An agreement at the crossroads between competence management and vocational training

Veolia Environment (see the inset on page 2) quickly saw that the application of the new continuing vocational training reforms would provide the group with an opportunity of reinforcing its cohesion by linking together two aspects of its human resource management policy. The first aspect was the voluntaristic occupational training approach adopted a decade previously by the group with a view to improving the level of qualification of the staff in response to the increasing complexity of the occupations involved in providing environmental services. This was the purpose for which the internal vocational training centre known as the Institute for Urban Environments was originally created in 1994 to recruit young people as apprentices via a process of pre-recruitment: the Institute’s missions gradually came to include all the group’s continuing vocational training activities. This structure, which in 2003 became the Veolia Environment Campus, has contributed considerably to making the vocational training and professionalisation of its employees the key to the group’s whole human resource management policy. The second aspect, which has a more recent history, is the fact that the identity of the group is based on a predictive competence management approach intended to improve the quality of the services to users as well as making the firm a more attractive prospective employer, thus anticipating the forthcoming demographic downturn.

In this context, the management of Veolia Environment decided in 2004 to focus the first social negotiations involving the establishments implanted in France on the themes of professionalisation and competence management. The outcome was an agreement...
Veolia Environment: the Group

Veolia Environment is a multinational group implanted in more than 60 countries, which specialises in environmental services. In 2006, there were almost 300,000 employees on the payroll, 38% of whom are working in France, 34% in the rest of Europe and 28% in the rest of the world. The group came into existence officially under its present name in the year 2003. It consists of four divisions corresponding to four main fields of activity (see the table below). The four divisions include many firms differing greatly in size and status, several of which are long-established firms, such as Générale des Eaux, the oldest of them all, which was founded back in 1853. Many of the group’s activities are carried out by small companies employing anything from a dozen people to several hundreds: they include water processing units, waste management, cleaning services, energy management, and recycling.

### Divisions

<table>
<thead>
<tr>
<th>Activities</th>
<th>Water</th>
<th>Cleaning</th>
<th>Energy</th>
<th>Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing water distribution and processing services</td>
<td>Managing water distribution and processing services</td>
<td>Cleaning and waste sorting and recycling services</td>
<td>Energy- and climate-related services</td>
<td>Delegated management of public transport systems</td>
</tr>
<tr>
<td>Numbers employed in 2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>78 000</td>
<td>89 500</td>
<td>49 000</td>
<td>82 000</td>
</tr>
<tr>
<td>In France*</td>
<td>29 000</td>
<td>34 000</td>
<td>19 000</td>
<td>30 000</td>
</tr>
</tbody>
</table>

* These data do not include the staff at the group’s headquarters or the Veolia ENVIRONMENT Campus staff (amounting to 470 employees).

Source: Veolia ENVIRONMENT’s Human resource management department: the 2006 figures have been rounded off.

The agreement signed at Veolia Environment therefore goes beyond the objectives of the 2004 reform in terms of the changes of strategy to be made by the players involved and the tools mobilised. However, given the structural complexity of the group, the implementation of this project will certainly not be a straightforward task.

### Applying the agreement within a multifarious organization

During the first few months after the agreement was signed, the new system was promoted within the group mainly by the Human Resource managers, according to the classical top-down transmission scheme. An internal information campaign was carried out: a document was distributed outlining the terms of the agreement and explaining in detail how it was going to be applied; at the same time, many meetings were held at the companies belonging to the group. This top-down awareness campaign gradually familiarized the many entities in the group with the terms of the agreement. It may not have been assimilated by all the employees, but it has at least started to be applied in various ways, depending on the modes of organization and representation specific to each of the group’s divisions.

Veolia’s Water Division, for example, consists mainly of Générale des Eaux, which itself is composed of a large number of smaller companies. Social dialogue is facilitated in this division by the existence of an "Economic and Social Unit" (UES) in which all the trade union organizations to which the employees belong are represented. This Unit negotiates agreements at national level for a staff amounting to more than 15,000 employees. The composition of Veolia’s Energy Division is fairly similar, since it consists mainly of Dalkia France, which accounts for more than half of all the employees in this division.
On 4th October 2004, the management of the Veolia Environment group and all the trade union organizations to which its employees belonged signed an agreement "on the principles for developing competences and career advancement at Veolia Environment".

- In the preamble to this agreement, it is stated that "the development of the competences of Veolia Environment's employees is a requirement which stems from the very nature of the group’s activities", in which the accent is placed on the quality of the services provided. The agreement stipulates that since firms providing environmental services are more sensitive than others to labour market changes, it is particularly necessary that they should predict the competences required in the future.

- **Chapter I** defines general principles. Individual employees' career advancement within the group is to be favoured by promoting "true co-responsibility" for the development of competences, based on the "mutual commitment" of each employee and the employer.

  - The group undertakes to "promote employees' career advancement", via human resource management policies "giving priority to the diversification of each employee's competences in the framework of greater mobility within the occupational space occupied by the group". This involves making the career advancement possibilities available more legible for the group's employees.

  - In exchange, employees are expected to give priority to acquiring competences relating to the field of environmental services.

- **Chapter II** describes the means deployed for this purpose.

  - The group intends to promote the recruitment of new employees by pursuing efforts already launched on apprenticeship training lines, in particular.

  - It proposes to provide career path guidance and facilitate employees' decision-making about their careers by setting up a series of tools and procedures, including competence maps, personal assessment interviews, vocational training passports, competence assessments, and validation of acquired experience.

  - Employees' access to vocational training will be improved by introducing a system of "competence development contracts" for employees who want to evolve towards a different type of employment. These contracts between an employee and the firm will be based on "a project which has been accepted by the management [...] who examines with the employee what the prospects of advancement within Veolia Environment may be at the end of the contract". The beneficiary "will abstain from using previously acquired DIP rights to pursue projects other than vocational training ones".

  - The agreement should be applied at the various units of which the group is composed "taking their specificities into account", via consultations with staff representatives. Company agreements may possibly be signed at the end of this phase. Annual concertations focusing on the vocational training plan will provide an opportunity for specifying what actions will be taken by the firm to provide the various tools and procedures defined in this agreement.

- **Chapter III** deals with the modes of concertation and follow-up defined in the agreement. The agreement should be applied at the various units of which the group is composed "taking their specificities into account", via consultations with staff representatives. Company agreements may possibly be signed at the end of this phase. Annual concertations focusing on the vocational training plan will provide an opportunity for specifying what actions will be taken by the firm to provide the various tools and procedures defined in this agreement.

Lastly, a specific mutual scheme will be set up for managing part of the vocational training funds of the firms in the group, in order to "enhance the solidarity between the member firms of Veolia Environment".

Source: the agreement "on competence development and career advancement principles at Veolia Environment" signed on October 4, 2004. Summary by Céreq.

Configurations of this kind lend themselves particularly well to handling the negotiated application of the Veolia Environment agreement. Negotiations were initiated within a very short time and agreements signed in many cases, such as those reached at Générale des Eaux and Dalkia France by the second term of 2005.

The situation is very different in the group's other divisions. The main activity of Veolia's Cleaning Division is waste management, and this structure employs approximately 18,000 people. Veolia's Transport Division includes approximately 150 urban and interurban transport networks of various sizes in terms of the numbers employed, which range from 50 to 2000, and each of these networks is a separate juridical entity.

In the latter two divisions, social dialogue takes place at widely dispersed establishments, at which human resource management is handled variably and social relations are subject to tension. The application, if any, of the group agreement therefore less systematically takes the form of a local agreement. It generally has to be impelled by the management, which informs staff representatives about changes in the vocational training plan in the framework of normal consultation procedures.

After the group agreement was signed, the trade union organizations did not immediately grasp the opportunity of exerting pressure at shop floor level to open negotiations within the group via the companies' trade union sections. They seemed to feel that the application of the agreement was not their responsibility but that of the group management. In addition, they may have given priority to other matters such as wage bargaining and working conditions, which looked more urgent at the time.

The great differences in the way the agreement has been applied within the group seem to have been largely due to two main factors. First there is an external factor, which is the fact that social dialogue in France focuses strongly on the interface between the occupational branches and firms. Groups are therefore obliged to follow the same pattern. The second factor is an internal one: it stems from the fact that it is difficult for a group to communicate its predictive approach to human resource management to the grassroots operational units.

**The difficulty of setting up social dialogue within a group**

The first problem to arise with the application of the agreement was due to the incompatibility between the group's approach and the way social dialogue is traditionally organized in France, which privileges the occupational branch approach. It so happens that the group's activities involve about a dozen different branches. The trade union organizations are therefore having
to think up a new form of trade unionism for the group based on cross-communications between structures, which have so far relied on the various labour organizations to which the employees at each structure belong. It is worth pointing out here that the affiliated union representatives’ lack of response to the agreement no doubt reflects the difficulty they had in finding suitable modes of coordination. Only a few affiliated unions have managed to set up networks of staff representatives in the group’s four fields of activity for distributing and discussing the agreement.

The traditionally branch-oriented approach has also affected the funding of vocational training at Veolia Environment. To finance the implementation of its strategy, the group developed a special mutual scheme in the framework of the agreement, for managing vocational training funds while still keeping to the rules of the OPCAs (accredited social partners’ bodies collecting and regulating funds for training) of all the branches to which its divisions belonged. This decision placed heavy constraints on local vocational training budget managers, since it made them more dependent on the group’s objectives and less free than previously to pursue their own policies.

**The complex task of applying the agreement**

Applying the agreement also involves coping with another constraint: that of dealing with the gap between the group’s human resource management objectives and the local realities experienced by the managers on the field. These managers, who are often working in an SME environment, have to constantly make short-term compromises between the economic, commercial, managerial and human aspects of their activity. In fact, it is difficult for them to make medium-term human resource management predictions. Although they are well aware of the issues involved in providing employees with vocational training, they often feel that this should be their own prerogative and do not see the point of sharing with employees the responsibility for deciding what competences need to be acquired.

Under these conditions, the local social context contributes decisively to determining whether or not companies are willing to apply the principles set out in the group agreement. The most favorable ground for the agreement to take root is provided by units at which a human resource manager has regular discussions with staff representatives, and where agreements have already been negotiated on career management and vocational training matters; whereas firms with few human resource management staff, at which social conflicts frequently occur (mainly on wage-related issues), are less inclined to put the terms of the agreement into effect.

Even when the commitment of a local manager meets up with favourable social dynamics, there is one last obstacle to be overcome: that of developing appropriate managerial tools for applying the agreement and especially, for fulfilling the group’s commitment to giving priority to “the diversification of each person’s competences in the framework of greater mobility within the scope of their occupational group”. Designing tools such as maps of the skills required at the various divisions with a view to “giving career paths greater visibility” has turned out to be a more complex undertaking than it seemed. Developing tools of this kind while at the same time implementing the agreement makes it all the more difficult to appropriate the agreement.

The way in which Veolia Environment has responded to the challenge of the vocational training reforms has therefore raised questions about the point of the group’s social policy and its effects. The economic strategy on which this policy is based consists in shifting the emphasis placed on the environmental services provided, i.e. replacing the “price war” approach by a “quality war” approach, thanks to volunteeristic human resource management and vocational training policies. The way these policies are being applied shows what ambitious objectives they involve in terms of both the quality of social dialogue and the management of change, in a sector (the services sector) where competence management practices are not yet being applied to the same extent throughout.

Damien Brochier, Christophe Guitton, Agnès Legay and Julien Machado (Céreq)
The Statistical Branch Portraits (PSB) were recently updated, based on Unedic’s 2006 statistics (http://www.cereq.fr/PSB.htm). This update comprises the following data:

- more detailed information about the trends in the levels of qualification obtained by various socio-economic categories and by various broad age-groups,
- some indicators about apprentices, trainees and the beneficiaries of subsidized contracts.

The PSB include a series of “sectoral indicators” based on the various statistics available at public bodies and those published by Insee, Unedic, DARES and Céreq. They provide a standard overview consisting of a set of indicators, in which the nomenclature (that used in collective agreements) corresponds to the fields of activity of the occupational branches. They should provide a useful tool for discussions between the social partners and for initiating prospective procedures at the branches.
Le congé individuel de formation en Île-de-France : qui s’en empare et à quelles fins ?
[individual vocational training leave in the Île-de-France region: who benefit most and for what purposes?]

> Alexandra d’Agostino and Martine Möbus

_Néf no.26_, June 2007

Based on a survey conducted on the beneficiaries of individual vocational training leave (CIF) in the framework of the “Fongecif” training leave fund in the Île-de-France region, this issue of _Néf_ attempts to determine how employees decide to apply for training leave and what becomes of the trainees in the short term. The present beneficiaries’ initiatives were motivated by the desire for self-advancement: they wanted above all to make a change of occupation. Trainees’ perceptions differed considerably, however, depending on their status, i.e., on whether they were on steady employment contracts (CDI) or fixed term contracts (CDD) at the time when they applied for CIF. The beneficiaries of CIF who had only CDD contracts stated more frequently that they had applied for CIF for employment reasons, they were considerably younger than those with steady jobs, and most of them were non manual workers. Among the applicants for CIF who had steady contracts, four groups were defined, depending on the time spent on the labour market, as follows: the most senior applicants in this group were characterised by higher than average qualifications, executive status, and greater stability within the firm; applicants with 10 to 19 years’ seniority consisted of two sub-groups:

1) non manual workers and executives in their thirties and
2) technicians and supervisors;

the group of applicants with 5 to 9 years’ seniority also consisted of two sub-groups, which differed in terms of their projects:

1) non manual workers, technicians and supervisors with fairly high levels of qualification and stability, and
2) manual and non manual workers showing some mobility, working in sectors such as safety, transport, and the hotel and catering industry; the latter group, which consisted of beginners, included a high proportion of non manual workers and holders of higher educational diplomas, which suggests that the members of this group were over-qualified for the jobs they held, and that they were looking for other jobs corresponding more closely to their expectations.

✓ This publication is available at the Céreq bookstore or by mail order to Marie-Christine Antonucci, Céreq, 10, place de la Joliette, BP 21321, 13567 Marseille cedex 2.
Tel. 33 (0)4 91 13 28 89 - Fax 33 (0)4 91 13 28 80.
E-mail: antonucci@cerreq.fr.
Orders must be accompanied by payment (please include 4 € for postage and handling).
Contacts and being firmly integrated socially were found to be also important factors contributing to these young people’s chances of obtaining jobs and advancing, although these chances also depended on their educational capital and the region to which they belonged. Another common characteristic was the amount of occupational commitment, especially in terms of being willing to work at all hours. Family demands, especially at the arrival of a second child, tend to clash with this characteristic and affect people’s decisions about their work, often by tempering their career ambitions in the case of both men and women.

Ruptures et irréversibilités dans les trajectoires : comment sécuriser les parcours professionnels ?

XIVes Journées d’étude sur les données longitudinales dans l’analyse du marché du travail

[Interruptions and irreversible turns in occupational paths: how to make occupational paths safer? The XIVth. Meeting on the use of longitudinal data in labour market analyses]

> Jean-François Giret, Yvette Grelet, Christophe Lavialle, Joaquim Timoteo et Patrick Werquin (editors)

Relief no. 22, July 2007

The authors of many studies focusing on topics such as employment contracts, transitional labour markets, flexsecurity and lifelong learning have been ringing warning bells about the need to make mobility on the labour market safer. The real risks to which employees are exposed lie mainly in interruptions which break up their career paths and the irreversible situations to which they may lead. Making career paths safer might therefore consist in making sure at every turn in the trajectory that the situation continues to be reversible. Under these conditions, the motto “mobility risk knowledge” might well serve as the basis for new wage agreements satisfying both employers’ need for flexibility and individuals’ need for security. This was the idea it was proposed to explore at the XIVth. meeting on the use of longitudinal data, which was held at the Orléans Economics Laboratory, one of Céreq’s Associated Centres. This theme was addressed at this meeting in terms of three questions: the first was about the kind of occupational interruptions liable to occur and what causes them; the second question was about how interruptions can perturb pathways while shaping them at the same time; and the third question was about how the public authorities as well as firms and employees themselves might contribute to introducing the idea of ensuring that the states and events occurring during occupational itineraries are reversible. This issue of Relief includes the 33 papers presented and discussed at this meeting.
Une rédéfinition des politiques de formation. Le cas de l’apprentissage dans les grandes entreprises
[Redefining vocational training policies: the case of vocational training at large firms]
> Prisca Kergoat
The social factors which used to predominate in the framework of vocational training schemes have now become just one of the aspects of vocational training, along with competence and knowhow. This change has resulted not only from the codification of training and work in terms of competences, but also from policies promoting contracts between large firms and the French educational system and regions. These changes have contributed to transforming vocational training into an experimental arena.

En quoi la compétence devient-elle une technologie sociale ? réflexions à partir de l’expérience québécoise
[How is competence becoming a social technology? Some reflections on the Quebecker experience]
> Sylvie Monchatre
Vocational and technical training has become an ideal arena for testing curricula designed on “competency-based education” lines. The “social technology” which has thus developed in Quebec has led to the professionalization of vocational training courses by placing the emphasis on pupils’ participation in apprenticeship situations. It has also led to defining the competences required in terms of technical procedures, which has actually strengthened the role of those involved in forging links between training and employment.

“Jeunes vendeurs” contre “vieux techniciens”, des compétences spécifiques ou des trajectoires divergentes ?
[“Young salesmen” versus “old technicians”: specific competences or divergent trajectories?]
> Guillaume Huyez-Levrat
The author seeks to explain the antagonism between “young salesmen” and “old technicians” at three large firms in the services sector. The divides observed in these employees’ work practices were not found to depend on their age but on the ability to have the relevance of their competences recognized and on their ability to cope at firms where the hierarchy of occupational specialities and the modes of management of occupational paths have been redefined.