employee sharing.

Important preconditions for strategic employee sharing

The concept of strategic employee sharing was born in the French region of Poitou-Charentes in the late 1970s/early 1980s. The Regional Secretary of one of the main French unions, the French Democratic Confederation of Labour (CFDT), the Regional Secretary of the main regional employers in the agricultural sector, the Regional Federation of Unions of Agricultural Operators (FNSEA), and the President of the Regional Chamber of Young Farmers jointly asked the Regional Economic and Social Council (CESR) to support a law on employer groups. There was a good awareness and understanding of the working method to promote and develop strategic employee sharing among governments and representatives of employers and employees. This explains why public authorities (that is, regional and state services) co-financed the launch of the regional resource centre in 2001 and why, since then, regional organisations representing employers and employees collaborate in promoting and encouraging employer groups to become established in the region.

This good social dialogue enables an objective discussion of any issues due to the sound level of mutual trust where no party wants to overreach the others.

By way of contrast, in Germany, the long established institutional relationships of the employer group resource centre have recently been radically reduced due to internal restructuring in the authorities, resulting in staff leaving the organisation or being assigned to different tasks. This means that new contacts need to be identified, approached and informed about the employment model, which is challenging and time-consuming for the centre due to limited resources.

Furthermore, because an employer group has to be formally set up as a temporary work agency in Austria and Germany, the differences between these two concepts are not always clear to all public players. This can make them reluctant to try strategic employee sharing because of the poor image of temporary agency work or of unsatisfactory previous experiences with such agencies. This legal situation, in practice, also disqualifies some types of organisations from joining employer groups, and opens up room for misuse by companies which are not legally obliged to assume a joint responsibility and liability towards shared employees.

Active support of strategic employee sharing by institutional players also demands a positive attitude to innovative HR management practices and labour market policies/instruments from the government and its authorities (such as the public employment service) and from the social partners. It was, for example, seen in Austria and in Poitou-Charentes that labour market players are quite open to innovation, favouring the introduction of strategic employee sharing. This is also evidenced by public funds being dedicated to support the resource centres and the establishment of employer groups. At the same time, it has been made clear that innovative measures will not be introduced for their own sake, but they have to show some positive labour market effects. This again challenges the further political and financial support for employer groups if no larger scale or at least potential benefit can be evidenced.

Legal framework

Next to the institutional settings and attitudes, the existence and characteristics of the legal framework relevant for strategic employee sharing has been identified as key to its implementation and dissemination. The stakeholders interviewed in Poitou-Charentes and Languedoc-Roussillon are satisfied with the general legal framework for employer groups, although they are continuously trying to improve the regulations to avoid practical difficulties and enlarge their scope. However, they also express some concerns about legislative changes not directly related to

strategic employee sharing, but which might affect the functioning of employer groups (for example, regulations on value added tax). They believe that employer groups do not have enough visibility for legislators to take into account their specific issues in more general legal regulations.

The previous Belgian legislation was found to be unsuitable for the practical use of strategic employee sharing and was hence recently amended (see Chapter 1). The interviewed stakeholders say that the revised legislation is now more favourable for the development of the employment model in the country. However, according to them, it created some insecurity for those not yet familiar with the model because authorisation from the public employment service is now required, and thus does not seem to fully support the spread of strategic employee sharing.

In Hungary, the interviewed stakeholders mention that the legal framework is suitable for the practical needs of the parties involved in employee sharing. Nevertheless, there are some concerns that the employment model could be misused to terminate employment relationships and circumvent dismissal protections and entitlements of workers. Furthermore, the legislation leaves a lot of leeway on the individual design of the employee sharing relationship and this might prove disadvantageous for workers, making them or their representatives reluctant to consider it as an employment model. Trade union representatives, in particular, expressed doubts as to whether strategic employee sharing would be widely used in practice, given the effort required from the involved parties to negotiate its implementation (Eurofound, 2015e). However, the experts interviewed in the current project assumed that these challenges could be easily corrected with some minor amendments to the current legislation.

The absence of a specific legislative framework recognising strategic employee sharing in Austria and Germany causes some challenges for its implementation. The fact that employer groups have to be formally set up as temporary work agencies not only raises the concerns already described among institutional stakeholders, but also has operational implications. These include the deposit required when founding a temporary work agency; that certain groups of organisations may be put off by having to apply a different collective agreement, and additional costs such as the value added tax that has to be charged by a temporary work agency. Confronted with a similar situation, Belgian employer groups can apply for a tax exemption if all participating companies are tax exempt and all of them pursue the same activity. This exemption seemed to have been a strong incentive for the setting up of the employer groups Vert'Emploi, Basic+, and Reso; for the participating companies, it made the employment model more attractive than temporary agency work or subcontracting.

There are also concerns about the restricted access of certain sectors to temporary agency work; limitations in the continuous assignment of workers to the participating companies, or limited access to public support. More generally, the unclear status also causes insecurity about how or which regulations related to other legal areas such as civil law, corporation law or taxation law are to be applied.

Financial support

Another factor influencing the implementation and spread of strategic employee sharing is the availability of public financial support for certain measures that might help promote it, such as:

- conducting feasibility studies to explore whether strategic employee sharing is a meaningful employment model for a particular region and potentially involved employers;
- starting pilot employer groups to establish some examples/role models as a ‘communication tool’ for the further spread of the employment model;
- establishing and funding a resource centre (to develop standards and supportive material such as draft contracts or cooperation agreements, share information, assist the start-up of employer groups and advise them), since full funding of resource centre running costs from membership fees paid by groups or participating companies would initially be too high a financial burden, making the employment model less attractive.

The access to regional funds in Belgium and France for either resource centres or employer groups has been identified as a significant facilitator. For example, the start-up of the Belgian employer groups Agrinsert, Jobiris, Dynamarch and JobArdent has been assisted by public funding (including funding from European sources). The recent Austrian experience shows that, particularly when trying to establish the employment model for the first time in a country, public funding is required to familiarise institutions, companies and

workers with the concept and to pilot a range of employer groups.

Resource centres

While the interviewed Hungarian stakeholders say they do not see any need for a resource centre, the interviewees in the other countries strongly advise that a resource centre helps establish and develop strategic employee sharing. These different opinions might be related to the different approaches to strategic employee sharing across the countries (see Chapter 1).

Those who favour the existence of a resource centre stress that it is essential for there to be an organisation that familiarises institutional players and companies with the employment model, and lobbies for suitable framework conditions for its implementation, especially in the beginning when the concept is new to the national/regional labour market. A resource centre is also seen as a significant source of support for individual employer groups. During the start-up phase, a resource centre might be needed to assist the employer group management in approaching relevant parties, assess the suitability of companies and workers, and cover administrative tasks and recruitment, until the employer group management has gained sufficient experience to act independently. Later on, a centre can provide advice on the choice of the legal form, the design of the contractual arrangements among the involved parties, and the processes and procedures to be followed, including providing standards/codes of conduct/guidelines and templates. Centres can also act as a platform for employer groups to exchange information.

In order to provide the required services, the interviewed stakeholders agree that there needs to be public support, at least in the beginning (see below). When the employment model is well established and there are a sound number of employer groups, it might be possible to exclusively finance the activities of the resource centre through membership fees.

Public financial support for strategic employee sharing

Various public support instruments exist in Poitou-Charentes to help create and develop employer groups. Employer groups outside the agriculture sector can receive funding to partially finance an administrative full-time position (that is, the employer group management) during the first three years of operation (€15,000, €10,000 and €5,000 respectively). Existing employer groups can receive €25,000 for developing into a new business sector or for opening an establishment in a new territory. Furthermore, employer groups can benefit from employment subsidies for transforming fixed-term contracts into permanent ones, or for specific groups of workers (such as younger, low qualified or unemployed).

The start-up of agricultural employer groups is supported by €2,500 if they hire at least one full-time employee on a permanent contract. Additionally, there is an employment subsidy for young workers (18–25 years) hired on a permanent full-time basis.

There is also state support of €686 per year for employer groups organising the accompaniment of unskilled job seekers, as part of a publicly funded employment contract (*contrat de professionnalisation*).

Resource centres for strategic employee sharing

The Resource Centre for Employer Groups (CRGE) was created in 2001 to develop employer groups in Poitou-Charentes. By March 2016, four people were working full-time in this organisation. Together, the Poitou-Charentes Region and the state provide 70% of the CRGE budget, the other 30% coming from members' contributions and the selling of services. The CRGE aims to:

- promote the strategic employee sharing model among employers and workers;
- conduct feasibility studies;
- help employers to set up employer groups (including providing information on available public subsidies);
- provide services to existing employer groups, such as advice on HR management, payroll accounting and legal issues.

In spite of being a regional resource centre, CRGE organises an annual meeting with employer groups from other regions; about half of its members (that is, employer groups) are located outside the region.

The Walloon Resource Centre for Employer Groups (CRGEW), a non-profit organisation that is financed by the Walloon regional public administration in Belgium, was founded in 2008 by the LENTIC research centre of the University of Liège and by the Liège Chamber of Commerce and Industry. The CRGEW was financed by successive one to two-year programmes and, in April 2016, employed two part-time advisers.

The CRGEW's main roles are to:

- approach Walloon companies, raising awareness of the existence and utility of the employment model;
- support companies in joining other companies with the same part-time workforce needs;
- carry out media promotion and conduct lobbying activities to adapt legislation to the job market needs;
- create a platform for existing employer groups to exchange information and advice.

Both CRGE and CRGEW are connected with other resource centres across Europe in the European Information and Resource Centre for Employers' Alliances (CERGE).

In the two French regions analysed (Poitou-Charentes and Languedoc-Roussillon), the resource centres are bodies jointly formed by the national/regional government, employers' organisations and employees' organisations. This is thought to encourage the establishment and development of strategic employee sharing, which results in the active engagement of institutional players in fostering this employment form. The institutions involved can also help promote strategic employee sharing among companies and workers, by taking advantage of direct contacts or organising publicity.

In France, there are several regional resource centres but, except for the annual meetings, there is little interaction between them and no national coordination. The interviewed experts judge this to be a weak spot in France's attempt to establish and develop employer groups; the individual resource centres have a weaker role than they would if they acted jointly, when discussing the improvement of framework conditions with public authorities or social partners.

Employer group management

Strategic employee sharing (generally) does not occur spontaneously, but requires an initiator to approach companies, inform them about the employment model and assess with them the feasibility of setting up an employer group. In some cases, this process is driven by the resource centre (see previous section), in some by institutional players such as regional development agencies, and in others by individual employers. The interviewed stakeholders agree that after this step is taken, there is a requirement for an employer group management to administer the start-up and running of an employer group. Depending on the size and design of the employer group, this can be a specifically assigned person (or management team) working on a part-time or full-time basis, or it can be carried out by one or several of the participating companies on top of their daily business activities (see Chapter 1).

Irrespective of the setup, the interviewed stakeholders agree that a good employer group management is a key factor in the successful establishment and operation of an employer group. It strongly contributes to ensuring sound and fair contractual relationships between the involved parties, as well as smooth coordination of the cross-company staff assignments.

When asked about the requirements related to the employer group management, the interviewed experts stress that this must be someone who ‘sees the bigger picture for the region’, and who aims to improve the overall economic, labour market and social situation by taking on the organisation of an employment model that has the potential to benefit workers and companies if well applied. In order to do so, the employer group management needs to be active and to promote the

employment model in the region among policymakers and companies (Hertwig and Kirsch, 2012).

The employer group management has to be familiar with the regional business structure and to actively and systematically approach company owners/managers to explore their demand for strategic employee sharing, their willingness to participate in such an employment model, and to probe whether initially flagged demand and commitment will be sustainable in practice.

Checking the suitability of strategic employee sharing

In order to assess whether strategic employee sharing is the most suitable employment model for a specific HR demand of a company, the ‘Mehrwert-Check’ (value-added check) was developed in Austria (Baumfeld, 2012) (see Table 2). Using a standardised questionnaire, the employer group manager, together with the company owner/manager, explores whether strategic employee sharing would be better than other HR solutions (for example, overtime, part-time, temporary agency work) in terms of:

- costs;
- productivity;
- cost reduction due to flexibility;
- securing skilled labour in the business location;
- employer branding.

Each of these aspects is broken down into several components which are individually rated, weighted and then compared for the various HR solutions (that is, for example, strategic employee sharing versus the current application of overtime). The current HR solution is rated with an average value of five for all aspects, and the alternative model of strategic employee sharing is then rated against this, for example, with seven if the employer group is assessed to be better, or with three if it is deemed to be worse. A simple comparison of the overall scores for the different employment models gives an indication of whether strategic employee sharing is an attractive employment model for the specific HR need.

Table 2: Example of Austrian value-added check for employer groups

Job	Marketing expertise					
	Aspect	Weight/Relevance	Current solution: Temporary agency work	Value current solution	Employer group (0-10)	Value employer group
Short term	Costs	25	5	125	4.55	113.75
Short to medium term	Productivity	30	5	150	6.95	208.5
Short to medium term	Cost decrease through flexibility	15	5	75	6.8	102
Medium term	Ensuring skilled labour	15	5	75	8.3	124.5
Long term	Attractiveness as employer (employer branding)	15	5	75	6.11	91.65
	Value	100		500		640.4

Source: Baumfeld, 2012

Furthermore, it was recommended that the employer group management should have a good understanding of local businesses in order to anticipate their concerns about the employment model, and to find ways of explaining the model's potential advantages and disadvantages in such a way that truly benefits the specific needs of the company. It was also stressed that the employer group manager needs to be trusted by the local businesses and workforce. The employer group manager must also be able to facilitate consensus between participating companies and to promote trust between them.

The interviewed stakeholders say the employer group manager needs to have good networking skills not only to liaise among the participating companies and workers, but also to effectively promote the employment model among institutional players. It is helpful if the employer group manager is formally or informally embedded into the local business network and has established personal contacts with local company owners/managers.

Employer group managers also need to have a sound knowledge of HR management and legal issues related to labour and trade law. This is because their tasks comprise the cross-company HR administration, including recruitment, drawing up contracts and operational processes with workers and companies, registration of workers, payroll accounting and

payment of social security contributions, invoicing of participating companies, the coordination of the various work assignments, organising induction and training measures and clarifying which collective agreement is applicable. They also need managerial skills related to planning, coordination and communication, and a high level of problem-solving ability. This is because they play a crucial role in dealing with unforeseen events that affect the workload, including temporary or permanent changes in the participating companies' needs, the restructuring or bankruptcy of a participating company, layoffs, and the management of tensions (Wölfing et al, 2007; Baumfeld and Fischer, 2012).

Company and job characteristics

Little can be said about structural company characteristics fostering or hindering strategic employee sharing. The existing examples for employer groups across Europe are diverse and cover a range of sectors, ownership and governance structures of the involved companies. While employer groups combining companies from the same sector could facilitate operational aspects as required skills, and working conditions might be similar, it might be easier in multi-sector employer groups to combine the fragmented HR needs of the participating companies as different production or service provision cycles are

Training for employer group management

The manager's role in an employer group is complex, combining general managerial tasks with HR management and administration. Managers must also perform as intermediates between participating companies and workers. Consequently, the University of Nantes in France is offering a university degree course to train strategic employee sharing managers. With over 250 training hours and around 160 tutorial hours in one year, the course aims at providing (future) employer group managers with skills covering:

- administration, financial management and control;
- marketing;
- legal issues;
- communication;
- human resource management;
- risk management;
- strategy;
- project management.

The distance learning course costs about €3,800 (or between €350 and €1,400 for individual modules). Applicants are selected by a committee of representatives from the university and resource centres for strategic employee sharing.

The resource centre in Languedoc-Roussillon set up a special training programme for its affiliated employer group managers in 2016. It offers training sessions in accounting, human resources management, communication and commercial aspects. These training sessions address all kinds of skills useful to employer group managers to ensure they cover the full range of a group's needs. The resource centre also organises meetings of employer group managers to exchange information on pre-selected topics (for 2016: hiring; training for employer group managers; how to manage vocational training within an employer group, and how to develop an employer group).

followed. Companies in multi-sector groups might also be less worried that the shared workers could leak confidential information to competitors. Similarly, as regards company size, it could be assumed that strategic employee sharing is more attractive for smaller firms that cannot provide a full-time workload for specific tasks. Nevertheless, there are examples to show that larger companies may also be interested in this employment form, and probably cooperation between large and small companies might be a good way to implement strategic employee sharing effectively.

As for works councils, trade unions or other employee representatives within the companies, there are varying reports of their influence on the company's decision to use strategic employee sharing. The available information is very anecdotal as most firms in employer groups do not have a formal staff representation body. In Poitou-Charentes, works councils are generally not in favour of strategic employee sharing as they prefer workers to be directly hired by the company. In contrast, the interviewees in Languedoc-Roussillon could not recall any issues raised by any works council and assumed this was because there were no negative impacts on the employment levels caused by strategic employee sharing. In one of the Belgian employer groups, the union rejected any additional involvement of the company in strategic employee sharing, unless the share of temporary agency workers was reduced. In another example, the union supported the establishment of an employer group as part of a process of company restructuring and got involved to guarantee the rights of the shared workers.

According to the interviewed experts across the countries, one reason why strategic employee sharing is underdeveloped is because of a lack of awareness of this employment model among companies, their unfamiliarity with its characteristics and procedures, the related rights and duties of the involved parties and its potential implications. One Hungarian survey, for example, shows that two years after the amendment of the labour code, the new measures it introduced are almost unknown to most employers (LIGA, 2015). Even for France, where employer groups have been established for 30 years, companies have low awareness or understanding of them.

Furthermore, applying strategic employee sharing would require a positive attitude towards innovative HR management practices and an ability to use them without much experience or existing guidance (due to its newness as an employment model). In general, there is the perception that even the larger employers are hesitant, or reluctant, to change their long-standing practices.

For the establishment and spread of strategic employee sharing, it is also helpful if companies are characterised by some level of social responsibility so that they do not seek to satisfy their HR needs at the expense of the affected workers, but aim to provide good working

conditions and job security, even if they just have fragmented HR needs. Furthermore, the availability of alternative employment can influence a company's decision to engage in strategic employee sharing. In Ireland, for example, it was mentioned that companies might prefer subcontracting fragmented tasks to self-employed workers rather than joining employer groups, because of the significant savings to be made on social insurance payments.

In Hungary, it is also assumed that the more traditional forms of flexible labour provide employers with sufficient alternatives to make using the new forms unnecessary and that the practice of disguised employment (where a worker is hired as contractor but operationally they fulfil the role of a permanent employee, often to minimise tax obligations), does not favour the application of strategic employee sharing. These countries' experiences imply that the cost-effectiveness of strategic employee sharing, compared with alternative employment forms, is a significant reason for its use. Another driver can also be the administrative cost-saving potential, caused by the employer group management conducting the recruitment and induction, as well as the continuous HR administration (such as payroll accounting).

From another perspective, in Austria, France and Germany (and expected to happen in Hungary), a lack of (skilled) labour in a regional labour market worked as an incentive for companies to participate in strategic employee sharing, as this was the only option to get access to the workforce they needed. This points to the fact that for companies to consider strategic employee sharing an interesting employment model, they need to have a demand for specific recurring HR needs that do not justify the creation of a full-time position.

Wölfling et al (2007) identify the following types of HR needs that strategic employee sharing could meet:

- seasonal work, if combined with counter-cyclical or more continuous HR needs of other industries;
- combined part-time work where companies' HR demand for certain tasks fluctuates daily or weekly;
- specialists for whom there is a demand, but not sufficient to justify full-time employment;
- dormant projects and new developments.

Furthermore, it is required that this HR demand is stable and complementary to the respective HR needs of other regional companies (that is, quite close geographically), both in the profile of the shared workers and in the timing of assignments to the individual participating firms. This is so it can be combined into the cross-company employee sharing model.

Consequently, the participating companies need to have some form of medium to long-term HR planning to predict the workload that could be assigned to shared workers. In practice, participating companies have to commit themselves to their flagged HR demand for a

planning period of several months. In this context, and while there are some good reasons for smaller firms to join employer groups, the small size of businesses in Europe might be an impediment to introducing strategic employee sharing arrangements. Smaller businesses are often characterised by the absence of a designated HR manager. This contributes to an unsystematic or unstructured approach to HR management, or to a short-term horizon mentality which is not conducive to strategic employee sharing. It is mentioned that the smaller the employer group, the more important is the reliability of HR plans and stability of HR demand of the individual participating companies. This means that as an employer group grows, any sudden deviations from the planned staff assignments can be better coped with.

A very decisive factor for the establishment and further spread of strategic employee sharing is the companies' willingness to cooperate with other regional firms in HR arrangements. For example, it was mentioned that in Belgium there is a growing individualism among entrepreneurs which militates against an employment model based on companies' collaboration. In Austria too, the general collaborative spirit of many businesses is questioned.

The joint and several liability towards the shared workforce may also hinder the participation of firms as they might end up being held responsible for the misconduct of other businesses beyond their control. Furthermore, particularly within single-sector employer groups, companies might be afraid that shared workers could contribute to spreading confidential information to other participating firms and/or that rivalry among the firms could hinder cooperation.

A cooperative spirit across regional firms, as well as mutual trust among the participating firms, is also an important precondition for strategic employee sharing (Delalande and Buannic, 2006). However, this needs time to evolve. The existence of a tight regional company network (such as regional clusters or cooperatives) or pre-existing company cooperation, can hence be beneficial for the establishment of employer groups and can also foster their development as 'success stories' which might interest more companies in joining.

Workers

The interviewed stakeholders agree that there are very few preconditions, related to the shared workers, that need to be given to establish or further develop strategic employee sharing. While they assume that, as with policymakers and companies, workers have a lack of awareness and familiarity with this employment form, they do not see this as a particularly big problem in its establishment. The reason for this is that the employees have a standard employment contract and the particularities of employer groups can be well

explained to them when a group becomes operational, allowing them to decide whether this employment form is suitable for them.

This suitability is mainly influenced by the workers' adaptability and flexibility which is required, to some degree, to enable them to work in different companies, at different tasks, and with different teams and superiors, without causing them additional stress. This also implies that they need to have certain social skills, such as good communication, openness to diversity and being good 'team players'.

At the same time, they need to be able to work autonomously, be reliable and willing to engage in continuous learning, so that their assignments in different companies do not cause additional supervisory efforts in either the participating company or the employer group management.

In this context, one of the interview partners suggests that strategic employee sharing might be a more suitable employment model for slightly more mature workers (around the age of 40), as they might have a more realistic idea of employment relationships. They might, for example, understand better that workers need to make some concessions for an employment relationship to work well, and that the 'perfect job' – according to their expectations – can hardly ever be achieved. However, the scattered available data show that employer groups are also well used by a younger workforce (see Chapter 1). Similarly, the existing employer groups across Europe provide job opportunities for a wide range of occupations and skills levels.

From a more macro-level perspective, while a lack of skilled labour might drive companies to consider joining an employer group (see previous section), such a labour market situation might have the opposite effect on workers. Those who have skills in high demand are in a powerful position and can negotiate the best possible employment conditions, which in most cases will be a preference for 'standard employment'; that is, permanent full-time employment with a single employer. This hypothesis can be supported by the experience of the Belgian interview partners who report that most workers employed by employer groups previously had a relatively precarious job. The entry to an employer group is therefore typically necessity-driven, and a potential labour market characteristic for the effective implementation of strategic employee sharing is perhaps a high rate of unemployment, where the workers are more likely to accept this employment form. Even if this has not been mentioned in the interviews, it could partly explain the unequal development of strategic employee sharing across Belgium. There are, for example, no employer groups in the Flanders region where the unemployment rate is far lower than in the Walloon and the Brussels regions.

3 Potential benefits and risks of strategic employee sharing

Implications for workers

Given the limited application of strategic employee sharing across Europe and the absence of structural data or surveys on the topic, it is difficult to present a comprehensive analysis of its effects on the employment and working conditions of the workers involved. Furthermore, as can be seen, working conditions differ between employer groups and even between individual participating companies within a specific employer group. Nevertheless, some indications can be given, mainly based on the expert interviews conducted in this project.

There is a strong agreement among the interview partners that strategic employee sharing benefits the workers involved, and that the advantages clearly outweigh any disadvantages. The most positive aspect of strategic employee sharing is that it contributes to job stability and reduces precariousness, as it creates permanent full-time jobs for workers that could not be offered by a single employer. The limited data available (see Chapter 1) show that permanent full-time contracts are dominant in this employment form. Several interview partners (in those countries where employer groups do not have to be set up as temporary work agencies) highlight the considerable advantage in the fact that strategic employee sharing can be designed on a permanent basis, while temporary agency work is legally limited to a certain period of time. Furthermore, if the employer group has reached ‘critical mass’, a full workload can be guaranteed to the worker, even if individual participating companies cannot provide the work that was initially promised. In such cases, the employer group management will search for alternative assignments in other participating firms.

Ensuring a continuous workload

In Poitou-Charentes, after the 9/11 terrorist attack on New York’s World Trade Centre in 2001, two companies participating in an employer group faced a sudden drop in their orders, which triggered the need to find new assignments for 26 shared workers. This was achieved through networking among employers and the active participation of the affected workers.

Particularly in economically challenging times when individual employers are more hesitant to offer permanent full-time jobs, strategic employee sharing can not only positively influence working conditions, but also improve the shared workers’ quality of life if the employer group gives them a permanent employment contract. An anecdotal example from France shows that people are more likely to be granted a bank loan if they have a permanent full-time position, which is a problem given that it has become more common for employers to initially offer new workers a fixed-term contract.

Strategic employee sharing not only offers access to stable jobs, but also local ones, saving shared workers from having to commute or relocate. This is assumed to be particularly true for qualified workers in regions dominated by small businesses that are not big enough to offer a full-time workload to specialists.

Shared workers have a standard employment contract in line with the relevant labour laws, benefiting from the same rights and protection of a traditional standard employment relationship and the conditions enjoyed by the core staff of the participating companies. This is commonly referred to as the ‘equal pay, equal treatment’ condition, inherent to this employment form. For each individual employment relationship, the rights and obligations of the employer group, the participating companies and the workers are clearly set out, resulting in a high level of legal security for all involved parties. With health and safety regulations, for example, it is common practice that the employer group management clarifies that it is the responsibility of the participating companies to inform the shared workers about the applicable procedures and legal frameworks in their respective companies, providing them with all relevant information, equipment and training. Consequently, if an accident happens, it is the sole liability of the respective company, not the employer group management or other participating companies. Therefore, the situation is no different from a single employer relationship.

Combining part-time assignments into a full-time job through the employer group also gives the worker the advantage of having a single formal employer. This not only facilitates negotiations on, for example, wages and benefits (Antoine and Rorive, 2006), but also avoids situations where a worker would have to coordinate different part-time jobs for different employers, with reluctance from the employer to accept that the worker is already committed to work somewhere else. Compared with, for example, casual work or temporary agency work, this coordination by the employer group,

with the aim of providing a continuous workload as well as the intention that the workers repeatedly return to the same participating companies, results in a higher predictability of work assignments for the worker.

Shared workers are assessed as having high employment security as they are seen to be multi-skilled with the experience and willingness to adapt to different work environments. Furthermore, they have the opportunity to increase their employability by developing their skills through performing different tasks in different companies (that is, informal and non-formal on-the-job-training). This can positively contribute to their career development as it is often observed that employers appreciate job candidates' experience in different work environments, and strategic employee sharing offers this in parallel rather than in sequence. In general, provision of formal training will depend on the size and budget of an employer group. In France, it is observed that the training expenses in employer groups are twice as high as in other companies.

There are no data available to assess whether strategic employee sharing is a stepping stone into standard employment with a single employer. Anecdotal evidence from some of the existing employer groups shows incidences of one of the participating companies individually offering a permanent full-time post to shared workers, once there was enough demand for the respective resource. Such a situation would be discussed with the other participating companies and would need to be flagged well in advance to ensure that the other participating companies are not confronted with the sudden loss of a required worker. In situations where this occurred, this was resolved according to the agreed procedures without causing any difficulties in the employer group, which resulted in a single employer contract for the worker. However, it should be noted that such a transition is not the intention of the strategic employee sharing model and hence should not be seen as a way to attain full-time employment.

For Belgium, it was mentioned that shared workers tend to have a longer tenure than workers in a single company employment relationship. Consequently, employer groups are seen as having a higher potential for developing career paths. Interviewees from other countries, however, raised the issue that as shared workers are assigned to individual companies on a non-continuous basis, they might be given less responsible tasks with a lower potential for career progress.

Job security, combined with the 'equal pay, equal treatment' condition, also results in income security and decent wage levels for the involved workers. They might be confronted with some income fluctuations if there are remuneration differences across the companies in an employer group, or if different collective agreements have to be applied. However, the interviewed experts observe that, in practice, these

differences are not considerable (mainly as the collective agreements applied across the participating companies are quite similar) and do not seem to negatively affect the shared workers. One reason for this is that they know in advance to which company they will be assigned and at which point in time – as well as the income they will receive – so they can plan and adjust well ahead.

In Hungary, the legal framework allows participating companies and shared workers (who consent) to choose which collective agreement they wish to be applied. While, in general, the collective agreement applicable in the company paying the wages is selected, parties may agree to apply a collective agreement that is less favourable to the worker. Whether this results in lower income for the shared workers, in practice, will depend on their labour market situation; highly skilled professionals that are in demand will not accept the application of unfavourable collective agreements, while those in a weaker position might have to. Again, according to the limited experience available so far, this has not been an issue as all shared workers preserved the wages and benefits (as well as other working conditions) they enjoyed before the strategic employee sharing arrangement.

Another positive effect of strategic employee sharing is the work content given to shared workers. Although the interviewed experts stressed again that this employment model is not suitable for every worker (see Chapter 2), they pointed out that, for those who voluntarily engage in this employment form, the diversity of tasks across the different work assignments is a benefit as it prevents monotony. Furthermore, the interviews highlight that the combination of different assignments increases the workers' chance of being continuously assigned tasks that correspond to their skills, rather than having to conduct more menial tasks due to the lack of specialised work in a single company. It is thought that this renders the work more interesting and increases job satisfaction.

It is acknowledged that shared workers are somewhat disadvantaged compared to core staff as they have to commute to different companies. However, in practice, this is taken into consideration by the employer group management and when coordinating the different work assignments, efforts are made to ensure that the commuting distance is not too great.

Shared workers tend to have less flexibility as regards the choice of their working time and (possibly) holiday planning as they are assigned to the participating companies according to HR needs. Employer group managers try to take into account the workers' preferences as much as possible when scheduling individual work assignments. However, to make the employment model work, the companies' requirements will generally be the starting point for such scheduling. Some of the interview partners mention that this is

compensated by the higher job security, as well as a 'flexibility premium' that is added to the shared workers' wage.

As shared workers are not permanently present in the participating companies, they might be less well integrated into the business than core staff. This could mean a more limited access to company related information, or that the relationship with co-workers and superiors might not be quite as affable as for core staff. In some of the existing employer groups, this is addressed by keeping the shared workers informed (for example, through established mailing lists) on all developments going on in the companies they are regularly assigned to, and by treating the shared workers as core staff when planning social events in the participating firms.

The fact that shared workers repeatedly have to change companies might cause them stress as they try to adapt to different work environments and processes, tasks, management practices and team dynamics. They may also feel under pressure from expectations that they will adjust quickly to ensure efficiency and productivity. Shared workers might also experience a sequence of high intensity phases across their work assignments if they are requested by the different participating companies at peak times. If such a situation continues, shared workers are faced with a higher risk of burnout or other negative effects on their physical and mental health. To avoid this, employer groups try to apply long-term planning and to be clear with workers and companies about the specific times when a worker will be in a particular workplace, and the related tasks.

From the available examples of strategic employee sharing, a limited level of representation can be seen. Formal employer groups (in the countries in which this concept exists) like any other employer, have the opportunity to establish works councils or other employee representatives, as specified in national legislation. However, in practice, there are very few such bodies. As regards shared workers' representation by works councils (or similar bodies) in the participating companies, the evidence is mixed. While some councils consider shared workers' interests in the same way as core staff, others consider them as subcontracted staff that are not to be covered.

The employment model is also thought to help the core staff of the participating companies. Anecdotal experience from existing employer groups shows that core staff previously had to complete tasks now assigned to the shared workers by working overtime or at a higher work intensity. Furthermore, some of the interview partners said core staff preferred strategic employee sharing to other employment models, in which other workers temporarily join the company, as there is more continuity with the same person repeatedly coming back to the company. This facilitates

work flows and cooperation as the core staff and the shared workers have better opportunities to get to know each other and can be clearer about realistic mutual expectations.

One interview partner also mentioned that, particularly in small companies, the use of strategic employee sharing allowed company owners/managers to delegate daily business activities to the shared workers, resulting in more time for them to deal with strategic company development. Furthermore, strategic employee sharing might not only directly contribute to job creation (for the shared workers), but also indirectly by positively affecting the company development.

Implications for companies

The main advantage of strategic employee sharing for the participating companies is their access to (skilled) HR that is needed on a flexible level and which could not be otherwise obtained as no permanent full-time position can be provided – or that could only be obtained through employment models that incur higher costs, employment risks or less reliability for the firm. While participating companies have to commit to providing a certain workload for the shared workers, in practice, an employer group allows some flexibility in adapting to the emerging workload. However, it should be mentioned that due to planning and commitment requirements, strategic employee sharing is less flexible than other new employment forms, as was, for example, found in a French survey (Everaere, 2014). The model is thought to be a particularly interesting employment form for SMEs which have a limited need for specialists and tend to be considered as less attractive on the labour market than larger competitors. Furthermore, strategic employee sharing results in efficiency gains for the participating companies.

On the one hand, this is caused by the fact that HR administration (such as recruitment, registration and payroll accounting) is covered by the employer group management which is run on a non-profit basis, hence with the lowest possible level of administrative costs passed on to the participating companies. On the other hand, as has been mentioned, the employment model allows for workers to be used according to their skills and qualifications, so avoiding having to assign qualified workers to more menial tasks due to a shortage of specialist tasks. Furthermore, as the same workers are repeatedly returning to the company, there is less need for induction and supervision. There is also a higher level of motivation and commitment from the workers compared with other forms of flexible employment, resulting in higher efficiency and productivity. The companies may also benefit from the higher adaptability and greater skills sets of the shared workers, including the expertise and experience gathered from their other assignments.

Capitalising on workers' assignments

In Belgium, it was observed that strategic employee sharing favours the exchange of good practice among participating companies through the shared workers who spread these practices from one company to the other. For instance, in the employer group Ferm'Emploi, the strategy of a participating company related to product diversification and local product distribution inspired another participating company to develop its activity in the same way. As another example, vocational training organised at the demand of a particular participating company may have an unforeseen positive impact on the practices of another.

This could even result in the introduction of improved processes and procedures leading to better work organisation, workflow efficiency, product/service improvements or even innovation.

This indirect exchange of good practices through a shared workflow can also result in the professionalisation of HR management, for example, by more strategic HR planning when participating in an employer group, or by introducing HR practices that are common in other participating companies. Such a change can contribute to improving working conditions in the company, so that core staff are also better motivated and committed. If this is publicised by the companies, they can improve their employer branding and hence become more attractive in the labour market.

However, on the negative side, interview partners point to the participating companies' joint responsibility and liability as a potential disadvantage, particularly if the employment model is misused by some of the members. Unexpected problems can also occur if one of the partners is genuinely unable to fulfil their responsibilities towards the shared workers and the others have to cover this partner's costs.

Strategic employee sharing might also cause some difficulties in the workflow and work organisation of the participating firms. If, for example, a shared worker cannot finish a particular task during one assignment, the work is suspended until the shared worker comes back, or it is carried out by core staff, whose other tasks might then require rescheduling.

Another kind of problem may emerge if shared workers arrive at a firm, exhausted from an overly intensive assignment in another participating company. To mitigate this problem, several Belgian employer groups have stated in their internal rules that each user company must control work intensity.

4 | Conclusions and policy pointers

Strategic employee sharing – a new employment form in Europe

Strategic employee sharing is an employment form in which several regional companies jointly offer permanent full-time positions to workers in situations where it would be impossible for them individually to do so due to lack of sufficient workload. Hence, it satisfies the need for flexible employment experienced by the companies while, at the same time, provides security to workers who otherwise might have to accept more precarious employment forms.

Strategic employee sharing is currently (summer 2016) used in only a handful of Member States and, even where it has been introduced, it is a marginal labour market phenomenon. This can be explained by the fact that strategic employee sharing is a solution for a specific type of HR demand and cannot be used for each and every employment situation. However, there is the general feeling among strategic employee sharing experts across Europe that the potential of this employment form is underdeveloped. Although the European labour markets are still dominated by standard employment forms, atypical employment and other new forms of employment are increasingly emerging, particularly to cater for the need on the part of employers and workers for more flexibility. In several cases, this results in insecure employment relations for the workers, disadvantageous working conditions or even precariousness. Hence, the question arises why such employment forms are more widespread than strategic employee sharing, which satisfies similar requirements, but has a better win-win potential for both companies and workers.

Fostering and hampering strategic employee sharing in Europe

As a consequence, this research explored what influences the establishment and further development of strategic employee sharing in Europe. It concludes that these decisive factors can be grouped into four spheres which mutually influence each other.

- **Demand:** Aspects related to participating companies or the business sector;
- **Supply:** Aspects related to shared workers or the labour market;

- **Framework:** Aspects related to public institutions and legal frameworks;
- **Operational support:** Aspects related to resource centres and employer group management.

The favouring and hindering aspects of each of these four dimensions will be summarised in the following paragraphs, while an overview of the main aspects can be found in Figure 3.

Due to its specific characteristics, strategic employee sharing is not an employment form that should be imposed on companies and workers, but should be available to them as an alternative that could be applied if it suits both parties. As a consequence, the awareness of employers and workers that this employment model exists, and their willingness to engage in it (which is also related to the existence of alternative employment models), have been identified as key determinants for the establishment and further spread of strategic employee sharing in Europe.

From the company perspective, this also implies that the organisations need to be open to HR management innovation and to cooperate with other regional firms. Furthermore, they must have a specific HR demand that is suitable for the employment model, and the HR needs of individual firms must be complementary so that they can be combined into the cross-company employee sharing concept inherent in this employment form. To ensure an effective implementation of strategic employee sharing, the HR needs must be flagged early on and be reliable, requiring some strategic HR management approach in the participating firms. From the workers, strategic employee sharing requires some level of adaptability, flexibility, autonomy, reliability and social competencies.

The current research clearly highlights that, while the company demand for this employment form is essential, the public framework conditions can also either encourage or impede strategic employee sharing. Labour market players, including governments and their authorities, as well as social partners, need to actively support this form of employment for it to become established or more widely spread. This requires:

- the design of suitable legal frameworks;
- financial support for the establishment and running of resource centres, and for the start-up phase of employer groups;
- provision of information to companies and workers, essential to counteract the low levels of awareness about this new employment form.

Figure 3: Influencing factors for the establishment and further development of strategic employee sharing



Source: Eurofound

Finally, it was highlighted that strategic employee sharing does not occur automatically in practice, but needs some impetus. Consequently, operational support through resource centres and employer group managers is important. Tasks that need to be fulfilled by these bodies again relate to awareness-raising and lobbying for this employment form, as well as more practical aspects. This includes the drafting and dissemination of codes of conduct/standards for the running of the employment model, ensuring that it is only applied when and for whom it is really suitable, and covering the various related administrative tasks for the participating companies. For this, the individuals working in resource centres and as employer group managers need to be trusted by all stakeholders, have a good understanding of the needs of companies and workers, have strong networking skills and be aware of managerial issues and the legal frameworks.

Implications of strategic employee sharing

As with most new employment forms, particularly those for which some alternative models are more common, the question arises whether strategic employee sharing should be spread more widely or perhaps avoided. This very much depends on the implications of the employment form for workers and companies. An assessment, for example, can be very subjective and may also differ from country to country or even from employment relationship to employment relationship, depending on the individual design and framework of the employment form. Nevertheless, some more general pointers have been identified by this research.

To start with, there is a common agreement among the interviewed stakeholders that strategic employee sharing has a clear win-win potential for companies and workers as it provides employers with access to flexible employment while offering stability and predictability to workers, particularly when compared to other atypical job arrangements. Nevertheless, a more differentiated analysis needs to be considered as strategic employee sharing is certainly not the perfect employment form, having both advantages and disadvantages for participating companies and workers that need to be considered. A summary of the findings

of the current analysis is given in Table 3; further information is offered below.

The discussions are mainly limited to the micro level (that is, participating companies and workers) as the currently available quantitative and qualitative evidence does not make it possible to give a scientifically sound assessment of the macroeconomic effects of strategic employee sharing (that is, on the overall labour market or business structure). This is partly because of the limited scale and scope of this employment form in Europe, as well as the comparative novelty of the employment model in most of the countries where it is used.

Table 3: Implications of strategic employee sharing for companies and workers

	Companies	Workers
Advantages	<ul style="list-style-type: none"> Better coverage of flexible HR needs Increased efficiency in HR administration and workflow operation Benefiting from sharing HR practices and improving employer branding 	<ul style="list-style-type: none"> Increased job, income and employment security Standard employment contract Single employer Predictability of work assignments Equal pay, equal treatment Meaningful work content Skills development Improved working conditions for core staff Job creation
Disadvantages	<ul style="list-style-type: none"> Risk to cover for the deficiencies of other companies due to joint responsibility/liability Negative impact on work flow/work organisation due to resource issues Negative impact on productivity due to resource issues 	<ul style="list-style-type: none"> Less flexible working time Less integration and (potentially) poorer relationships with management and colleagues Higher stress levels and work intensity Limited representation

Source: Eurofound

For companies, the main advantage of strategic employee sharing is the access to (skilled) workers when they are needed, without having to offer them an individual permanent full-time position with an insufficient workload. It is, therefore, a cost-effective employment form for a specific type of HR demand. Furthermore, the fact that the same workers repeatedly rejoin the company and that some HR administration tasks are covered by the employer group manager, contributes to increased efficiency and productivity in the participating companies. Furthermore, spill-over effects resulting from the cross-company HR

cooperation can benefit the firms in operational activities and HR management. It could also increase the participating companies' attractiveness on the labour market as it might result in better employer branding.

Potential disadvantages for participating companies may arise in cases of misconduct or of unforeseen business problems in other participating firms, when the joint responsibility and liability within the employer group obliges the companies to cover for the deficiencies of others. Furthermore, as individual companies do not exclusively and continuously have access to the shared workers, this might result in challenges related to workflow and work organisation and negatively influence productivity levels.

From the participating workers' perspective, the clear advantage is the access to permanent full-time jobs in the region which otherwise could not be offered by a single employer. This implies job and income security. Furthermore, the parallel involvement in several companies is generally seen as an opportunity for skills development and increasing employability (hence, employment security) and is seen as beneficial in terms of work content as the diversity of tasks reduces monotony. Workers are employed on a standard contract and so benefit from the full rights and protections of a permanent employee. They are also guaranteed the same pay and treatment as the core staff of the participating companies.

The limited anecdotal evidence available suggests that strategic employee sharing also positively influences the working conditions of the core staff of the participating firms, and both directly and indirectly contributes to job creation in the region.

On the negative side, the need to regularly change companies can increase workers' stress levels, particularly if they are always assigned to high work intensity phases in the different firms. Furthermore, they are less likely to be able to influence the scheduling of their working time and might be less well integrated into the work organisation of the individual firms. The representation of shared workers also seems to be rather limited, as very few employer groups have specific representation bodies, and those in the participating companies have different views on whether to represent the interests of shared workers.

Policy pointers

Strategic employee sharing has been identified as a new employment form which has the potential to result in a win-win situation, providing flexibility for employers and security for workers. It is an employment model for a specific type of HR need and hence could never apply to the majority of employment relations in Europe. Nevertheless, for the particular employment situations in which it is suitable, it can generally be considered as

more advantageous for employers and workers than some of the other, currently more widespread, employment alternatives.

The current study has shown that certain preconditions need to be in place in order to establish strategic employee sharing in Europe and to develop its potential in the countries where it already exists. In order to (better) ensure these preconditions, a set of policy pointers can be derived, which are presented in the following paragraphs.

Awareness and active engagement

As strategic employee sharing exists only in a few Member States and only on a marginal scale, there is a general lack of awareness and understanding among labour market players that this employment form exists, how it works and what the implications are for workers and companies. Consequently, information provision should be enhanced both at European and national levels. This should be targeted at institutions such as national and regional governments, public employment services, social insurance providers, social partners, cluster organisations and other forms of business networks, as well as at companies and their advisers (for example, lawyers or business consultants) and workers.

At national level, the importance of joint tripartite approaches (governments, employers' representatives and workers' representatives) has been highlighted, which also emphasises the necessity for active support of and engagement with these players (at the most suitable levels) for this employment form. The information provision should be as practical as possible, using examples of existing employer groups as role models to make the concept more tangible. This could also be carried out through cross-regional and cross-national exchange and through media reporting on strategic employee sharing and experiences with this employment model. Initiatives such as these would help familiarise the general public with its characteristics, potential advantages and disadvantages.

Legal clarification of the employment model

As the employment model might be confused with other more widespread employment forms, particularly temporary agency work, a legal clarification of the concept would be beneficial. The formal recognition of strategic employee sharing/employer groups and the definition of the rights and duties of all involved parties would facilitate its operational implementation, including its consideration in social dialogue and collective agreements. This would give employers and workers clear guidelines on the application of the employment model (including, for example, which collective agreement to be applied in case of multisector employer groups), as well as a better

understanding of the situations where the concept is useful, and when to choose an alternative employment form. A clear and tailor-made legal framework might also help to counteract suspicions about the model. The legal basis does not necessarily need to be a stand-alone regulatory framework; it could be embedded into existing structures.

Indeed, the experts interviewed for this study are of the opinion that relatively minor amendments of the labour code or additions to temporary agency work regulations could be quite easily made to facilitate the development of strategic employee sharing in their country. This also supports the experts' suggestion that such regulations must be designed in such a way that they translate easily into practice. They should take into account the specific characteristics of the employment form, which implies that changes should not only focus on individual and collective labour law, but also on other aspects of regulation such as corporation or taxation law. It should also be stable and as easy to implement as possible so that it can be used by companies of all sizes. The importance of involving employers' and employees' representatives in the design of an adequate regulative framework was strongly emphasised.

The role of resource centres

It was highlighted that strategic employee sharing does not occur automatically but needs to be initiated. In this context, the importance of resource centres and employer group managers was pinpointed. At the same time, there was a strong agreement among the interviewed experts that their role goes far beyond that.

Resource centres are essential for awareness-raising and lobbying for the employment form, for providing codes of conduct and standards for strategic employee sharing, and for actively supporting employer groups in their start-up phase and later operation. Part of the costs arising through these activities can be covered by membership fees from employer groups. However, making them cover the full cost would lower the attractiveness of the employment model. Hence, some share of public funding is recommended. This could, for example, come from regional governments as resource centres are mainly regional organisations. At the same time, there should be some national level coordination and a platform for exchange of information between regional resource centres.

As regards the governance of resource centres, involvement of a wider set of institutional players, particularly governments and social partners, is recommended. This would contribute to raising their awareness and active support, as discussed earlier. It would also open up access to a wider range of resources, not only financial but also, for example, publicity, communication and the creation of relationships with other institutions, companies or workers. When considering the establishment of a

(regional) resource centre, already existing structures could be co-opted to capitalise on what has already been developed and is working well. This could include cluster organisations, employer-oriented public employment services, regional development agencies (such as the Austrian *Wirtschaftsagenturen*) or training networks (such as Ireland’s Skillnets).

Support and training for employer group managers

The employer group management could be supported particularly in the pre-start-up and start-up phase; experience has shown that conducting feasibility studies and actively approaching companies to set up an employer group (which is seen as essential) are time-consuming processes that cannot be dealt with as a side issue. Consequently, subsidies for setting up employer groups, particularly if the employment model is new to the country, are helpful.

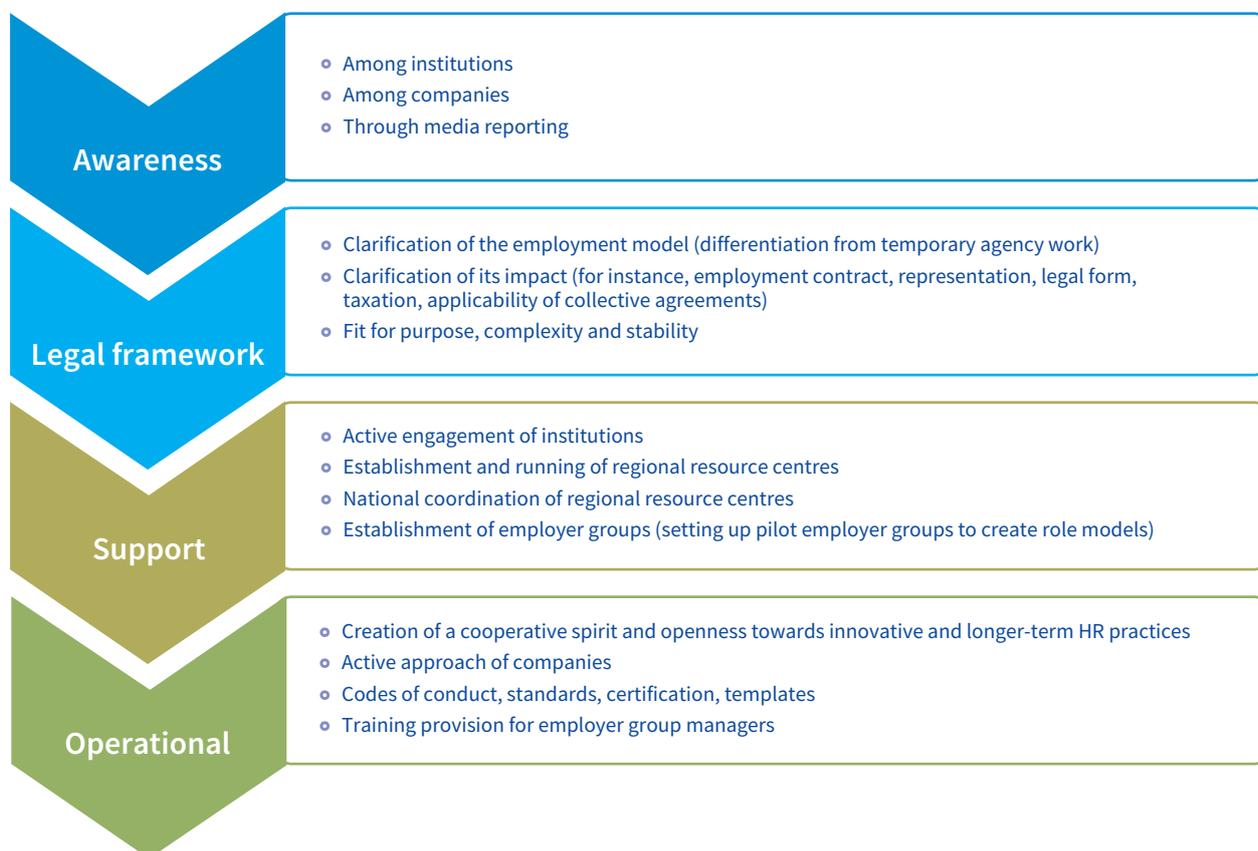
Furthermore, the analysis has shown that the tasks and the required skills of employer group managers go beyond traditional occupations. Training to provide current and future employer group managers with the required skills is therefore recommended. This could be in the form of formal training, as exemplified by the university course offered in France, or more informal

training through the resource centres. Supporting the employer group management in their networking activities with companies is also advantageous. This again could be aided through institutional support, in this case particularly by business organisations or established business networks.

Companies’ willingness to engage

Finally, the willingness and ability of companies to engage in strategic employee sharing was identified as one of the main influencing factors for (further) developing the potential of this employment form. To share employees successfully, companies must be open to cooperating with other regional firms, and there is widespread opinion that a collaborative spirit among businesses could be further developed through a number of initiatives. Again, existing business network structures could be used as a means of spreading information about the employment model, and information about examples of good practice can be helpful. Figure 5 shows how strategic employee sharing requires some form of medium to long-term strategic HR planning to ensure that the flagged HR demand is reliable and sustainable. For this, activities to familiarise smaller companies with simple-to-use HR planning tools that are not too time-consuming or costly, could contribute to a better use of strategic employee sharing.

Figure 5: Main challenges and policy pointers for (further) developing the potential of strategic employee sharing



Source: Eurofound

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Although standard employment is still dominant in European labour markets, an increasing range of new employment forms is emerging that differ in their implications for working conditions. This study explores strategic employee sharing, an employment form for companies that have specific HR needs that do not justify a permanent full-time position, but are often recurring, by hiring one or several workers who work on assignments, and whose skills and time are shared among a group of companies. These companies have joint responsibility and liability towards the shared workers who are ensured 'equal pay, equal treatment' with core staff. Yet in spite of the win-win potential of this employment form for both companies and workers, it is not widely known and only marginally used. This report explores the preconditions for a further spread of strategic employee sharing as well as its impact on employers and employees.

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